

CITY OF MELBOURNE, FLORIDA
CITY COUNCIL BUDGET WORKSHOP MEETING MINUTES
AUGUST 1, 2000

A workshop meeting of the City Council was held in the City Hall Council Chamber, 900 E. Strawbridge Avenue, and was called to order at 7:30 p.m. by Mayor John A. Buckley.

All present gave the Pledge of Allegiance to the Flag of the United States of America.

The following members and officials were:

Present:	John A. Buckley	Mayor
	Ed Palmer	Vice Mayor, District 2
	Richard Contreras	Council Member, District 1
	Pat Poole	Council Member, District 3
	Grace Walker	Council Member, District 4
	Cheryl Palmer	Council Member, District 5
	Loretta Isenberg-Hand	Council Member, District 6
	Henry J. Hill	City Manager
	Paul R. Gougelman, III	City Attorney
	Cathleen A. Wysor	City Clerk
	Bud Emerson	Assistant City Manager
	Karen Windsor	Budget Officer
	Amy W. Elliott	Director of Finance
	Michele Ennis	Assistant Finance Director

COUNCIL ACTION RE: City Manager's proposed 2000-2001 Budget.

Mr. Hill provided an overview of the proposed budget. He reviewed property valuations (1981 – 2001); new growth as a percentage of the valuation; new growth for FY 1997 – 2001; yearly residential construction; millage rates over the last 20 years; Undesignated Fund Balance; and the General Fund multi-year revenue and expenditure projections spreadsheet.

Mr. Hill added that the City Manager transmittal letter in the front of the preliminary budget provides a great deal of detail. And, the package distributed Friday outlines several revisions recommended since the preliminary budget was distributed.

Mayor Buckley asked each Council Member to make general comments on the budget. Council Member Contreras stated that the budget was well done, extremely thorough, and easy to follow. He noted that he has several questions on the Police Department budget.

For information, the following is from the transmittal letter: The Police Department has recommended approval of a "ready car plan." The ready car plan would increase the number of police vehicles. There are three options that would increase the fleet size from its current 49 vehicles to 65, 78, or 111. The benefits of the ready car plan include increased visibility during the three shift change periods in a 24-hour work period. The Police Department calculates a gain equivalent to four police officer hours due to officers being able to go directly in service, avoiding the changeover time of the vehicles from officer to officer. Other benefits include added exposure of vehicles traveling to/from work, accountability of equipment, and recruiting benefits.

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The 1:1 plan would increase the size of the fleet to 111 vehicles plus 22 annual replacement vehicles required. The fleet would increase by 62 vehicles over a three-year period. Grant funding for 16 vehicles may be available from two years of the Local Law Enforcement Block Grant allocations. Additional costs for a full ready car plan are estimated as follows:

<i>Additional Operating Expense</i>	\$ 461,207
<i>Additional Capital Outlay</i>	<u>1,178,353</u>
<i>Additional Cost</i>	\$1,639,560

The preliminary budget provides for a modified 2:1 plan, which will increase the patrol fleet to 65 vehicles. The modified plan would allow direct assignment of certain special need vehicles and 2:1 assignment for most of the other officers. This plan would require an increase of 16 vehicles as follows:

<i>Used vehicles</i>	11	<i>Held out of auction pending approval</i>
<i>Purchase</i>	5	<i>Funds included in Police Capital Outlay Schedule</i>

The cost of acquiring the 16 vehicles needed to support the modified 2:1 plan is as follows:

<i>Additional Operating Expense</i>	\$ 76,840
<i>Additional Capital Expense</i>	<u>170,585</u>
<i>Additional Cost</i>	\$ 247,425

In order to increase the fleet to 78 to meet the full 2:1 plan, 29 additional vehicles are needed (purchase 13, hold 11 used vehicles from auction, and provide for 14 replacement vehicles in 2000-20001 instead of 9). The possibility exists for the cost of eight vehicles to be offset by funds from Local Law Enforcement Block Grant. The full 2:1 plan would require the following:

<i>Additional Operating Expense</i>	\$ 166,832
<i>Additional Capital Expense</i>	<u>694,877</u>
<i>Additional Cost</i>	\$ 861,709

Mayor Buckley recommended that staff proceed with a presentation on the ready car plan since most of the members probably have questions on this.

Chief Keith Chandler reviewed the ready car plan with Council. In addition to the numerous benefits of the program, he outlined several reasons for not adopting the plan, including:

- Cost.
- Union issues. The Chief reported that the PBA membership recently agreed by a 96 to 3 vote to waive the take home plan as a contract issue.
- Officers living outside the city. Chief Chandler stated that several options are available, including assigning vehicles to personnel residing within the city first, requiring officers to

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live in the city if they are assigned a take home car, or establishing a radius from headquarters within which officers must reside to have a vehicle.

- Potential misuse. There is a very low incidence of abuse now and with the car assigned to the officer, accountability would increase.

In response to Council Member Walker, Mr. Chandler stated that while researching the issue, they could not come up with a comparison of cities the same size as Melbourne with a take home car plan. Mrs. Walker asked if the PBA agreement is binding. Mr. Chandler replied that it would be until the city agrees to negotiate it away.

Mrs. Walker expressed concern that this plan would increase maintenance costs. She asked for an explanation on how those costs would actually decrease. Chief Chandler stated that he realizes the cost of gas would increase, but studies have shown that any increase in gas would be offset by a decrease in maintenance costs. He explained that currently the vehicles are operated 24 hours per day. The 2:1 plan would reduce the mileage on a vehicle by approximately 50%.

Council Member Hand noted that the officers would be using the vehicles for personal use (driving to/from work). She asked if they would be required to purchase the gas and oil. Mr. Chandler replied that they would follow current policy, which prohibits personal use of vehicles. Additionally, the officers would not be required to purchase their own gas and oil.

Mrs. Hand stated that she believes requiring officers to live within the city would create a financial problem – especially for the employees who are buying their homes. The Chief disagreed and noted that more of our new officers are locating in the city. He added that he believes the officers who live outside the city would move into the city in order to have a vehicle. As of this date, he stated that at least 50% of the officers live within the city.

Mrs. Hand asked the Chief which plan he could live with. Chief Chandler replied that he realizes the cost is heavy for the full plan. The modified 2:1 plan would get them almost where they need to be and he would be very happy with approval of that plan.

Council Member Cheryl Palmer asked how many police personnel have take home cars now. The chief said 30-35 vehicles are taken home now.

Following a brief discussion, Major Torpy explained that the average life of a vehicle not driven home is 30 – 36 months. A vehicle that is taken home lasts approximately five years. Chief Chandler added that increasing the life to five years is the economic benefit of this plan.

Mrs. Palmer said the assumption is that this will be the officer's private vehicle. The Chief replied that an officer would not be able to take the vehicle on vacation, drive their family around, etc. Mrs. Palmer stated that although the Chief has stressed that the union has agreed to not consider this as a benefit, it will be a benefit. And, if the program is ever taken away, it will be viewed as punitive action against the department.

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In response to Mrs. Palmer, Chief Chandler clarified his statement about accountability. He said that the city has a tremendously low incidence of abuse of equipment by personnel, but sometimes it happens. He added that accountability results when a person has ownership.

Vice Mayor Palmer stated that a police car parked in a driveway is a deterrent to crime; however, the controlling factor is the dollar. He asked the Chief to elaborate on an earlier statement that the purpose of the Police Department is to displace crime – not prevent crime. Mr. Chandler discussed the element of policing that involves the omnipresence of police patrols.

Mr. Palmer asked the Chief to explain how implementation of the car plan would be equivalent to four police officers. Chief Chandler explained that currently one-half hour before shift and prior to shift end, officers transfer gear to/from their personal vehicles. This time, along with the time officers are waiting at the station because vehicles are not available, results in lost hours each day. They calculated that in a one-year period (with the full ready car plan), the time would equal four police officers.

A brief discussion followed regarding the personal use of the vehicles and the operational costs with increased tires, gas, etc. Mr. Hill confirmed that the full operating costs have been projected and are included in the figures (outlined above).

Mr. Contreras said he believes there are benefits to the ready car plan. He asked for information about cities that had a take home car plan but then pulled the plug. The Chief responded that Indianapolis, the first city to have such a plan, eliminated that plan in late 1970 or 1980 due to a union management issue. The other city he is aware of is Cocoa Beach and he suspects they eliminated the plan because of financial reasons.

Mr. Contreras referenced the Chief's statement that six of the 11 cities in Brevard County (with a police force) have the ready car program. He asked the millage rate of those six. Mr. Hill said they all have higher millage rates, with the exception of the county MSTU, which is approximately the same as Melbourne.

Mrs. Poole said that when this idea was presented in 1997, Council indicated at that time how it felt about the program. She pointed out that the Police Department has the biggest piece of the budget. She added that maintenance and gas costs will rise with this plan and noted that she asked some time ago for a list indicating exactly how many officers live in the city. She believes officers want to work here because of our force – not because of a take home car plan. Mrs. Poole stated that she does not believe a parked police car will be a deterrent to crime. Citizens get upset when they see parked police cars. She concluded by saying we are not quite ready for this plan and encouraged Council not to rush the decision.

Recessed: 8:55 p.m.
Reconvened: 9:06 p.m.

Council began their review of the budget. The totals reflect changes provided to Council in a memorandum dated July 28.

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GENERAL FUND

Revenues: \$ *38,851,596

*New total following Council's action. Elimination of the modified ready car plan for the Police Operations increases the number of vehicles available for sale at the auction by 11. Estimated auction revenue is \$49,500 resulting in an increase to the General Fund Revenues.

Expenditures:

Mayor/Council \$ 112,808

City Attorney \$ 296,274

Mr. Hill confirmed for Mr. Palmer that the rates for outside legal services have increased; however, there will be a decrease in this budget because outside services are being used less.

City Manager \$ 226,297

Mrs. Walker noted that the proposed salary for 2000-2001 is the same as the current year. Mayor Buckley explained that Council has not yet conducted the City Manager's review.

City Clerk \$ 268,520

Management Services Administration \$ 392,182

Purchasing \$ 229,705

Public Information \$ 114,387

Personnel \$ 309,692

Finance Accounting \$ 897,193

Revenue \$ 340,664

Recreation \$ 1,208,043

Pools Operations \$ 172,263

Melbourne Auditorium \$ 362,296

Eau Gallie Civic Center \$ 338,372

Grant Street Community Center \$ 396,610

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Lipscomb Park Community Center \$ 258,586

Responding to Mrs. Palmer, Mr. Hill said this park has its own budget because it is a park operated on county property. The county contributes a portion each year to offset the costs. The proposed budget includes a \$76,000 payment from the county.

Parks Maintenance \$ 1,757,471

Cemeteries \$ 102,415

Mr. Palmer requested that this budget include a cost for a mausoleum for cremains. He noted that it could be constructed at a minimal cost and would be beneficial. Mrs. Kise confirmed that there is limited space available. Staff looked at this a few years ago; however, it was Council's decision at that time not to expand. The research has already been done. Mr. Hill stated that the information will be updated and returned to Council.

Police Administration \$ 1,022,571

Police Operations \$ *7,972,419

*New total following Council's action. Decreases totaling \$197,925 following removal of modified ready car plan.

In response to Mrs. Palmer, Major Torpy stated that only the in car computers would be affected (on the capital outlay schedule) by not having the ready car program. The radios listed are part of a regular replacement.

Mrs. Hand asked if the 2:1 plan included in the budget would result in the equivalent of four police officers. Mr. Hill said that figure was based on the full plan. The modified plan would provide a portion of that.

Discussion followed regarding replacement video cameras in the police cars.

Mrs. Poole said she does not recall voting for the modified ready car plan. She asked if the fleet had to increase from 49 to 65. Mr. Hill said it is clear from past discussion that Council did not favor the full ready car plan. In preparing the budget, it became clear that there are a number of benefits from increasing the size of the fleet because of the problems they are experiencing. The budget includes the best plan with the resources we have while balancing other priorities.

Mrs. Poole stated that her questions were not answered on the number of officers who live outside the city and a report on the cities where the ready car plan did not work. Mr. Hill said approximately 50% of the officers live outside the city. He added that staff has tried to provide all the information within reason.

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Mayor Buckley stated that we have provided the Police Department with the newest facilities in the city and furnished as many officers as possible. He is opposed to the ready car plan because of the cost, maintenance, and fuel and would like us to remain where we are. Also, he said he has a feeling that this will end up being a work benefit for members of the union. He recommended that the funding be pulled and placed in Contingency.

Mrs. Palmer asked why the modified plan did not include the possibility of grant funding. Mr. Hill explained the options and noted that grant funding could probably be obtained for all three options.

Mrs. Palmer said that twice Council has said it does not want the ready car plan. She was surprised to see this included in the budget. She noted that again, Council is getting only the upside of an issue.

Mrs. Hand stated that the program should be considered because we would get better use of cars over a longer period of time. In that sense, this would be a cost savings.

Mr. Hill said staff has been very clear about the costs. Staff's report shows clearly that the down side is the cost.

At this point, a motion was made to remove the ready car plan from the budget and place the funds in Contingency. Mr. Palmer stated that he believes it is premature to take this action without having a discussion on the whole budget. The motion was withdrawn (and restated later – see below). Mrs. Palmer agreed and said there are a few things that didn't come up in the discussion. Mrs. Walker agreed and said she would rather not vote on this tonight. Mayor Buckley said Council has to approve a millage rate and if items are postponed, we won't meet the deadline. He stressed that by placing the money in Contingency, Council will have the option to return.

Moved by Poole/Buckley to remove the ready car plan from the budget and move the funds to Contingency.

Mayor Buckley said this will provide Council with the option of adding vehicles within the dollars. Mrs. Walker asked how much was moved to Contingency and the Mayor replied \$247,425.

The question was called. The roll call vote was:

Aye: Contreras, Poole, Walker, C. Palmer, and Buckley

Nay: Hand and E. Palmer

Motion carried.

For clarification, Mrs. Walker asked if the ready car plan can be revisited and the plan that is in the budget adopted if this is moved to Contingency. Mayor Buckley replied yes and said the money is in Contingency. Mrs. Walker said she feels the number of vehicles needs to be increased, but she needs more information.

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Police Investigations	\$	3,096,289
Police Support Services	\$	2,101,959
COPS MORE GRANT	\$	79,273
DUI Grant	\$	47,625
Fire Administration	\$	462,048

Mr. Palmer asked what has been done to provide a fire station on the beachside. Mr. Hill said a number of firefighter positions were added last year to make up the eighth engine unit. He and Chief Chamberlin plan to meet with the county chief and the county manager to discuss Melbourne having a regular presence on the beachside.

A brief discussion followed. Mr. Palmer asked for regular updates on this issue.

Fire Emergency Medical Services	\$	174,668
Fire Operations	\$	6,947,842

Mr. Hill and Chief Chamberlin assured Mrs. Palmer that the rescue vehicles listed on the capital are not for the transport of patients.

Code Compliance	\$	1,632,634
Engineering	\$	823,833
Streets & Stormwater Management	\$	2,330,274
Signage Services	\$	*213,552

*New total following Council's action. Increases totaling \$32,100 following the addition of a Sign Shop Technician.

Facilities Maintenance	\$	*621,995
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*New total following Council's action. Increases totaling \$28,765 following the addition of a Maintenance Repair Worker.

Mr. Palmer referenced the number of facilities this division is responsible for maintaining. He noted that preventive maintenance is a frugal way of maintaining our facilities and recommended the Maintenance Repair Worker (from the unfunded list) be funded. Mr. Hill said that the estimated cost is \$28,765. Mrs. Poole recommended Council finish review of the budget and then return to the unfunded needs.

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Solid Waste Management	\$	123,640
Planning & Zoning	\$	394,536
Business and Neighborhood Services	\$	57,828
Non-Departmental	\$	*2,964,832

*New total following Council's action.

Total General Fund Expenditures	\$	*38,851,596
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*New total following Council's action.

Mrs. Poole referenced the "grants in aid" section of the General Fund Non-Departmental and questioned the \$10,000 budgeted for the Brevard Museum of Art and Science. She stated that when Council previously funded this, she thought it was on a one time basis. Mr. Hill replied that the museum presented this as an operating subsidy.

Moved by Poole/Buckley to eliminate the funding for the Brevard Museum of Art and Science based on the previous donation being one time only.

Mrs. Walker recommended that the funding be set at \$5,000 rather than totally eliminating the item from the budget. This would place \$5,000 in Contingency for other uses.

Mr. Palmer stated that this organization works hand in hand with the Eau Gallie Civic Center providing a good service to the citizens of Melbourne. He sees no reason to modify the funding.

Mr. Contreras pointed out that typically arts are hit first in a budget. He agreed that the museum provides a good service, especially to the children, and recommended the funding continue at its current level.

Mrs. Poole said they are doing a lot for the children in that area; however, there are many children who cannot be transported to the museum who do not benefit.

Moved by Poole/Buckley to amend the motion by providing for a \$5,000 donation. The question was called on the motion, as amended. The roll call vote was:

Aye: Poole and Buckley

Nay: Contreras, Walker, C. Palmer, Hand, and E. Palmer

Motion failed.

Mayor Buckley announced that the funding will remain at \$10,000 as proposed in the budget.

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Mr. Hill referenced the letter dated July 28 from Jerry Brees, Executive Director, Henegar Center, requesting \$30,000 to assist with programs. This is in addition to the \$50,000 in the Downtown Redevelopment Fund budget for capital programs and \$50,000 from a 1997 match for a grant. The Henegar Center did not make the application in 1997; therefore, the \$50,000 is still available. The \$30,000 request is considered an operating subsidy.

Mrs. Poole stated that the funding is not coming from the General Fund, it is coming from redevelopment funds for the Downtown area. She referenced the programs the Henegar Center has planned and recommended the amount be increased to \$50,000.

Mr. Hill explained that the two capital items (\$50,000 and \$50,000) are included in the redevelopment fund. However, the operating subsidy (\$30,000) would have to come from the General Fund. Mrs. Poole again expressed support for increasing the subsidy to \$50,000.

Mrs. Hand expressed support for providing the \$30,000 as requested. Mrs. Palmer asked if this would be a one year commitment. Mayor Buckley commented that they never seem to be one year commitments.

SPECIAL REVENUE FUNDS

Revenues and Expenditures:

Downtown Redevelopment District	\$	308,085
Babcock Street Redevelopment District	\$	114,005
Housing and Community Development	\$	412,060
Community Development Block Grant	\$	736,000
HOME - Housing Assistance Program	\$	248,601
SHIP-Housing Assistance Program	\$	450,060
Local Option Gas Tax	\$	2,040,114
Transportation Impact Fees	\$	1,028,000
Total Special Revenue Funds	\$	5,336,925

At this point, Mayor Buckley said there are unresolved issues including discussion of the Facilities Maintenance Repair Worker (\$28,765) and a request from the Henegar Center (\$30,000). Mrs. Hand pointed out that Signage Services also needs a Technician (\$34,100) because of the increase in special events.

Moved by Poole/E. Palmer to fund the Facilities Maintenance Repair Worker at \$28,765.

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Mayor Buckley said this position was unfunded because someone on staff did not feel we needed it right now.

The question was called. The roll call vote was:

Aye: Contreras, Poole, Walker, C. Palmer, Hand, and E. Palmer

Nay: Buckley

Motion carried.

Moved by Hand/Contreras to fund the Sign Shop Technician at \$34,100.

Mr. Hill said this budget includes additional funds for overtime. The net cost can be reduced because with the additional employee, there will be a reduction in the overtime.

The question was called on the motion, which includes a reduction due to overtime. (The figure was later verified to be \$32,100.) The roll call vote was:

Aye: Contreras, Walker, C. Palmer, Hand, and E. Palmer

Nay: Poole and Buckley

Motion carried.

Moved by E. Palmer/Hand to approve a \$30,000 subsidy for the Henegar Center on a one time basis. The roll call vote was:

Aye: Contreras, Poole, Walker, C. Palmer, Hand, E. Palmer, and Buckley

Nay: None

Motion carried unanimously.

Mayor Buckley said these three actions added \$90,865 to the budget. Since a source was not identified, he assumed Contingency was the source.

Recessed: 10:38 p.m.

Reconvened: 10:49 p.m.

Note: Based on the memorandum distributed with the package and Council's action at this meeting, the total General Fund budget is now at \$38,851,596 and the amount in Contingency is \$280,611.

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Mayor Buckley proposed that the millage rate remain as is (4.5228). He said this amount can be reduced; there are still two public hearings to be held.

Moved by Buckley/Poole to set the millage rate at 4.5228.

Mrs. Walker stated that if we keep spending money and don't build up our (Undesignated) Fund Balance, we are going to be in trouble. The city's valuation has increased for a couple of years, however, that will not continue. She expressed concern about the city's economic health two years from now and said she is not sure she is ready to vote on this. She added that Council did the Police Department a disservice by not adding vehicles.

Mayor Buckley stated that Council has until September 30 to make up its mind on the Police Department budget. Under the proposed budget, our Undesignated Fund Balance is estimated at 5.2% and the City Manager has estimated that the current millage rate will carry us for the next few years.

Mr. Hill said that based on the information that we know at this point, the city will be able to continue funding its obligations at the current millage rate.

Mr. Palmer agreed that 4.5228 mills gives the city the flexibility it needs. Mr. Hill clarified that Council is obligated to provide the Property Appraiser with the proposed millage rate by August 4. This will be included on the TRIM notices calling for the September public hearings. At this point, the rate adopted will be the maximum that can be adopted.

Mrs. Walker said she is concerned about our revenues and whether they will continue to increase. She also expressed concern that a disaster could deplete our reserves.

Mrs. Palmer said holding off decreasing the millage rate only provides the flexibility to spend more money. The proposed millage rate included over \$247,000 for the ready car plan and even with that, we were able to have 5.2% in reserve. She stated that she would support the roll back rate for these reasons.

The question was called. The roll call vote was:

Aye: Contreras, Poole, Walker, Hand, E. Palmer, and Buckley

Nay: C. Palmer

Motion carried.

Moved by E. Palmer/Walker to establish September 5 and September 20 as the budget public hearing dates. Motion carried unanimously.

ADJOURNMENT

Moved by Hand/Walker to adjourn. Motion carried unanimously.

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The meeting adjourned at 11:00 p.m.

City Clerk – 8/9/00

Approved by Council: _____