

CITY OF MELBOURNE, FLORIDA
MINUTES – REGULAR MEETING BEFORE CITY COUNCIL
FEBRUARY 26, 2002

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

1. Pastor Edie Martinez, New Beginnings Worship Center, gave the invocation.
2. All present gave the Pledge of Allegiance to the Flag of the United States of America.
3. Roll Call.

Present:	John A. Buckley	Mayor
	Loretta Isenberg-Hand	Vice Mayor, District 6
	Richard Contreras	Council Member, District 1
	Ed Palmer	Council Member, District 2
	Pat Poole	Council Member, District 3
	Grace Walker	Council Member, District 4
	Cheryl Palmer	Council Member, District 5
	Henry J. Hill	City Manager
	Paul R. Gougelman, III	City Attorney
	Cathleen A. Wysor	City Clerk
	Bud Emerson	Assistant City Manager
	Peggy Braz	Planning and Economic Development Director

4. PROCLAMATIONS AND PRESENTATIONS

Mayor Buckley presented the following proclamations:

Florida Student Nursing Week, February 24 – March 2, 2002 and Nursing Student Day, February 27, 2002; accepted by Shannan Baker, BCC Nursing Student.

Irish-American Heritage Month, March 2002; accepted by Ed Kelly, Ancient Order of Hibernians of America.

Mayor Buckley awarded the following Beautification Awards:

Most Improved for 2001 – Sutton Properties, 100 N. Babcock Street; accepted by Fred Sutton.

Best Overall for 2001 – Crane Creek Inn, 907 East Melbourne Avenue; accepted by Bob and Gillian Schearer, owners.

5. APPROVAL OF MINUTES - Regular Meeting – February 12, 2002

Moved by Walker/Hand for approval. Motion carried unanimously.

6. CITY MANAGER'S REPORT

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Mr. Hill reported on the following:

- High School Government Day was very successful on February 22 – over 150 students attended. Because of the rain, the community portion in the afternoon was restricted; however, the plan is to continue the community presentations next year.
- The dedication of the new surface water treatment plant was conducted on February 25. The new plant is working well.
- An update was distributed on the Sarno landfill issue.
- Memorandum distributed requesting that the resolution for the Airport first quarter budget review be added to the agenda.

Moved by E. Palmer/Contreras to add Resolution No. 1749 relating to the Airport first quarter budget review to the agenda as Item 29.1. Motion carried unanimously.

Mayor Buckley asked Council Member Cheryl Palmer to provide a summary of the action taken by the County Commission today regarding the Sarno landfill issue. Mrs. Palmer explained that the Clerk of Courts, Scott Ellis, has requested documentation from the County Commission regarding the purchase of the Forte Macaulay property (property that received a conditional use from the City of Melbourne). Mr. Ellis has identified irregularities with the land purchase. County staff is claiming the records are exempt from public records. Scott Ellis will be meeting with the County Attorney and the Solid Waste Manager to view the documents.

Mr. Contreras referenced the assignment of Detective Robert Walters to the FBI Anti-Terrorism Task Force. He asked the benefit, funding, and duration. Mr. Hill said that the benefit is the training and knowledge received with the activities; it is considered a duty assignment; and although the duration has not been determined, it will be at least six months.

7. PUBLIC COMMENTS

None.

UNFINISHED BUSINESS

8. RESOLUTION NO. 1744: A proposed resolution opposing the expansion of oil drilling in the Everglades. (Requested by Council Member Poole) (Postponed by Council 2/12/2002)

Attorney Gougelman read Resolution No. 1744 by title.

Moved by Poole/E. Palmer for approval of Resolution No. 1744.

Mr. Contreras pointed out that the Collier family retained the mineral rights to this land for

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obvious reasons. He asked if there have been any identified instances where there has been damage to the ecosystem caused by this family's drilling activities. Mayor Buckley referenced the millions being spent to restore the Everglades and commented that the drilling activities seem counter productive to the restoration effort.

Mr. Contreras asked if there has been an ecological disaster. Mayor Buckley replied that we should not wait for a disaster. Mr. Contreras commented that we would be trampling on this family's rights.

Mr. Palmer said we should not wait for something detrimental to happen. He added that this action will not curtail free enterprise; it will simply restore a natural treasure to the citizens of Florida.

Mrs. Poole noted that the expanded drilling plan calls for drilling 14,700 holes in a 41 square mile area; cartridges of dynamite will be detonated; Big Cypress is a crucial watershed; and the U. S. Interior Department wants to buy the mineral rights in order to end the drilling. Mrs. Poole concluded by saying we must protect Big Cypress. It is an important range for the Florida Panther, birds, and other wildlife.

Mrs. Palmer said that the resolution allows the Collier family to continue exercising its rights. And, it does not recommend that the rights be taken away without compensation. The Collier family will make the decision whether to sell.

The question was called. Motion carried. Mr. Contreras voted nay.

9. COUNCIL ACTION RE: A request for Mayor Buckley to travel to Washington, D.C., as part of the Economic Development Commission of Florida's Space Coast delegation, March 5-8, 2002. (Postponed by Council 2/12/2002)

Moved by Hand/E. Palmer for approval.

Mrs. Poole recommended that the Economic Development Commission pay for half the expenses. She noted that the Mayor will be an asset to them. Mayor Buckley reported that the EDC is paying the cost of attending the conference, which is about \$495.

The question was called. Motion carried unanimously.

10. COUNCIL ACTION RE: Board Appointments (Postponed by Council 2/12/2002)

- a. Melbourne Downtown Redevelopment Agency Advisory Committee – *3 regular members

*Mayor Buckley noted that there are four openings (due to the recent resignation of Chris Marcelle). Mr. Meehan and Ms. Smith would like to be reappointed. Additionally, the two alternate members would like to be considered as regular members.

Mayor Buckley called for nominations for Mr. Meehan's seat. Moved by C. Palmer/Hand to

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reappoint Dennis Meehan. Motion carried unanimously. (2/23/2002 – 2/22/2005)

Mayor Buckley called for nominations for Gerry Smith's seat. Moved by E. Palmer/Poole to reappoint Gerry Smith. Motion carried unanimously. (2/23/2002 – 2/22/2005)

The Mayor called for nominations for William Corey's seat. Moved by Poole/E. Palmer to appoint Robert Miller as a regular member. Motion carried unanimously. (2/23/2002 – 2/22/2005)

Mayor Buckley called for nominations for Chris Marcelle's seat. Moved by Contreras/C. Palmer to appoint Michael Melhado as a regular member. Motion carried unanimously. (2/26/2002 – 2/22/2003, unexpired three-year term)

The Mayor called for nominations for the first alternate seat. Moved by Poole/Hand to appoint Thomas Goffinet. Motion carried unanimously. (2/26/2002 – 9/20/2005, unexpired three-year term plus full term)

Nominations were called for the second alternate seat. Moved by Walker/E. Palmer to appoint Nora Jo Rees. Motion carried unanimously. (2/26/2002 – 7/26/2005, unexpired three-year term plus full term)

b. Downtown Architectural Review Board - two regular members

Mayor Buckley called for nominations.

Moved by Hand/C. Palmer to appoint Charles Smith. Motion carried unanimously. (2/26/2002 – 2/25/2005)

Moved by C. Palmer/Poole to appoint Nancy Crawford. Motion carried unanimously. (2/26/2002 – 2/25/2005)

11. ORDINANCE NOS. 2002-10, 2002-11 AND 2002-12 (AR-2001-135/CPA-2001-05/Z-2001-919/P.D.Q. PIZZA): (Public Hearings/Second Readings) Ordinances providing for annexation, establishment of Commercial/Medium Density Residential land use and establishment of C-1 (Neighborhood Commercial) zoning on a 0.75-acre lot, located on the northeast corner of Aurora Road and Lansing Street. (Owner/Applicant – P.D.Q. Pizza, Inc.) (Representative - Vaheed B. Teimouri) (First Reading 2/12/2002)

Attorney Gougelman read each ordinance by title. Mayor Buckley opened the public hearing on each. There were no comments from the audience.

Moved by E. Palmer/Hand for approval of Ordinance No. 2002-10. The roll call vote was:

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

Nay: None

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Motion carried unanimously.

Moved by Walker/E. Palmer for approval of Ordinance No. 2002-11. The roll call vote was:

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

Nay: None

Motion carried unanimously.

Moved by Poole/Hand for approval of Ordinance No. 2002-12. The roll call vote was:

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

Nay: None

Motion carried unanimously.

12. ORDINANCE NO. 2002-13 (CU-2001-15/SP-2001-12/STORAGE DEPOT PHASE 2):
(Public Hearing/Second Reading) A request for a conditional use for a mini-storage building in a C-P (Commercial Parkway) zoning district, located on the south side of East Eau Gallie Boulevard, east of Riverside Drive and west of Unity Drive on a 0.99-acre portion of a commercial lot and site. (Owners/Applicants – Storage Depot Phase 2/James Kaufman) (Representative – Richard Kern) (First Reading 2/12/2002)

Mr. Gougelman read Ordinance No. 2002-13 by title.

Mayor Buckley reported that staff has recommended the item be postponed until March 12 to allow time for an appropriate agreement to be drafted regarding the access road that is intended to connect Eau Gallie Boulevard to the subdivision to the south.

Moved by Poole/C. Palmer to postpone this item until March 12.

Mr. Hill informed Council that we have had discussions with Mr. Kaufman. We are not sure that the issue can be resolved by March 12; however, staff will attempt. Mr. Hill elaborated on the difficulties encountered with the easement and noted that it is unclear who currently has an interest in the easement. The city will have several options, including:

- Remove stipulation “d” and allow the project to proceed with the understanding that the road will probably never be constructed without condemnation.
- Provide adequate time for the City Attorney to research the easement (at least 60 days).

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- Require an agreement that must be finalized prior to the Certificate of Occupancy on the proposed storage facility.

Mr. Kaufman has indicated that he does not want a delay beyond March 12.

David Warner, Manager of Storage Depot, said he was surprised to learn that there were problems with this item. He stated that there is an easement that was recorded in March 1985 and Mr. Kaufman has no legal recourse. He added that Storage Depot does not want a road, nor does it need a road.

A brief discussion followed.

The question was called. Motion carried unanimously.

13. ORDINANCE NO. 2002-14 (CU-2001-16/SP-2001-11/WATER WHIRLED CAR WASH): (Public Hearing/First Reading) A request for a conditional use for a car wash on property in a C-C-2 (General Commercial) zoning district with a conditional use for an automotive service station, located on the southeast corner of New Haven Avenue and Babcock Street on four lots totaling 0.63 acres. (Owner – Rossetter Trust c/o William C. Potter) (Applicant – Micah Savell) (Representative – Richard Kern) (Postponed by Council 2/12/2002).

Attorney Gougelman read the ordinance by title.

From the Agenda Report: At the February 12 Council meeting, the applicant indicated that stipulation “d”, regarding the Florida Department of Environmental Protection requirements, was not included in the Planning and Zoning Board recommendation. Council postponed action to allow staff to verify the action taken by the board on stipulation “d”. The tape of the meeting was reviewed and, although there is some confusion, staff believes that it was the intent of the board to eliminate this stipulation. The recommendation is to eliminate stipulation “d.”

Prior to the motion being postponed, the following motion was on the floor:

Moved by C. Palmer/Walker for approval of Ordinance No. 2002-14 subject to the conditions as noted and subject to relocation of the car wash building.

Mayor Buckley referenced the correspondence from Brevard County Natural Resources Management Office provided by the applicant.

Moved by C. Palmer/Walker to amend the motion by excluding condition “d.” Motion carried. (Mrs. Poole voted nay.)

Mrs. Poole stated that she has concerns about whether Mr. Savell is doing this for the Rosetter estate or whether the property will be his.

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Micah Savell, applicant, replied that when he originally made the request for a service station facility, they intended to relocate a 7/11 Store. Since that time Southland Corporation has stopped relocating stores. Mr. Savell elaborated on the type of equipment that will be installed as part of the car wash.

Mrs. Palmer asked Mr. Savell if he agreed with all other stipulations. Mr. Savell said yes.

Mrs. Poole quoted from the February 12 minutes and noted that there are two area property owners who are concerned. She questioned how the conditional use will not be injurious or detrimental to the public welfare. Regarding Mr. Savell's concerns about the cost to clean up the property, Mrs. Poole said that should not be a concern of Council's - especially if the site will jeopardize surrounding properties. She noted that area storm drains lead to the Indian River Lagoon and it would be advantageous for Mr. Savell to provide the report from FDEP on this site.

Continuing, Mrs. Poole referenced the letter from Brevard County provided by the applicant. In part, the letter from Hugh Houghton, Environmental Specialist, Brevard County, states, "A temporary groundwater well-point installed in the center of the former tank pit following closure in March 1998 showed relatively high levels of contamination. The state cleanup priority ranking score for this site is six. The current funding eligibility extends to sites scored 30 or higher." She also noted that the letter from the county indicates that the property owner is not responsible for contamination that remains on the property or extends outside the property.

Mrs. Palmer stated that she does not believe the car wash will impact the current condition of the site.

Mayor Buckley called for disclosures. Mr. Contreras said he spoke to Richard Kauffman on February 25 who indicated that the city did not need another car wash. Mrs. Poole said she talked to the owner of Miguel's who still has concerns.

Mrs. Poole pointed out that the city has previously placed restrictions on other car washes regarding the hours of operation. She asked if we have different rules for different car washes. Mr. Hill said there have been restrictions in other instances because of the surrounding properties.

E. Miguel, representing Miguel's Restaurant, read a letter from Gladys McCormick, 2014 Bryan Street, opposed to the request because of noise and security. He noted that G. Kane, 2100 Bryan Street, also signed the letter.

Continuing, Mr. Miguel said the noise from the car wash will interfere with the small dining room atmosphere of Miguel's. He noted that the Redevelopment Area boundary should extend to Babcock Street and he does not think the car wash would enhance the image of Downtown Melbourne.

Mr. Miguel discussed the layout of the site and said it does not have good access. He asked why the city believes the appearance of the car wash will improve when Mr. Savell

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has had control of the property, which is an eyesore, for several years. Mr. Miguel asked the city to guarantee that the contamination on the property will not spread to his property.

Mr. Contreras asked Mr. Miguel if he is involved with the Downtown Redevelopment Committee and Mr. Miguel replied no.

Regarding the concerns about noise, the Mayor said the car wash at U. S. 1 and Sarno Road is less than 50' away from residential property. He added that the noise issue is bogus; the car wash will be self-contained. Mrs. Poole said the car wash at U. S. 1 and Sarno Road has a restriction on hours.

Mrs. Palmer said she believes the car wash is a compatible use for this site.

Mrs. Poole asked if the city would be responsible for contamination that spreads to other properties. Mr. Gougelman said he does not feel the city would be liable.

Moved by E. Palmer/Poole to amend the motion by stipulating that the hours of operation will be from 7:30 a.m. – 10:00 p.m. The vote was:

Aye: E. Palmer, Poole, and Hand

Nay: Contreras, Walker, C. Palmer and Buckley

Motion failed.

The question was called on the main motion, as amended. Motion carried. Council Members E. Palmer and Poole voted nay.

14. COUNCIL ACTION RE: Annual contract for Melbourne Water Production Division security, Brevard Security Specialists of Melbourne, Melbourne, FL - \$40,237.60.

Mr. Hill reviewed the agenda report. This item was withdrawn at the February 12 Council meeting due to problems in the way the recommendation was presented.

The city has increased security at the Surface Water Treatment Plant and the R.O. Plant in response to the September 11 attack. Melbourne Police personnel have been assigned duty at the plants since that time. Use of the Melbourne Police Department is costly and this practice impacts the resources of the Police Department. The service can be contracted as long as a quality security force is retained. The recommendation is to contract for 13 hours per day coverage from 6:00 p.m. to 7:00 a.m.

Moved by Hand/Poole for approval of an annual contract for security services at the Surface Water Treatment Plant and the Joe Mullins R.O. Plant, Brevard Security Specialists of Melbourne, at a rate of \$8.48 per hour (estimated annual cost is \$40,237.60.)

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Mr. Palmer asked what the city would receive for this cost. Mr. Hill said one guard would be provided during that period. The guard would be licensed and have a vehicle with a radio. Mr. Contreras said he understands the need to protect this resource; however, the annual amount seems high. He asked the cost to fence the area. Mr. Hill noted that the property is partially fenced now. There will be additional fencing after construction is complete. He added that there are widespread components of the plant, including the wellfield and intake structures. Staff believes that a person patrolling the area will provide a level of security and deterrence. We are obligated to provide a reasonable level of diligence due to the accessibility.

Mrs. Poole said she has concerns about the security. She asked if fencing alone would provide enough deterrent. Mrs. Palmer pointed out that we are providing a level of service now (through use of a Police Officer) at a higher cost. She added that most people won't know if a security guard is armed. She agreed that a guard would be a deterrent.

Mrs. Walker asked if the security guards have gone through a security clearance. Mr. Hill said yes and noted that was part of the evaluation provided by the Police Department. Proposals were reviewed to ensure that the firms were properly certified and trained.

Mrs. Hand asked if we can afford two guards. Mr. Hill said this will be an additional operating expense of the Water and Sewer Fund. We are struggling now to remain within the rate structure. However, if we determine later that more guards are needed, that will be considered.

A brief discussion followed regarding the professionalism of the firm. Mr. Hill assured Council that the guards will walk the area and be in constant communication with the plant.

The question was called. Motion carried unanimously.

Recessed: 9:00 p.m.
Reconvened: 9:12 p.m.

NEW BUSINESS

15. COUNCIL ACTION RE: Contract for Grant Street Wastewater Treatment Plant Trickling Filter Modifications, Project No. 99321, GenState Contractors, Winter Haven, FL - \$696,000.

Mr. Hill briefed Council. This is a proposed construction contract bid award for improvements to the trickling filter treatment train at the Grant Street Wastewater Treatment Plant. The trickling filter treatment train has a capacity of 2.5 mgd, half of the total plant 5.0 mgd treatment capacity. Although it is the oldest train in the plant, it remains a reliable and efficient treatment system. The train was upgraded to include aeration several years ago. Staff and consultants think this train can be upgraded to 3.0 mgd capacity after this project is completed.

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Four bids were received and the low bidder at \$696,000 is CenState Contractors, Inc. from Winter Haven, Florida. CenState Contractors, Inc. has completed two other plant projects for the city in recent years. The standard contract requirements will apply to this project. The work must be completed within 240 calendar days and liquidated damages will be \$200 per day.

The available budget balance of \$541,000 for this project must be supplemented by \$189,800 in savings from other projects in order to cover the contract and construction contingency.

Moved by Contreras/Hand for approval of the contract with CenState Contractors, Inc. in the amount not to exceed \$696,000 and transfer of \$58,368 from the W/S Miscellaneous Projects Account and \$131,432 from Wastewater Capital Recovery Fund to this project. Motion carried unanimously.

16. COUNCIL ACTION RE: Contract for Dunham Street, Branch Street and Sea Grape Avenue Paving, Project No. CD0121, ABC Landclearing and Development, Inc., Cocoa, FL - \$214,135.04.

Mr. Hill provided an overview and noted that these streets have never been paved. The scope of work involves constructing 24-foot wide asphaltic (blacktop) concrete pavements. Roadside swales will provide drainage and stormwater treatment. Concrete driveways will be constructed within the right-of-way at residences. All disturbed areas will be sodded. Approximately 1,930 linear feet of street will be constructed.

Nine bids were received and the low bidder at \$214,135.04 is ABC Landclearing and Development, Inc., Cocoa, Florida. The project will be funded through the Community Development Block Grant.

ABC has completed one project with the city and references indicate that they are competent to perform this work. The standard contract will be used and the contractor must complete the work within 90 calendar days or be subject to liquidated damages of \$200 per day.

Moved by E. Palmer/Poole for approval of the contract with ABC Landclearing and Development, Inc. for the paving of Dunham and Branch Streets, and Sea Grape Avenue in the amount not to exceed \$214,135.04. Motion carried unanimously.

17. COUNCIL ACTION RE: Franklin Street and Myles Drive Paving, Project No. CD0021, ABC Landclearing & Development, Inc., Cocoa, FL - \$120,236.60.

Mr. Hill briefed Council and noted that these streets have never been paved. The scope of work involves constructing a 24-foot wide asphaltic concrete pavement on Franklin Street between New Haven Avenue and Melbourne Avenue and a 20-foot wide pavement on Myles Drive from Oak Street to the dead-end. Roadside swales will provide drainage and stormwater treatment. Concrete driveways will be constructed within the

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right-of-way at residences. All disturbed areas will be sodded. Approximately 1,200 linear feet of street will be constructed.

Nine bids were received and the low bidder at \$120,236.60 is ABC Landclearing and Development, Inc., Cocoa, Florida. The project will be funded through the Community Development Block Grant.

ABC has completed one project with the city. A check of their references indicates that they are competent to perform this work. The standard contract will be used and the contractor must complete the work within 120 calendar days or be subject to liquidated damages of \$200 per day.

Mayor Buckley asked why this project was not combined with the previous agenda item. Mr. Ralls replied that they are in different funding years.

Moved by Hand/Walker for approval of the contract with ABC Landclearing and Development, Inc. in the amount not to exceed \$120,236.60.

A brief discussion followed regarding the swales and how they will function.

The question was called. Motion carried unanimously.

18. COUNCIL ACTION RE: Contract for Lake Washington Road Water Main Extension, Project No. 01305, Don Luchetti Construction, Inc., Melbourne, FL - \$118,584 and appropriation of \$68,593 from Water & Sewer Miscellaneous Project.

Mr. Hill reviewed the agenda report. This is a proposed construction contract award for extending a waterline on Lake Washington Road. This project was initiated at the request of homeowners on Lake Washington Road who do not have city water service. A majority of the abutting property owners have agreed to pay a proportionate share of the cost to extend the line. The city will also benefit because this extension will complete a loop in the system thereby eliminating two dead ends. Water pressure and quality will be improved in this area. Approximately 3,100 linear feet of pipe will be installed.

Staff has calculated the property owners' share to be \$111,590 of the total \$118,584 contract amount. The balance of \$6,994 represents the cost to upsize the line from six-inch to eight-inch, which is a system improvement.

There are 15 abutting owners so the cost is \$6,990 each. Eight owners have committed to pay that amount up-front so their collective initial contribution will be \$62,660. A reimbursement area will have to be defined and adopted by ordinance in order to collect the balance of \$48,930 that should be paid by property owners. In the meantime, the city will have to pay this amount as well as the \$6,994 for upsizing.

The city opened bids for the project on October 4, 2001. Four bids, ranging from \$118,584 to \$153,129 were received. The low bidder at \$118,584 is Don Luchetti Construction, Inc., Melbourne, Florida.

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Don Luchetti Construction has successfully completed several contracts for the city in the past few years. The contractor has agreed to stand by the original contract bid. (It was delayed due to coordination with the requesting homeowners.)

The city's standard construction contract will be used for this project. The contractor will have 120 calendar days to complete the project. If not completed on time, liquidated damages will be \$200 per day.

This was not an established capital improvement project, so the property owners' contributions will have to be supplemented by savings from other capital projects as well as funds from the W/S Miscellaneous Projects Fund. The eight property owners will be notified that we must receive their \$6,990 as a condition of issuing a notice of award to the contractor.

Mrs. Poole discussed the calculations in the agenda report and backup material and noted that the numbers are inconsistent. Following a brief discussion, Mr. Hill assured Mrs. Poole that that the bid price is the total price. The bid was based on the cost to do the work. If there is something inconsistent with the numbers, the idea is for the benefiting property owners to pay an equal share. He noted that staff will review the numbers and make any necessary corrections.

In response to Mrs. Palmer, Mr. Hill said the cost was calculated based on the lots, not by linear front footage. Mrs. Palmer asked why we are not waiting until all the properties want to connect. Mr. Hill replied that this project will be considered a system improvement.

Mr. Ralls reported that we would collect from the first eight property owners before the contract is established. He confirmed that hook-up will not be mandatory.

Mayor Buckley recommended Council award the contract only (and not the transfer amount) since the pro-rata agreement will have to return to Council.

Moved by Buckley/Poole for approval of the contract with Don Luchetti Construction, Inc. in the amount not to exceed \$118,584. Motion carried. Mrs. Palmer voted nay.

Mrs. Palmer said she would like to wait until more homeowners are willing to pay and connect.

19. COUNCIL ACTION RE: Change Order #6 to contract for Lake Washington Surface Water Treatment Plant Improvements, Project No. 97371, Poole & Kent Company, Miami, FL - \$55,460.

Mr. Hill briefed Council. This is a proposed change order to the Poole and Kent Company's contract for the Phase 1 Water Treatment Plant project. As Council is aware, the project is coming to conclusion. This change order addresses 15 construction items.

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The cost or savings for each item has been evaluated and negotiated among the contractor, consultants, and staff.

The consultant, CH2M Hill, has provided a breakdown and description/reason for each item. The majority of these items have been recommended because they represent enhancements to the future operation of the plant that became apparent during the construction phase of work. The items range from a savings of \$1,050 to a cost of \$10,210. The total, net cost is \$55,460.00.

This change order includes no additional time for the contractor. For the project, the total cost of change orders including this proposed Change Order No. 6 will be \$471,580.00. This represents 2.3% of the total construction cost of the Phase 1 WTP project. The contingency balance will be \$361,420.00.

Moved by E. Palmer/Contreras for approval of Change Order No. 6 to the Poole and Kent Company's construction contract in the amount of \$55,460.00. Motion carried unanimously.

20. COUNCIL ACTION RE: Amendment #1 to Task Order #2 to Consulting Engineer contract for services during construction at Lake Washington Surface Water Treatment Plant Improvements, Project No. 97371, CH2M Hill, Orlando, FL - \$113,344.

Mr. Hill briefed Council. This is a proposed amendment to CH2M Hill's engineering contract to extend their services during the Water Plant construction period.

As a result of five change orders to the plant construction contract with the Poole and Kent Company, the time to complete construction has been extended by 101 calendar days to May 17, 2002. This means that the engineer's contract time must be extended accordingly. It has generally been the city's practice to make the adjustments for construction manager services at the end of the construction effort if delays have been experienced.

The engineer's services during construction include providing a full-time construction manager at the site and providing administration of the construction contract. The amount of the proposed amendment is \$113,344. For the additional 101 days, this figure is proportionate to the original contract amount for services during construction and the number of days in the original construction contract.

Funding for this amendment is available from the construction contingency, which has a budget balance of \$361,420 after Change Order No. 6. Upon approval of this amendment, the balance will be \$248,076.

Moved by Poole/E. Palmer for approval of Amendment No. 1 to Task Order No. 2 (services during construction) of CH2M Hill's contract in the amount of \$113,344.00. Motion carried unanimously.

21. COUNCIL ACTION RE: Consent Agenda

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Moved by Hand/E. Palmer for approval of items 21 “a” through “f” as recommended.

Mr. Hill responded to Mrs. Poole’s questions about item “b” – the item was not removed from the agenda.

The question was called. Motion carried unanimously.

The consent agenda was approved as follows:

- a. Resolution No. 1747: A proposed resolution to apply for competitive funding from the Department of Environmental Protection for the Federal Land and Water Conservation Fund Program for FY 2002 for funding for the Carver Park Master Plan.
 - b. Purchase of two vehicles for the Wastewater Treatment Division, Duval Ford, Jacksonville, FL – \$41,643.
 - c. Authorization to negotiate contracts with Bryant, Miller & Olive, Orlando, for bond counsel services and Nabors, Giblin and Nickerson, Orlando, for disclosure counsel services.
 - d. Purchase of a Toro Rake-O-Vac with 22hp sweeper for Harbor City Golf Course, from Wesco Turf Supply, Inc., Lake Mary, FL - \$21,328
 - e. Contract to remove and replace poles at McGrath Ballfield #1; replace cross arms, and dispose of existing poles, Dixon Electric Co., Inc., Cocoa, FL - \$41,090.
 - f. Annual contract for maintenance and support services for the computer software in Data Processing, KPMG Consulting, McLean, Virginia - \$82,450.
22. ORDINANCE NO. 2002-18 (A&V #248): (Public Hearing/First Reading) A request to abandon and vacate a 60-foot wide right-of-way that intersects Moss Avenue between Mosswood Drive and Stewart Avenue. (Requested by Mehran Ghaeenzadeh)

Attorney Gougelman read Ordinance No. 2002-18 by title.

From the agenda report: This is a request to abandon and vacate Moss Avenue, a public street right-of-way. Moss Avenue is a 60-foot wide, unimproved right-of-way that intersects Aurora Road between Mosswood Drive and Stewart Avenue. Moss Avenue runs southward from Aurora Road a distance of approximately 283.68 feet to a dead end.

The petitioner is Mehran Ghaeenzadeh, President of MEHRAN Construction Co., Inc. who owns abutting Lots 18, 19, 20 and 21 in Eau Gallie Golf Manors Subdivision. These lots abut the right-of-way on the west side. The property is abutted on the east side by property owned by Robert Zuro and at the southern end by property owned by Mosswood Townhomes of Melbourne.

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There were no objections to the request by utility companies or city departments.

Note: Mayor and Council received a letter from Robert Zuro, abutting property owner, expressing interest in his half of the abandoned right-of-way.

Mrs. Poole asked how abandoned and vacated property is added to the tax rolls. Mr. Hill said that abandoned and vacated property is split between the abutting property owners and placed on the tax rolls. The City Clerk communicates this action with the Brevard County Clerk of Circuit Court and Property Appraiser.

Mrs. Palmer referenced the size of the property and asked if the city should receive compensation. Mr. Hill said our only use for the property would be for a roadway. If we have no use for the property as a roadway, it may be abandoned and vacated. The city can't sell the right-of-way.

Attorney Gougelman discussed a 1930's court case where the City of Miami Beach attempted to sell right-of-way to a developer. The Florida Supreme Court ruled that a municipality or county does not own right-of-way in the traditional sense that property is owned. The right is akin to being an easement and local government does not have the right to sell. Local government needs to determine if there are any utilities that would be affected and if there is a public interest to retain the property.

Mr. Hill confirmed for Mrs. Palmer that the city does not have plans to pave this as a street. Mrs. Palmer asked if this action would leave any of the parcels landlocked. Mr. Hill said he believes the abutting property owners have access from other properties. Mr. Ralls agreed.

Mayor Buckley opened the public hearing.

Robert Zuro, 1754 Pineapple Avenue, asked if he is entitled to this property.

Mr. Ralls explained the abandon and vacate process and noted that the property will be split. Mr. Palmer added that Mr. Zuro will receive half of the vacated right-of-way.

Moved by E. Palmer/Hand for approval of Ordinance No. 2002-18. Motion carried unanimously.

23. COUNCIL ACTION RE: (Public Hearing) A request for preliminary approval of the proposed amendment to the 2001-2002 CDBG Action Plan to add a new activity, "Sharing Center Public Facility Improvements" in the amount of \$50,000.

Mr. Hill reviewed the agenda report. Staff is seeking preliminary approval from Council for a proposed amendment to the 2001-2002 CDBG Action Plan. The amendment would add a new activity, "South Brevard Sharing Center Public Facility Improvements", to fund the Sharing Center's request for an elevator in a more timely manner. Funding would come from prior year project savings and would be available as soon as HUD approves

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the amendment (probably May 2002). If funded through the upcoming 2002-2003 CDBG allocation process, CDBG funds would not be available until October 1, 2002.

The South Brevard Sharing Center would like to begin its elevator installation project in the early summer. The organization has funds available from other sources (donations and a finance commitment from Republic Bank) to fund this project (\$116,000) and is ready to move forward. The Citizens' Advisory Board approved the proposed amendment on February 4, 2002.

Moved by Walker/Hand for approval of the proposed amendment to the 2001-2002 CDBG Action Plan to add a new activity, "Sharing Center Public Facility Improvements" in the amount of \$50,000 and authorization to advertise the proposed amendment for public comment.

Mrs. Poole asked if the Sharing Center is still a project of the Catholic Church. Pat Hansen, South Brevard Sharing Center, explained that six people who started the Sharing Center 30 years ago were Catholics; however, three months later, the project became non-denominational.

Continuing, Mrs. Poole said she does not understand why the Sharing Center needed such a large building on Hibiscus Boulevard. She expressed concern that the center is planning to use the elevator to meet Code in order to rent out the second floor as office space. Additionally, she expressed concern that this is a new program; several requests from this year have been cut; the activity is not included in the 2003 program year because the assumption is that Council is going to approve this; and use of CDBG money to install an elevator so the Sharing Center can make money is not appropriate.

Housing and Community Development Director Melinda Thomas said separation of savings from prior years was a way of accounting for the \$50,000. Otherwise, it would be double counted. She addressed the comment about funds being cut from many agencies. She noted that they are applying in the "public services" category, which is capped at 15%. The city cannot go into savings in order to make larger allocations for those organizations.

Mr. Hill said he would take responsibility for the way the item was presented. He agreed that we were trying to ensure that the money was not double counted and noted that it is listed four times as a separate item. Staff was not trying to hide or minimize this item.

Mr. Palmer stated that the South Brevard Sharing Center does a fantastic job for the citizens of Melbourne. He added that the facility needs support. Mrs. Hand agreed and said if other sources are willing to donate to the center, the city should partner with them and approve this item. Mayor Buckley agreed and said the new location will provide for expansion because of the services the center provides. The center distributes food, money, and clothes for the City of Melbourne.

Mrs. Palmer asked the Sharing Center to address the comment about rental of the second floor.

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Pat Hansen explained that they have many senior citizens who volunteer. Many of them can't make it upstairs; therefore, a lot of the second floor is not being used because it can't be accessed. Additionally, the center is trying to work with the HOPE clinic and the county to better serve the homeless in the area. They are out of room on the first floor and would like to add computers, etc. to the second floor.

Mrs. Poole asked if there are any plans to lease the second floor to anyone. Ms. Hansen said if they did lease out the second floor, it would have to be to an operation that is compatible with the center's services. Mrs. Poole said she is opposed if they plan to rent the second floor out in order to make money.

Mr. Contreras said it seems like a good idea for the Sharing Center to become more self-sufficient; it would offset future or potential expenses. Regarding the way the \$50,000 was identified, he noted that is a standard accounting practice.

The question was called. Motion carried. Mrs. Poole voted nay.

24. COUNCIL ACTION RE: (Public Hearing) A request for preliminary approval of the proposed list of projects and activities for inclusion in the 2002-2003 proposed CDBG Action Plan.

Mr. Hill introduced the item and Ms. Thomas reviewed the agenda report. The U. S. Department of Housing and Urban Development (HUD) has advised the city that it will receive \$725,000 in federal fiscal year 2002 Community Development Block Grant (CDBG) entitlement funds. In addition, the city has available \$8,062 in savings from prior year projects.

FY 2002-2003 CDBG Entitlement Grant	\$725,000
Savings from Prior Year Projects	<u>8,062</u>
TOTAL	\$733,062

Community Development received 15 proposals totaling \$609,719 from 14 different non-profit agencies seeking CDBG funds for the fiscal year starting October 1, 2002. Two city departments submitted proposals for funding (Leisure Services \$38,700 and Housing & Community Development \$359,412). All the proposals for consideration total \$1,007,831.

The Citizens' Advisory Board made the following recommendations for funding:

PUBLIC SERVICES

Child Care Association of Brevard County, Inc.

Subsidized child care \$18,000

City of Melbourne Housing & Community Development Department

Booker T. Washington Youth Initiative \$30,100

City of Melbourne Leisure Services

Summer camp scholarships \$8,700

Greater Melbourne Police Athletic League, Inc.

Youth leadership and peer mentoring program \$12,000

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Holmes Regional Medical Center d.b.a. H.O.P.E. Clinical Services	
Subsidized prescriptions/H.O.P.E. Clinical Services	\$10,000
PREVENT! of Brevard, Inc.	
Transitional housing and supportive services/Robin's Nest	\$12,500
The Salvation Army	
Transitional housing and supportive services	\$5,000
Vietnam Veterans of Brevard, Inc.	
Transitional housing and supportive services	<u>\$12,450</u>
Subtotal Public Services:	\$108,750

PUBLIC FACILITIES & IMPROVEMENTS

Booker T. Washington Revitalization Project	
Set-aside funding for Phase II	\$84,312
Carol Williams Glanton Park Improvements – Installation of playground equipment, fencing, picnic tables, trees, and a pavilion	\$30,000
Masterson Park Improvements – Refurbishment of Masterson Park (plan to be developed with community input)	<u>\$20,000</u>
Subtotal Public Facilities & Improvements:	\$134,312

ADMINISTRATION

Program Administration	
General program administration	\$142,500
Fair Housing Outreach and Education	
Fair housing outreach and education program	<u>\$2,500</u>
Subtotal Administration:	\$145,000

OTHER

Code Enforcement – Comprehensive proactive code enforcement North and South CDBG Target Areas	\$65,000
Housing Services – Activity-delivery for HOME-funded Tenant Based Rental Assistance Program	\$15,000
Space Coast Center for Independent Living Handicap accessibility program	\$15,000
Technological Research & Development Authority Business incubator in South Melbourne	<u>\$250,000</u>
Subtotal Other:	<u>\$345,000</u>
GRAND TOTAL:	\$733,062

(See previous agenda item for \$50,000 from savings from prior year projects for South Brevard Sharing Center.)

Mrs. Palmer reported that she met with Dave Kershaw and he did an excellent job explaining the business incubator program. Other than being located in a low to moderate income area, she said she is not completely sure how the program will serve that program.

Ms. Thomas said the project is in its infancy and that is something they will have to work

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through. The Technological Research and Development Authority (TRDA) is looking for a commitment from the city to use as leverage for further funding. If the other funding does not materialize, the \$250,000 will remain with the city. Continuing, Ms. Thomas said since the funds are being used for economic development, she will be looking for job creation. TRDA will be contractually obligated if/when we get to that stage to show how job creation will happen and city staff will monitor to ensure they meet the pledge.

Mrs. Poole referenced the additional information distributed to Council regarding the South Brevard Sharing Center. She noted that the center administers the Tenant Assistance Program and between February 2000 and February 2002 a total of \$137,441 was paid to the Sharing Center to reimburse the organization for TAP expenses. Of the total amount paid, \$18,915 was retained by the center for administrative expenses associated with delivering the program. Mrs. Poole said this shows that a tremendous amount of money is going to one organization and she is concerned. She asked Mr. Hill to comment on whether every dollar spent in these programs means other programs are reduced for people in the community.

Mr. Hill explained that the Sharing Center administers the city's Tenant Assistance Program through a contract. They are providing a service that we would otherwise have to provide by our own staff people and they do it for a relatively low price. Out of the 291 persons served from 2000 – 2002, they had to sort through 1,200 applications; however, they were only paid for the clients served. We do not view this as a grant, but rather a contract for services.

Continuing, Mr. Hill said any dollars spent from the CDBG effort potentially impacts the others. If we chose not to allocate 15% for public services, we could devote that to the other categories. It is a matter of balancing the needs in the community.

Ms. Thomas clarified that the TAP is a SHIP program. The program is advertised and any non-profit organization can step in to administer those funds. She stressed that these programs are not easy to administer and in the beginning, the Sharing Center absorbed all administrative costs.

Mrs. Hand said she feels that all the organizations and programs listed are worthwhile. She added that she believes the incubator program is a good thing and asked why South Melbourne was selected rather than North Melbourne.

Mayor Buckley said TRDA wanted to work in conjunction with Florida Tech.

Mr. Palmer stated that he was briefed by Mr. Kershaw and it was very informative and beneficial.

Dave Kershaw, TRDA, said they selected the University Boulevard corridor because of the per capita incomes. That allowed them to leverage quite a bit of funding from the federal level. This is in addition to its location near Florida Tech.

Mrs. Walker expressed support for the incubator program and said it provides a

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wonderful opportunity to create jobs, inspire people, and lead people to become self sufficient and employed.

Mr. Contreras agreed that the incubator program is a great opportunity. He added that he understands that the city's pledge of \$250,000 will allow TRDA to leverage funds at the federal level.

Mr. Hill pointed out that it has not been the city's practice to have an economic development component of the CDBG funds. However, there are a lot of communities where a large portion of CDBG funds are devoted to economic development.

Mrs. Poole agreed this is a great opportunity and stated that she would like to provide \$350,000 rather than \$250,000.

Sally Lloyd, Prevent of Brevard, thanked Council for its past support of the Robin's Nest program. She noted that they requested \$20,000 and added that they continue to improve services to women and children in the community. They have served 185 women and their families up to this point and at least 38 drug free babies have been born. She encouraged Council to provide funding this year and stressed that their program provides the best value for the money.

Bobbie Davidson, Child Care Association, stressed that the need for quality child care is vital for low income families. She explained that they contract with private providers in the community and they monitor those centers to ensure quality. The children in the program receive screenings and assessments. She further explained that they have 157 children on a waiting list and more are added each day. She expressed appreciation for the city's support.

Ms. Davidson clarified for Mrs. Poole that at this time the agency is not looking at opening centers. They want to contract with private centers and they have providers that would take the children from the waiting list if funding were available.

Earthy Spaulding, President and CEO of ComeUNITY, a not for profit community based prevention organization, reported that an injustice needs to be addressed. ComeUNITY, in partnership with the Booker T. Washington Neighborhood Association, developed and submitted a CDBG proposal for the BTW Youth Club. The proposal submitted requested \$38,150; however, they were not recommended for funding.

Continuing, Ms. Spaulding said that the CDBG staff set aside \$30,000 for a youth program in the Booker T. Washington area with the intention to open another round of proposal submissions. She noted that ComeUNITY was told that the new submissions will allow the neighborhood youth to participate in the process of developing a program and that ComeUNITY's submittal was too expensive. She said she believes her organization could have addressed the concerns but was not given a chance.

Mrs. Poole asked Ms. Spaulding if she attended the Citizens' Advisory Board meeting when the proposals were being reviewed. Ms. Spaulding said she was not able to attend

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because she was at a Booker T. Washington Neighborhood Association meeting.

Mrs. Palmer asked why ComeUNITY has a Cocoa address. Ms. Spaulding said it is a county wide organization and their office is located in Cocoa. She said she lives near the BTW neighborhood and serves on the BTW Board.

Mrs. Palmer asked Ms. Thomas to address the reason this organization was not recommended for funding.

Ms. Thomas said a couple of items jumped out while reviewing the ComeUNITY proposal. Of the requested \$38,150, \$30,000 was going to support one full time staff person and two part time persons. The proposal was to serve 30 children twice a week for two hours. There is no other proposal for public services where our funds are practically the only funds used to support the program. She added that aspect makes her nervous.

Continuing, Ms. Thomas said she would like to invite the youth in the community to participate in determining the needs. Once an RFP is developed and proposals received, a committee will be assembled to review the submittals. The community will be welcome to participate in the collaborative process. Ms. Thomas stressed that the point is to provide direct services for this cost as opposed to funding staff.

A brief discussion continued.

Mrs. Walker asked for a report following the collaborative process with the residents of the Booker T. Washington Subdivision for the revitalization project.

Moved by E. Palmer/Hand for preliminary approval of the proposed list of projects and activities for inclusion in the 2002-2003 proposed CDBG Action Plan and authorization to advertise the Action Plan for public comment upon completion.

Mr. Contreras asked the City Manager to provide information on economic development activities undertaken by other jurisdictions with CDBG funds.

Mrs. Poole asked for a report comparing Melbourne's CDBG program with CDBG programs in other communities.

The question was called. Motion carried unanimously.

25. COUNCIL ACTION RE: (Public Hearing) A request for preliminary approval of the proposed activities for FY 2002 HOME funds and authorization for their inclusion in the Brevard County HOME Consortium Action Plan for 2002-2003.

Mr. Hill briefed Council. The county has advised the city that the Brevard County HOME Consortium will receive \$1,528,000 in fiscal year 2002 HOME funds from the U. S. Department of Housing and Urban Development (HUD). Melbourne's share of the funds is \$277,783.

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Staff is recommending that \$10,000 be used for the Tenant Based Rental Assistance (TBRA) program. Combined with current funding available for the program, staff anticipates being able to serve all eligible persons who apply.

Staff is recommending that a portion of the FY 2002 HOME funds be allocated to the owner-occupied housing rehabilitation program so that Housing and Community Development can continue to provide uninterrupted services to owner occupants under that program.

Additionally, staff would like to create an opportunity for rental housing projects that can be utilized in conjunction with or instead of the SHIP-funded rental strategies. This would provide staff flexibility when determining the most suitable funding source for a proposed rental project. All projects would be submitted to City Council for approval.

Minimum Community Housing Development Organization (CHDO) and maximum administrative set-asides are prescribed by statute at 15% and 10% respectively.

The recommendation is for approval of the proposed activities as follows:

Owner-occupied housing rehabilitation program	\$ 35,000
Tenant based rental assistance program	10,000
Rental acquisition and rehabilitation	166,337
CHDO set-aside (15%)	41,668
Administration (10%)	<u>27,778</u>
Total	\$277,783

Moved by Hand/Contreras for preliminary approval of the proposed activities (as outlined in the agenda package) for FY 2002 HOME funds and authorization for their inclusion in the Brevard County HOME Consortium Action Plan for 2002-2003.

In response to Mrs. Poole, Mr. Hill said staff plans to review and analyze each proposal (outlined in the agenda backup material) and make recommendations to City Council at a later time for funding on a case by case basis. This item is preliminary approval and does not fund a specific activity.

Mrs. Poole referenced the request by Trinity Towers for funding and said when it first began, it was for low income residents. Now a corporation that is in it for making money owns the towers. She asked if this is an activity that belongs under this item. Mr. Hill said there is an industry that revolves around utilizing available funds and programs with a goal of providing housing and making a profit.

Mr. Palmer said he is concerned and would like to see what is actually done with the money. Mr. Hill added that staff is concerned that we not flood one area thereby negatively impacting the private housing market. Mr. Contreras recommended we identify target areas and determine the percentage that the city should be involved. With

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the limited amount of land available for development, we may be tapped out relative to this type of housing.

Mr. Contreras asked why Trailer Haven residents didn't apply since they have been designated low income. Mr. Hill clarified that the Property Appraiser categorized the park as low income housing and offered the city an opportunity to say it is not. Ms. Thomas added that there is a prohibition on use of SHIP funds for mobile homes.

The question was called. Motion carried unanimously.

26. COUNCIL ACTION RE: A request for \$150,000 increase to Community Housing Initiative's award for the Purchase Assistance Program.

Mr. Hill reviewed the agenda report. City Council approved an award of \$184,645 on April 24, 2001 to Community Housing Initiative, Inc. (CHI) for continuation of the SHIP Purchase Assistance Program. Council approved an amendment September 18, 2001 to increase that award by \$12,055, for a total award of \$196,700.

The Purchase Assistance Program was first contracted out to CHI in August 1999. Since that time, the program has assisted 44 homebuyers. To date, awards totaling \$685,425 have been made to CHI for the Purchase Assistance Program. The Housing and Community Development staff has been extremely pleased with the organization's successful implementation of the program, and the organization and program have performed well in monitoring visits made by the State of Florida.

CHI has committed all its available City of Melbourne SHIP Purchase Assistance Program funds. As of the end of January, the organization had three qualified buyers on a waiting list for assistance. The city is facing a commitment deadline of June 30 for fiscal year 2000-2001 SHIP dollars. Currently there is more funding available for the Owner-occupied Housing Rehabilitation Program than projects ready to proceed. Therefore staff is recommending an amendment to CHI's current agreement, which increases the award by \$150,000, from \$196,700 to \$346,700. The additional funding would be made available by decreasing the SHIP 2000-2001 allocation for the Owner-occupied Housing Rehabilitation Program from \$223,750 to \$73,750. It is anticipated that the increased award would assist another 10 families purchase their first home.

The proposed amendment to the 2000-2001 SHIP budget is:

<u>Account No.</u>	<u>Current Budget</u>	<u>Recommended Increase/Decrease</u>	<u>Amended Budget</u>
710201-34720 (Rehabilitation Contracts)	\$223,750	(\$150,000)	\$ 73,750
710201-34770 (Purchase Assistance Program)	\$196,700	\$150,000	\$346,700

Moved by E. Palmer/Walker for approval of a \$150,000 increase to CHI's award for the

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Purchase Assistance Program and authorization for the City Manager to execute the amendment documents and amend the 2000-2001 SHIP budget as proposed. Motion carried unanimously.

27. COUNCIL ACTION RE: Council consideration of pre-annexation agreements for the Terra del Sol Subdivision. (Requested by City of Melbourne and Terra del Sol residents)

From the agenda report: Residents of the Terra del Sol Subdivision wish to obtain city water and fire protection. The subdivision is located on the north side of Florida Avenue, west of Dairy Road in the unincorporated area of Brevard County. While this area is not currently contiguous to the city, it is expected that it will be within a reasonable amount of time due to efforts to get the parcels in between Dairy Road and this subdivision to annex. There are a total of 12 lots in the subdivision. At this point, 10 have executed agreements. It is expected the other two will likewise participate.

City staff is proposing to extend the waterline from Dairy Road to the entrance to the subdivision in exchange for the homeowners entering into a pre-annexation agreement. The homeowners would provide engineering and permitting, and would hire a contractor to install the water line within their subdivision. This will cost the homeowners \$50,000 for construction and \$15,000 for engineering, survey, as-builts, etc., for a total cost of \$65,000.

The pre-annexation agreements were separately distributed to Council. The individuals who have executed the agreements include:

John L. Weare Jr.
3301 Calle Del Mar

Alfred J. and Jane L. Theis
3307 Calle Del Mar

Steven J. Morgan
3303 Calle Del Mar

F. Alan and Catherine Ford, Trustees
3308 Calle Del Mar

Barbara H. Losson
3304 Calle Del Mar

William Edward and Susan Lyndall Riebsame
3309 Calle Del Mar

William C. and Wendy L. Potter
3305 Calle Del Mar

Gregory and Margaret M. Parker
3311 Calle Del Mar

Thomas and Carol A. Guthrie
3306 Calle Del Mar

Vincent H. and Margaret E. Angelton
3025 Florida Avenue

Bill Potter, 3305 Calle Del Mar, responded to questions regarding the location of the waterline.

Mr. Hill confirmed for Mrs. Poole that our staff has indicated that it can do the work.

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Moved by E. Palmer/Walker for approval of the various pre-annexation agreements for the Terra del Sol Subdivision. Motion carried unanimously.

28. **COUNCIL ACTION RE:** A request for approval of various contracts for employee health and other insurance benefits.

Mr. Hill briefed Council. This is a request for approval of the renewal process for the health and life insurance programs. The anniversary date for renewal is April 1, 2002.

In April 1999 Council approved the various vendors for the Employee Benefits Program for a five-year term subject to acceptable renewal rates. The contracts for the Short Term Disability, Long Term Disability, Life Insurance, and Flexible Spending Program were awarded with a two-year rate guarantee. Consequently, all benefits are subject to premium change this year.

Medical Insurance: Blue Cross Blue Shield originally proposed renewal rate increases for next year of 26.2% HMO and 58.4% PPO. Preliminary discussion with Blue Cross left the impression that there was little or no room to improve the renewal rates. In the interim Health First provided an unsolicited proposal that looked very promising on the surface with a possible savings of \$800,000 per year. The employee insurance advisory committee, comprised of employees representing the different departments and unions, evaluated the Health First proposal since a formal bid would be required to change carriers. The Health First offer had the immediate impact of causing Blue Cross to lower its renewal proposal. The proposed rate increases from Blue Cross were decreased by 10%.

The committee met twice and heard from representatives of the firms. The members discussed the offerings with employees from different departments and in the end voted 24-2 to remain with Blue Cross. The members' concerns centered on the Health First provider network, unknown service from a new carrier, and the fact that Health First may be "low balling" its rates. Many employees would have to change doctors and there were a limited number of physicians in the Health First network accepting new patients. There was also concern with Health First when employees had dependents residing outside the Brevard County area.

The committee recommended the city go out to bid next year when there would be more time to properly evaluate all possible proposals.

The proposed monthly premium for the period April 1, 2002 to March 31, 2003 for HMO increases 13.93% and for PPO increases 42.92% over the current year as summarized below.

Current and proposed health insurance monthly premiums are:

<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Increase Amount</u>	<u>Increase Percent</u>
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HMO

Employee	\$ 274.88	\$ 313.17	\$ 38.29	13.93%
Dependents	<u>464.56</u>	<u>529.26</u>	<u>64.70</u>	13.93%
Family	\$ 739.44	\$ 842.43	\$102.99	13.93%

PPO

Employee	\$ 293.58	\$ 419.58	\$ 126.00	42.92%
Dependents	<u>522.16</u>	<u>746.28</u>	<u>224.12</u>	42.92%
Family	\$ 815.74	\$1,165.86	\$ 350.12	42.92%

Since 1990 the rates in the HMO plan have increased a total of 68.40%. This is only 5.7% per year – well below the rate of inflation for medical services. The PPO plan rates however, are troubling. They have increased a total of 175.33%, or about 14.6% per year. This is about the rate of medical service inflation. The PPO plan is very expensive to maintain as a city benefit. Without much in the way of managed care, it is bound to continue to increase at a much higher rate than the HMO. It may be that the PPO will have to be discontinued as an option.

The city pays 100% of the cost of employee medical coverage, 50% of the cost of employee dependent coverage and 50% of the cost of retiree coverage. Retirees pay the entire cost of their dependent coverage. COBRA participants pay the entire cost of individual and dependent coverage. Open enrollment for the plan year effective April 1, 2002 would commence following Council approval.

Flexible Spending Program: This has been a very well received benefit for employees. Florida Combined Insurance Agency (Blue Cross Blue Shield) performs the tracking of eligible benefits and makes claim payments. There is no change to the plan or administrative expenses charged for this program. Currently the expenses run \$325.00 per month.

Basic Life Insurance: The city currently provides \$25,000 coverage for employees. The current rate is \$.29 per 1,000 of coverage per month. The proposed renewal rate is \$.31/1,000/month. The accidental death and dismemberment rider will remain unchanged and continue at \$.03/1,000/month. There are currently 817 employees in the basic life insurance program. The \$.02 increase will cost an additional \$6.00 per employee per year or a total cost to the city of \$4,902.00 per year. Standard Life Insurance Company has provided an alternate renewal where the retirees would be separated from the composite employee/retiree rate and stand on their own. If the retirees were on their own the rate for them would increase to \$1.70/1,000/month and the employee rate would decrease to \$.20/1,000/month. This option would save the city \$26,961.00 per year. However, the retiree cost would increase from \$93.00 per year to \$510.00 per year. At some point, Council should consider increasing the retiree rate somewhere between \$.31 and \$1.70 to reduce the amount the city is supplementing the retiree life insurance.

Supplemental Life Insurance: Standard Life Insurance has agreed to continue the supplemental life coverage that employees may purchase with no increase. This

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coverage is age rated and the premium will change as employees move to the next age bracket. There is no cost to the city.

Dependent Life Insurance: Employees may purchase additional life coverage for their spouse (\$10,000) and children (\$5,000). Due to unfavorable loss history Standard Life Insurance has increased the premium from \$4.36 per month to \$4.66 per month. There is no cost to the city.

Short Term Disability: Florida Combined Insurance Agency, (Blue Cross Blue Shield) has agreed to continue this coverage with no change. The rate will remain \$.49/\$10 of month benefit. There is no cost to the city for this benefit.

Long Term Disability: Standard Life Insurance has agreed to continue this coverage with no increase. This coverage is age rated and the premium will change as employees move to the next age bracket. There is no cost to the city.

Dental Insurance: The current dental insurer, Florida Combined Insurance Agency, (Blue Cross Blue Shield) requested a 25% increase to the indemnity (PPO) dental program. The experience of the indemnity plan warranted a 49.4% increase; however, Florida Combined Insurance Company agreed to limit the increase to 25%.

Current rate: \$21.50 employee, \$35.90 employee plus one, \$52.24 family
New rate: \$26.88 employee, \$44.88 employee plus one, \$65.30 family

There is no change to the pre-paid dental plan. The rates and benefits remain unchanged.

There are 419 employees and three retirees in the dental program. 362 employees and all three retirees are enrolled in the pre-paid dental plan. Fifty-seven employees are enrolled in the indemnity plan. 86.5% of employees and retiree enrolled in the dental program will not be effected by the rate increase for the indemnity plan. There is no cost to the city.

Mrs. Poole said she was amazed by the tremendous amount of the rates. Mr. Hill agreed that it is extremely expensive. He added that our only hope is that there will be competition among insurance carriers and hospitals in the area.

Moved by E. Palmer/C. Palmer for approval of contracts at the rates and unit prices listed in the agenda memo and the estimated total amounts as follows: Blue Cross/Blue Shield of Florida, Inc. for employee health insurance benefits for the year April 1, 2002 to March 30, 2003 in the amount of \$4,588,080; life insurance benefits in the amount of \$83,334 with Standard Life Insurance Company; and flexible spending program in the amount of \$3,900 with Florida Combined Insurance Agency. Renewal of various employee funded benefits as follows: supplemental life insurance with Standard Life Insurance Company in the amount of \$77,688, dependent life insurance with Standard Life Insurance Company in the amount of \$16,496; short term disability with Florida Combined Life Insurance Agency in the amount of \$88,388; long term disability with Standard Life

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Insurance Company in the amount of \$72,252; and dental insurance with Florida Combined Insurance Agency in the amount of \$82,836 (pre-paid) and \$28,020 (indemnity). Motion carried unanimously.

29. RESOLUTION NO. 1748: A proposed resolution to implement fiscal year 2001-2002 first quarter budget review recommendations.

Attorney Gougelman read Resolution No. 1748 by title.

From the agenda report: The first quarter budget review was distributed to Council on February 12. This is the proposed resolution to implement the recommendations of the review with the following program improvements:

- a. Purchase of additional task chairs, dispatch consoles, and replacement carpet for the Police Communications Center. The funding for these purchases is provided by additional funding from the Brevard County E-911 Surcharge. These funds are restricted and can only be used to purchase furniture for the Communications Center. \$44,000
- b. Funding of the two Custodial positions added to the Facilities Maintenance budget. These employees will replace the contract cleaning services formerly used for City Hall and the Annexes. Security concerns prompted this change from contract services. The cost of these positions is offset by the cancellation of the contract for custodial services. \$31,142
- c. Increase to the Toilet Rebate Program. When residents of the area replace an old toilet with a low flow toilet, the city will refund up to \$50.00 of the cost. Funding for this recommended increase to the rebate program comes from the SJRWMD. \$5,000
- d. Increase to project budget for the purchase of Police vehicles and vehicle equipment. Funding is available from interest earned on the grant funds and will be used to purchase additional or spare equipment for the patrol vehicles. \$7,385
- e. Establishment of a project for landscaping, lighting, and sidewalk improvement to the area of the Honor America Museum where the War Memorial will be placed. The immediate needs include installation of an irrigation well, irrigation system, lighting at the memorial, and a sidewalk to the memorial. Funds for Phase I of the War Memorial are available from the General Fund Miscellaneous Project. \$11,500

Mr. Hill noted that we will be off as much as \$700,000 in budgeted revenues in the General Fund. Additionally, we are concerned that we are not seeing an increase in

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water consumption. The city has hit a plateau of 14.5 mgd and that is affecting our Water and Sewer operation.

Moved by E. Palmer/Walker for approval of Resolution No. 1748. Motion carried unanimously.

Added to the agenda:

- 29.1 RESOLUTION NO. 1749: A proposed resolution to implement fiscal year 2001-2002 Airport first quarter budget review recommendations.

Mayor Buckley pointed out that the Airport has taken steps to cut down on some of the travel in the Airport budget.

Moved by Hand/E. Palmer for approval of Resolution No. 1749.

Mrs. Poole read through several of the decreases in revenues and recommended that the Airport keep what it has (with regard to Land Yacht Port O'Call) as opposed to looking into another venture.

Additionally, Mrs. Poole questioned how the Airport could pledge one million dollars to a convention center.

Mayor Buckley said if the county comes up with the increase in taxes and sets aside money for a convention center, that is when the Airport would spend that money. The Airport is holding out a carrot to get things going.

A brief discussion followed.

The question was called. Motion carried unanimously.

30. COUNCIL ACTION RE: A request for post travel authorization for Mayor Buckley's travel to Tallahassee, Florida on December 20, 2001 with representatives from other cities to meet with Governor Bush to discuss funding for Amtrak.

Mayor Buckley traveled to Tallahassee, Florida on December 20, 2001 with mayors and representatives from various Florida cities to meet with Governor Bush to discuss funding for Amtrak. Post travel authorization is needed from City Council in order to pay the plane fare (\$250.00). The trip was scheduled at the last minute; therefore, Council authorization was not possible.

Moved by E. Palmer/Hand for approval. Motion carried unanimously.

31. PETITIONS, REMONSTRANCES AND COMMUNICATIONS

Mrs. Palmer discussed the odor in the area of the Sarno Road landfill being produced by the mulching facility. Mayor Buckley stated that he would send a letter to County

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Commissioner Jackie Colon regarding this issue.

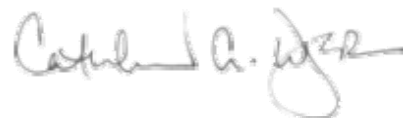
Mr. Contreras thanked staff for providing the city board roster through the city's web site. He asked staff to make a recommendation to further reduce the paper flow by using e-mail.

A brief discussion followed regarding the need to conduct several special meetings to discuss zoning issues, budget philosophy, and litigation.

32. ADJOURNMENT

Moved by Contreras/C. Palmer for adjournment. Motion carried unanimously.

The meeting adjourned at 11:53 p.m.



City Clerk - 3/8/2002

Approved by the committee: _____