

CITY OF MELBOURNE, FLORIDA
MINUTES – SPECIAL MEETING BEFORE CITY COUNCIL
APRIL 16, 2002

A special 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. All present gave the Pledge of Allegiance to the Flag of the United States of America.
2. 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
	Suzanne Novak	Assistant City Attorney
	Cathleen A. Wysor	City Clerk
	Bud Emerson	Assistant City Manager
	Amy W. Elliott	Director of Finance
	Michele Ennis	Assistant Finance Director
	Karen Windsor	Budget Officer

Mayor Buckley stated that there are two items that need to be addressed:

- Memorandum distributed to Council regarding the request by Professor Diane Barile, Florida Tech, to present a class project to Council relating to the Indian River Lagoon and the north shore of Crane Creek. Mr. Hill stated that the presentation will be made on April 23 at 7:00 p.m. to the Council Members who are able to arrive early for the regular meeting.
- Memorandum distributed, which contains the water tank design (provided by Mr. Kelley Alfonso). Mayor Buckley said Mr. Alfonso has indicated that he is not interested in a large flag and asked that Council reconsider its action taken at the April 9 meeting and vote for a small flag to be painted on the water tower.

Mayor Buckley confirmed for Mrs. Palmer that there would be a cost involved for the extra color of paint. Mr. Hill added that the additional cost would be about \$1,000. Mrs. Hand asked if Honor America still plans to place a flag on the side of its building. The Mayor replied yes and added that the size will be 6.5' x 10'.

By consensus, Council decided not to reconsider the item.

3. Budget Process Discussion for FY 2002-2003

Mr. Hill reported that this is a special meeting called to conduct a discussion on the city's budget process as a precursor to FY 2002-2003 budget development. This is relatively early in the process and budget staff is still reviewing the submissions from the different departments. Mr. Hill stressed that the Five-Year Capital Improvement Program (CIP),

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which contains the various requests by the departments, has not been reviewed by budget staff. Inclusion in the draft CIP does not indicate approval.

Mr. Hill reviewed the memorandum from the package. Significant discussion is listed below:

OPERATIONS/REVENUES:

Effect of Economy – General Fund

- Lower “new growth” (less than half of fiscal year 2001)
- Diminished construction related revenues
- Reduction of electric rates
- Repayment of traffic related revenues to county

Mr. Hill pointed out that we expect to see a lower new growth figure. Last year the value of new growth was \$120 million. He noted that he will be surprised if we receive over \$50 million this year. This will have an impact on the budget. Mr. Hill asked Budget Officer Karen Windsor to discuss the diminished construction revenues and electric utility rates.

Ms. Windsor said we are anticipating a decline in construction related revenues. This year, due to the low interest rates and a change in the building code, we have seen extra activity; however, next year we expect that figure to decrease. As the city becomes closer to being built out, we will continue to lose income in this area.

The Public Service Commission just approved a reduction in the Florida Power and Light rates. This will have an effect on the electric utility tax, the electric franchise fee, and the fuel adjustment. Staff is projecting about a \$200,000 decrease in these areas next year. An adjustment has already been made this year, which will result in a total decrease of \$400,000 from these two revenue sources for next year.

Mr. Hill discussed the overpayment by the Clerk of Courts to the city for traffic and court related fines. He noted that the city owes the money and will be performing a spot check on various tickets. The discussion with the court has related to the repayment plan. The Clerk of Courts offered to reduce the amount paid to the city by 50% for the balance of the year and then withhold from next year’s funds the entire amount until we have repaid the balance. Mr. Hill said it may be in the city’s best interest to resolve this issue this year so that it does not impact next year’s budget. Following the review of tickets, staff will return to Council with a recommendation on the best way to proceed.

Mr. Palmer asked if the city had any indication that we were receiving an abnormal amount of money. Mr. Hill said not really. He noted that a contributing factor related to the county collection rate falling as a result of the failing computer system. They could not track tickets and were using paper receipts. During this period, they were not submitting any requests to the Division of Motor Vehicles for the revocation of driver licenses. And, that action usually compels a person to pay their outstanding ticket.

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Mayor Buckley said there is a good chance that the collection rate will increase once tickets start being processed through the state. He added that the Clerk of Courts is hiring a collection agency, too.

Mrs. Poole said she has a problem with the city being penalized for the county's mistake. She added that she is uncertain if we should pay the entire amount now. Mayor Buckley pointed out that the current Clerk of Courts inherited the computer problem. Mr. Hill agreed and said the city knew that the payments were being estimated. The key will be getting the collection rate increased.

Mr. Palmer asked about the communications tax. Mr. Hill said that so far that revenue seems to be holding its own; it is a bright spot in the revenues but is nowhere near where it has been in the past. The projection is 2% next year – historically it has increased 5% and 10% per year.

Funding of Water/Sewer

- Rate study underway
- Significant concerns about lower consumption levels affecting rate basis

Mr. Hill asked Michele Ennis to discuss the rate study and revenue sufficiency analysis.

Ms. Ennis reported that the city is currently doing a revenue sufficiency analysis to identify a rate adjustment, which would provide sufficient funds for future capital needs. We expect the rate to increase on October 1, in addition to the scheduled October 1 rate increase. Consumption is declining, interest rates are dropping, and operating costs/capital needs are increasing. The current rates were adopted in 1998 and have held up until about this fiscal year. It is time to do another rate study and staff is working with the financial consultant and bond counsel at refunding old debt. She cautioned that there is a problem in that the market is volatile and noted that the analysis will return to Council for review in the next month or so.

Mr. Hill added that the Director of Finance is working with the Utilities Administrator and Engineer to review activities and operating expenses. Utilities Administrator Bob Klaproth confirmed that he is holding seven positions vacant.

Mr. Hill commented that consumption is down significantly. We are averaging 14 - 15 mgd and in the early 1990's, we anticipated we would be well above 20 mgd at this point. The sewer rates are based on water sales, so the situation is doubly damaging. The other factor has been the significant drop in interest rates.

Mrs. Walker questioned the reduction in consumption. Mr. Hill said it is a mystery; however, the city has been engaged in a huge conservation effort. Mr. Palmer asked about bulk water sales. Mr. Hill noted that Palm Bay was a sporadic customer and we weren't counting on much revenue from them. West Melbourne has continued to grow.

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Mrs. Palmer asked if the lower consumption can be partly attributed to the low growth (construction) rate. Mr. Hill said not really because we serve all of South Brevard and a 2% growth rate was used.

A brief discussion followed regarding the city's conservation program.

Mrs. Poole asked if we have a leak. Mr. Hill replied that there is a relatively small amount lost in the system. He noted that it is measured as it leaves the plant.

Mr. Klaproth confirmed for Mr. Contreras that the seven vacant positions are spread throughout the department and are not having, at this point, a negative impact on operations.

Mr. Palmer said he hopes the plan to expand the reverse osmosis plant has been put on hold. Mr. Klaproth replied yes and agreed that we don't need the capacity. He commented that it would be nice to have the redundancy.

Mr. Hill advised that the next step will be to work with the rate consultant, which is a very extensive process.

County Infrastructure One Cent Sales Tax

- County considering referendum – cities would share with schools and county
- Melbourne could receive over \$3,500,000 per year

Mr. Hill referenced the memorandum previously distributed to Council regarding this issue. He explained that a lot of debate is necessary and it may well be that the City of Melbourne decides not to support this. It is likely that this will appear on the fall ballot. A survey has revealed that there is sufficient support to pose the question. At this point the thought is that the cities, county, and schools would each share one-third. The duration is not certain; however, Melbourne would receive about \$3.5 million per year and it would have to be used for public infrastructure. It could be used to address City Hall and fire station needs, fleet equipment, fire apparatus, etc. The problem is that simply expanding and spending on infrastructure does not deal with operating costs; the money cannot be used for operating costs.

Police Services

- Traffic and vice service demands

Mr. Hill reported that in the budget last year there were a number of unfunded needs for the Police Department in the area of staffing and traffic enforcement. As calls for service continue to increase, the demands on the department will continue to build.

A brief discussion followed about grant funding. Mr. Hill cautioned that with grant funding it is implied that the operation will continue.

In response to Mrs. Poole, Mr. Hill said the Police Department is continuing to look at ways to expand the use of volunteers.

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Police Chief Keith Chandler reported that for many years the city experienced a decrease in crime. Last year for the first time in a number of years we experienced an increase and this year the increase will be greater. The uniform crime reports, traffic crashes and complaints/calls for service are up this year over last year. Currently, the city is 15% above where we were last year for crime reports. Complaints or calls for service are up 19% over last year. Two years ago the city had 4,973 index crimes reported and last year that figure was 5,200. At the rate we are going this year, we will approach 5,900 index crimes.

Continuing with statistics, the Chief noted that two years ago there were 3,200 accidents, last year just under 3,300 and this year we are projecting 3,400. Calls for service two years ago reached 63,500 and this year we will exceed 76,000.

Chief Chandler added that in every community meeting, survey, etc., citizens have indicated that traffic is the number one issue. With regard to vice and narcotics, the Chief said the department is pulling from other areas in order to address prostitution and street level drugs. He summarized by saying that the calls for service, crime, and accidents are increasing while citizen satisfaction is decreasing.

Mrs. Poole asked if some of this has to do with growth. Chief Chandler said the department has been asking for more citizen involvement and that is as it should be. The police are getting so much support from our residents in dealing with crime, that it is creating staffing problems. He noted that the increased population is a factor, but if the city weren't growing the areas around us would be.

Mrs. Hand asked about the possibility of using cameras to address red light runners. Chief Chandler replied non-existent. The legislature has not passed a law to allow cameras. If/when a law is passed, Melbourne would be down on the list of companies who manufacture the cameras.

Mrs. Palmer asked if a regular patrol officer can respond to a vice incident or call. She explained that she talked to an officer after seeing a prostitute. The officer appeared to be in a quandary as to whether he should get involved because "there might be some ongoing investigation."

Chief Chandler said that all officers are responsible for handling police concerns. As a practical matter, we expect our officers to respond as professionally and rapidly as possible. However, if a citizen calls in a prostitution incident or drug deal and officers are in the middle of responding to an accident with injuries, a robbery or a burglary in process, the vice call is not as high of a priority.

Mrs. Palmer asked if laptop computers have helped reduce the time our officers spend doing paperwork. The Chief replied no and said we have not fully evolved to preparing paperwork on laptops. Laptops provide another medium for dispatching officers and keeping radio traffic off the air.

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Mrs. Walker asked if we expect an increase in crime over the summer (with school out). Keith Chandler replied yes and commented that we will see a sharp increase in auto and residential burglaries. The department is gearing up for this now.

Mr. Palmer asked how Melbourne compares, as far as crime, with other cities. Chief Chandler stated that we have more index crimes than other cities; however, the county has more crime than the City of Melbourne. Mr. Palmer asked if drugs are involved in a lot of our crime. The Chief replied that there is no question about it.

Chief Chandler discussed the department's use of volunteers. He noted that the more volunteers we have, the better we will be. He added that there has been no report of a volunteer being injured in the field – they are trained to report and get out of the way.

Mr. Hill said the underlying theme is that, because officers are so expensive, we are constantly trying to figure out ways to relieve uniformed officers from duties that can be done by other personnel.

In response to Mr. Contreras, Mr. Chandler said once the software issues are resolved, officers will be able to complete reports on their laptops. Deputy Chief Jim Reynolds added that the software company has been more responsive recently and has assigned more programming time. He noted that at this point, he does not have an anticipated completion date.

Discussion continued regarding the use of volunteers, growth in the city, the rise in crime, the need to address traffic enforcement, street level drugs, prostitution, and the need for dedicated resources.

Recessed: 9:22 p.m.
Reconvened: 9:32 p.m.

Increased Fire Calls

- Southwest area; new subdivisions

Mr. Hill reported that an additional fire station is not anticipated in the next budget. He noted that when the need hits, it will be substantial. A new station will involve not only construction, but staffing. He asked Chief Chamberlin to address the calls for services that the department is experiencing.

Chief Chamberlin stated that the department is experiencing increases in calls. He said that each year, calls increase by about 900. Normally the department receives 800-900 calls per month; however, last month they received 1,000 calls. Continuing, the Chief noted that Station 75 located on University Boulevard includes the southwest portion of Melbourne. Last year that station had 2,500 calls. This is more than three other stations combined – Station 7, 558 calls; Station 3, 687 calls; and beachside station, 311 calls.

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The Chief said the department is experiencing more and more instances where districts are running into other districts. The types of calls are remaining the same; however, they are increasing. He pointed out that rescue calls represent 72% of all calls.

Mr. Hill stated that staff will be looking at the feasibility of combining some of the duties from Station 3 with the new Station 4. Any changes are still in the discussion phase.

A brief discussion followed regarding the cost of Station 3 being paid by the airport. Mr. Hill stressed that we do not want to change anything that jeopardizes the amount paid by the airport. Chief Chamberlin elaborated on the airport operation and rescue crews doubling as fire crews.

Mr. Palmer stated that the city's response time to the beachside is not satisfactory. He noted that our beachside residents pay taxes to the City of Melbourne and shouldn't be shortchanged.

Chief Chamberlin said that about a year ago, city staff talked to the county about protocol when they vacate a station. If they pull out of a station, we have to be notified. That has worked well and we are not short on protection.

Mr. Hill said that the city will be facing considerable increases for expansion of fire service to meet the demand. Mrs. Poole suggested that the city require construction of a fire station when a large area develops. The city would only be required to provide staffing. Mr. Hill said that perhaps the city should consider an impact fee for fire service. Additionally, he said he asked the department to determine if there is a way for us to obtain revenue for rescue calls. Currently, the City of Melbourne is the first on the scene and the only agency not provided direct reimbursement.

Mr. Contreras asked if there are any plans to consider transport. Mr. Hill replied no and elaborated on the problems associated with transport.

Solid Waste

- Complaints; additional staffing

Mr. Hill discussed the increased complaints we have been receiving about Harris Sanitation. There may be a need to provide additional city staffing to follow up on the calls. Also, we will have to get more serious about imposing penalties that are called for in the contract.

Mrs. Poole noted that part of the problem is residents not putting out yard trash as instructed. Mrs. Palmer asked the nature of most complaints. Mr. Hill said missed pick up service, mixes piles, lateness of runs, etc.

Retirements/Possible Reorganization

- Several department heads and other key staff retiring in next few years – Police, Fire, Planning, Utilities, and Assistant City Manager

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Mr. Hill said several retirements will present the possibility for reorganization. We want to take advantage of savings if possible, although we are presently streamlined.

FACILITIES

Auditorium

- Roof Repair - \$400,000 from FEMA (waiting formal confirmation)

Mr. Hill reported that since Hurricane Irene we have been negotiating with FEMA for a \$400,000 claim for the Auditorium roof. We recently learned that they approved a new project for “mitigation.” We have not received written approval yet.

City Hall

- Space planning (for use of space to be vacated by Station #4)
- Parking improvements

Mr. Hill said there is nothing specific in the budget at this point. The relocation of Station #4 raises the question of reallocation of space at City Hall.

The other issue on this site relates to parking. Staff will return to Council with a plan.

Fire Station Requirements

- Station #4 – construction funded; design to begin
- Continued discussion of eighth fire station

Mr. Hill noted that the \$600,000 for construction of Station 4 has been identified and the design work will begin. He added that we need to continue discussion and planning for an eighth fire station. Part of that relates to property issues and a couple of parcels have been identified on the beachside.

Front Street and Crane Community Centers

- Planning for possible improvements

Mr. Hill reported that we are making repairs to the north entranceway at Front Street. The shuffleboarders moved off the property, so there is no longer an interest in the courts. The Downtown Redevelopment Committee needs to start planning for consideration of use of that space to meet the use needs at Front Street.

Carver Park Improvements

- Master Plan in progress

Mr. Hill said the Master Plan is reaching the final draft stage and will be presented to City Council.

Fee/Crane Pools

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Mr. Hill informed Council that these two pools have not been redone and they are aged. There are ongoing maintenance concerns. Council may want to consider whether the city should be operating four municipal pools. It is a nice service but an expensive service.

Fire Training Facility

- Reworking costs

Mr. Hill reported that we have run into difficulties with the fire training facility. We anticipated construction costs to be between \$75,000 and \$80,000 with revenue expected to cover that cost. The item was put out to bid and the low bid was \$98,000. An error was discovered in the bid (an expense item left off); therefore, it will probably be \$30,000 above the bid price. As a result we have not proceeded with the construction activity. There is a possibility of using a metal building.

Continuing, Mr. Hill said the proprietor that we made the agreement with has raised concerns that the city has not performed and we may end up in a legal dispute. Staff is reviewing the costs and the bids and hopes to return within the price range anticipated.

REDEVELOPMENT

Downtown Melbourne Redevelopment

- Additional phases of lighting desired (FECR to U. S. 1 and Livingston west)
- Traffic signals
- Possible restriping of Waverly and Vernon to one-way

Mr. Palmer referenced the resurfacing project in the Five Year CIP and recommended the city investigate purchasing the property.

Mr. Hill discussed the traffic signals in the Downtown Melbourne area and noted that the advisory committee has recommended they be replaced with stop signs. Stop signs will promote a pedestrian environment, remove the expense of improving the signals, and improve aesthetics. He noted that it is Council's decision and said we have received calls both pro and con. At this point, the Downtown Redevelopment Committee would like to see a permanent change.

Mrs. Poole said the flashing red lights have created a safety problem. She said people are not stopping; they believe the signals are out of order and are speeding right through.

Mrs. Hand agreed that this is a safety problem. She added that she does not want to see the signals removed. Mrs. Walker agreed.

Mr. Contreras recommended that the set up be analyzed for a period of time. The stop signs should be installed while the lights remain on flash. The city can then analyze accident data.

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Mayor Buckley said he drove the Downtown area yesterday and did not experience a problem.

Discussion continued.

Moved by Buckley/Hand to postpone a decision on this item until the first meeting in May and request the City Manager to provide Council with data on the cost of mast arms.

(Note: Mrs. Palmer originally seconded the motion; however, she withdrew it and stated that she would like additional options presented to Council.)

Discussion followed regarding the installation of stop signs and whether this would occur prior to the first meeting in May. Mr. Hill said if the intention is to not install stop signs, then Council should consider this at the April 23 meeting rather than waiting.

Moved by Buckley/Hand to amend the motion by placing this item on the April 23 agenda. Motion carried unanimously.

The question was called on the main motion, as amended. Motion carried unanimously.

Review continued with the following items under the “redevelopment” heading:

Downtown Eau Gallie Redevelopment

- Promenade project along Lagoon – grant funding needed
- Possible lot acquisition – Highland/Eau Gallie Boulevard and landscaping along Highland

Babcock Street Redevelopment

- Phase 1 medians Hibiscus/NASA – final design
- Phase 2 medians NASA to Apollo – FDOT funding award for FY 05-06
- Boundary expansion
- Possible FDOT widening south of Fee – tied to rest of Babcock project

Palms 8 Theater site and road realignment

- Final design and construction bidding should occur by end of this fiscal year

Eau Gallie area planning

- Blight study needed

Booker T. Washington neighborhood planning

- Neighborhood sign funded

Mrs. Hand asked if the property owners will be assessed for the paving of Dove Street. Mr. Hill said no and explained it will be funded by CDBG funds. Mr. Ralls added that the project will probably be bid in a month and a half to two months. We are in the process of obtaining a permit from SJRWMD.

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South U. S. 1 area planning

- Blight study needed

A brief discussion followed on several items in the Five Year CIP.

Mr. Hill reviewed transportation issues as follows:

TRANSPORTATION

Eber Road – widen and improve

- Upcoming as next major road project in Five-year CIP
- Design underway

Florida Avenue – widen and improve

- Identified in Five-year CIP
- Will need to await funding availability

Babcock Street widening – U. S. 192 to Fee (with county)

- Design funded fiscal year 04-05; discussion about doing intersection improvements earlier

NASA/Ellis Road realignment (with county and FDOT)

- Design underway

Ellis Road widen and improve (with county)

- Preliminary engineering completed
- Waiting funding decision by county

John Rodes Boulevard widen and improve (with county)

- Intersection improvements only approved by county

Riverside Drive improvements (with county)

- Widening project scrapped by county
- Improvements of certain intersections to proceed

Apollo Boulevard (FDOT)

- Extension design funded fiscal year 06-07
- Landscaping of medians between Sarno Road and Airport Boulevard funded fiscal year 04-05

Babcock Street – U. S. 192 to city limit (FDOT)

- Design funded in fiscal year 04-05

U. S. 1 improvements (FDOT)

- Under construction
- Segment from Aurora Road to Post Road - \$14.8 million

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Palm Bay Road (with county and FDOT)

- Design underway
- Construction funds (for Minton Road to Babcock Street) planned for fiscal year 06-07 – estimated \$20 million

Eau Gallie Boulevard improvements (FDOT)

- Resurface downtown segment and construction of northbound right turn lane at U. S. 1 pending bid award

Mr. Hill reviewed the “utilities” heading as follows:

UTILITIES

Lake Washington Water Plant

- Construction nearing completion
- Ready to begin design of next phase

Potable water by-product disposal well

- Permit efforts are ongoing (and prolonged as expected)

Reuse water construction

- Adding 2.0 mgd of treatment at D. B. Lee to increase capacity to 4.0 mgd (Phase 3 current)

Wastewater treatment plants

- Replacement of old treatment trains with new 4.0 mgd unit; total capacity increase from 5.0 to 6.0 mgd

Mr. Hill finished by discussing “other needs,” which includes stormwater utility improvements, Southwest Park, golf courses renovations; dredge Elbow Creek, Brookside Canals dredging, convention center with airport, and Amtrak station.

Mr. Hill informed Council that we are likely to have fee increases at the golf courses to address peak play times.

Regarding the convention center, Mr. Hill said the airport has set aside \$3 million. They are in the process of discussing a funding source and whether the center would be sustainable in the community.

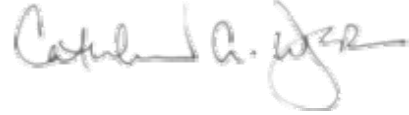
Mr. Hill said that a dispute has arisen with the airport regarding the Amtrak station. This is a situation that the Council Members who serve on the Airport Authority need to address. All along the discussion related to the airport – not the city – bearing the cost of the local match. Now airport staff is indicating they are not permitted by FAA rules to do this. The authority needs to address this issue and take a firm position. Council may want to consider whether it would be appropriate to build at the airport or move the facility Downtown. He noted that this issue is looming.

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4. Adjournment

Moved by E. Palmer/Walker to adjourn. Motion carried unanimously.

The meeting adjourned at 11:18 p.m.



City Clerk – 4/24/2002

Approved by Council: _____