

CITY OF MELBOURNE, FLORIDA
CITY COUNCIL BUDGET WORKSHOP MEETING MINUTES
AUGUST 3, 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
	Michele Ennis	Assistant Finance Director

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

Mayor Buckley summarized the action taken by Council at the August 1 meeting. City Council approved a preliminary millage rate of 4.5228; did not approve \$247,425 for the modified 2:1 police ready car program and moved that money to Contingency; approved an additional Facilities Maintenance Repair Worker at \$28,765; approved an additional Sign Shop Technician at \$32,100; and authorized a one-time grant of \$30,000 to the Henegar Center. The action resulted in a Contingency balance of \$180,611.

Mayor Buckley stressed that he is not suggesting the following, rather he is simply listing the options available to Council:

- Reduce the millage to the roll back rate and still have approximately \$53,600 remaining.
- Provide some additional police cars. However, at a minimum, Council should consider authorizing the Police Department to try to obtain some additional cars with grant funding.
- Consider other unfunded needs.
- Return all \$180,611 and reduce the millage below the roll back rate.

Mayor Buckley asked Council to consider these options between now and the September 5 public hearing. He stated that he will be asking Council to revisit the Henegar Center grant at

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that time because historically, Council has not given more than \$10,000 to an organization. Regarding the Police Department budget, the Mayor said he would like staff to explore the use of smaller cars, which can be obtained for a lesser cost.

Mrs. Hand asked if a cheaper police car would be as safe. The Mayor replied that Palm Bay is running smaller cars; the Police Department should at least investigate. Mrs. Poole stated that a larger, heavier car is needed for a police pursuit. The Mayor replied that the radio is the best equipment to use during a pursuit. Mr. Palmer said another option would be to use the smaller cars for the Community Service Officers.

Council concurred with the City Manager investigating grant funding and the use of different vehicles prior to the first public hearing.

Mrs. Walker noted that although we have the ability to maintain our current level of revenues for the next few years, we have not provided for a potential disaster. Mr. Hill agreed that the current projections show some ability to maintain our current levels of service. He stressed, however, that we have some large items that are going to have to be addressed, including replacing or upgrading City Hall, concerns about the Auditorium, and consideration of an eighth fire station. These items are not contemplated in the five-year projections.

Mrs. Hand recommended Council establish the workshop date to review the City Hall Study. Mayor Buckley recommended Council establish the date at the August 8 meeting.

Mrs. Walker again noted that we need to look beyond two years for planning. She recommended the millage rate remain and added that Council turned a deaf ear to our Police Chief. She said she voted for the funds to go into Contingency (at the August 1 meeting) based on the assurance she received that the money would be available if/when we needed it for the Police.

Mr. Hill suggested Council establish a reserve for unfunded future capital needs if the desire is to not use the additional \$180,000 for operating expenses. Also, another option would be to pay down the debt service.

Mrs. Palmer stated that it is possible that we are not going to enjoy the revenues of our current tax rate beyond two years. For that reason, we need to ensure that we can fund over the long run new programs with on-going costs. It is harder to take away something when it becomes a part of the program. Mrs. Palmer asked Council to consider whether or not we want to continue the expense of maintenance on the Auditorium. It is not paying for itself and she would like input from other members and the Leisure Services Director on possibilities.

Mr. Contreras referenced the 10-year history of the Melbourne Auditorium Revenues/Expenditures and noted that the Auditorium has been consistently operating in the red. He added that although the services are meaningful, perhaps the facility has outlived its usefulness. He noted other venues available for the orchestra and band (Eau Gallie Civic Center, Florida Marketplace, etc.) and said that perhaps the city could pick up the cost of a two-hour engagement.

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Mr. Palmer stated that he was under the impression Council had not completely forgotten the Police Department's request. He still thinks it is an option and that Council should consider the request in a modified way. Regarding the Auditorium, he noted that the building will need a new roof soon. Additionally, there are some large expenses that will need to be considered in the next decade, including the location of a beachside fire station.

Mrs. Poole asked for a report on everything that has been spent on City Hall lately to bring it up to date. She added that there is nothing wrong with the current building. She agreed that the Auditorium hasn't made money and it is expensive; however, we are supposed to provide these services. She cautioned against jumping too quickly on the ready car program and agreed that the next two – three years will be crucial to the economy. She recommended the millage rate remain as set and concluded by saying Council needs to go with the budget as nearly as it can because a lot of thought has been given to the budget.

Mayor Buckley again asked Council to consider these issues between now and the September 5 public hearing.

WATER & SEWER FUND

Revenues: \$ 30,331,288

Mr. Hill reported that it appears we will be able to issue bonds to support the construction of the water treatment facility without a rate increase. The revenues are based on the existing rate structure.

Expenditures:

Utility Billing & Collection \$ 1,019,802

Utilities Administration \$ 459,708

Water Operations \$ 425,096

Water & Sewer Customer Services \$ 657,755

Mr. Hill reported that as the result of a workers' compensation case, a contractual employee was used in this division. That turned out to be effective and staff would like to continue this on a position by position basis. Mr. Hill stated that he is not recommending the entire activity be contracted out. Contracting does not result in a substantial amount of savings compared to the risk involved with this vital component of the utility system revenue stream.

Water Production \$ 6,118,128

Water Distribution \$ 2,144,898

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Environmental and Community Outreach \$ 85,030

Mrs. Palmer asked if it was absolutely necessary to spend \$85,000 on this program, especially when there are state programs and private organizations providing the same service. She added that she believes the program is nice, but the money could be better spent elsewhere. Additionally, she pointed out that this budget has increased \$4,800 since last year.

Mr. Hill said that under our Consumptive Use Permit, we are obligated to provide a water conservation function. He added that additional money has been set aside for the toilet rebate program, a new environmental brochure, and radio/television advertisements. He confirmed for Mrs. Palmer that we are not required to do television ads. Mr. Hill explained how the conservation material is used.

Mrs. Palmer stated that she would like to set a reasonable amount and have this budget operate within that parameter.

Mr. Palmer disagreed with reducing the budget and noted that this program reaches all the customers of our water system – not just Melbourne residents. The increase in population warrants continuation and we have benefited a lot of people in low income areas. Mrs. Poole agreed that this is probably one of the most important programs we have; people must be taught conservation.

Discussion continued.

Mr. Hill said the argument could be made that the conservation program pays for itself. The volume of water being demanded from the system hasn't grown, which means the size of the facilities don't have to be enlarged to the size originally projected. This is not just because of this position; however, the position has been helpful.

Mrs. Palmer agreed that conservation and education are important; however, she noted that the brochure would probably fulfill our obligation. She stressed that she does not want to eliminate an employee who has done an excellent job; however, any budget that has increased 40% since the 1997-98 budget should be looked at seriously.

Following a brief discussion, Council concurred with the budget remaining as presented.

Wastewater Collection	\$	1,915,941
Wastewater Treatment	\$	3,620,178
Non-Departmental	\$	13,884,752
Total Water & Sewer Expenditures	\$	30,331,288

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STORMWATER UTILITY FUND

Revenues:	\$ 1,069,277
Expenditures:	\$ 1,069,277

GOLF COURSES FUND

Revenues:	\$ 2,507,152
Expenditures:	
Melbourne Golf Course	\$ 1,133,589
Harbor City Golf Course	\$ 1,227,252
Non-Departmental	\$ 146,311
Total Golf Course Expenditures	\$ 2,507,152

DATA PROCESSING FUND

Revenues:	\$ 1,054,992
Expenditures:	\$ 1,054,992

FLEET MANAGEMENT FUND

Revenues:	\$ 1,656,807
Expenditures:	
Fleet Management	\$ 945,307
Fleet Management Inventory	\$ 711,500
Total Fleet Management Expenditures	\$ 1,656,807

INSURANCE FUND

Revenues:	\$ 2,728,726
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Expenditures:

Workers' Compensation	\$ 1,632,534
Risk Management	\$ 1,025,622
Employee Health Services	\$ 70,570
Total Insurance Fund Expenditures	\$ 2,728,726

CAPITAL IMPROVEMENT FUND

Revenues: \$ 12,880,750

Expenditures : \$ 12,880,750

In response to Mrs. Poole, Mr. Hill said he would provide additional information on why we are proposing to replace the fence at the Line Street Cemetery. Mrs. Poole expressed concern that this is not a city cemetery; it is privately owned.

At this point, Council briefly discussed the five-year capital improvement program listed in Appendix II of the budget.

Moved by Poole/C. Palmer to adjourn. Motion carried unanimously.

The meeting adjourned at 8:52 p.m.

City Clerk – 8/16/00

Approved by City Council: _____