

CITY OF MELBOURNE, FLORIDA
MINUTES – SPECIAL MEETING BEFORE CITY COUNCIL
JULY 29, 2002

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

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

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 |
| | Amy W. Elliott | Director of Finance |
| | Karen Windsor | Budget Officer |

COUNCIL ACTION RE: Ruling from the Circuit Court of the Eighteenth Judicial Court in the Florida Institute of Technology vs. City of Melbourne case.

Mr. Hill referenced the City Attorney's memorandum dated July 24, 2002. The memorandum outlines the following:

The three-judge circuit court panel has issued its opinion in the FIT case. The court found that:

- The City Council wrongly denied approval of FIT's site plan. There was no evidence upon which to base the denial.
- Council Member Poole caused a denial of FIT's constitutionally protected due process rights by participating in the proceeding because she was biased. Mrs. Poole has been directed by the court to disqualify herself from further participation of this case.

Additionally, the court stated that the site plan approval standards do not require an engineered drainage plan at this stage of the proceedings. If the City Council desires to take further action, the next step in the process would be to file a petition for writ of certiorari, which is a request for review similar to an appeal, with the Fifth District Court of Appeals.

Mayor Buckley recognized representatives from Florida Tech and asked if they wished to address Council.

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Ken Crooks, attorney representing FIT, stated that since the plan was first denied, it has cost the university more than \$2 million as a result of lost income and bond interest payments. He noted that if the city decides to continue this, that amount might double. He assured Council that if pursued, they will seek to be reimbursed for costs.

Continuing, Mr. Crooks said the City Attorney, in his memorandum, has somewhat misstated the opinion of the court. The court did not say that the comments made by the people at the public hearing were meaningless, rather the comments were not relevant. The order states, "...there was not a scintilla of competent substantial evidence presented at the hearing which would permit the city to deny the site plan approval to the applicant on the basis that it failed to comply with the Site Plan Ordinance."

Mr. Crooks concluded by restating FIT's objection to Council Member Poole participating in this action. He referenced the court's direction, which indicates that Mrs. Poole should disqualify herself and not participate in any future proceedings. Mr. Crooks asked Council to acknowledge what the court ordered and approve the site plan.

Attorney Gougelman explained that the lawsuit related to the first site plan. If Council decides not to proceed with further action, he asked which site plan the city would be considering.

Mr. Crooks said the first plan; however, FIT would be willing to pursue the second site plan if that is what the city desires.

Mr. Contreras referenced the court's direction that Mrs. Poole disqualify herself. He asked if that includes action taken at this meeting. Attorney Gougelman replied that he does not believe it would apply to a vote taken at this meeting (on whether to appeal). Apparently when the site plan returns to Council, based on the court's ruling, Mrs. Poole must disqualify herself.

Mrs. Poole stated that the law in Florida is explicit regarding when an elected official must abstain from voting. She added that bias is not a basis for abstention.

Mayor Buckley said the city spent quite a bit of money on the lawsuit and the ruling of the court is self explanatory. The court saw no reason why the site plan should not have been approved.

At this point, the Mayor made a motion to approve the site plan, which was seconded by Mr. Contreras. The Mayor later withdrew the motion.

Mr. Palmer stated that he thought Council was simply making a decision at this meeting on whether or not to appeal.

Moved by Buckley/Contreras to not appeal the court's ruling.

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Mrs. Palmer said she voted to approve the second site plan because she did not see anything that would hold up in court to base a decision of denial. She added that if we appeal this action and lose, it could cost the taxpayers \$4 million. And, she noted that she believes the city's chances are slim at best.

Attorney Gougelman confirmed for Mrs. Hand that FIT may be in a position to recuperate costs if this item is appealed.

Mr. Palmer said the City Council should accept the decision of the court.

Mrs. Walker stated that she is concerned for the people who live in the area. She added that judges can make mistakes and the issue regarding drainage is worthy of consideration.

Mrs. Poole referenced the court's ruling, which indicates that she appeared at a Department of Transportation hearing on the issue of the curb cut on Babcock Street. She clarified that she did not attend such a hearing, rather she spoke to Bob Kamm from the Metropolitan Planning Organization and he called FDOT. Mrs. Poole asked the City Attorney to clarify whether she can vote on this item. She commented that even if she had not voted on the site plan, it would still have been denied.

Attorney Gougelman explained that Mrs. Poole can participate in the vote on determining whether to file an appeal. Regarding the site plan, he said that she should disqualify herself.

The question was called. The roll call vote was:

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

Nay: Poole and Walker

Motion carried.

Mrs. Braz confirmed for Council that the site plan will probably appear on the August 27 City Council agenda.

At this point, Mrs. Poole discussed the letter from Airport Director Jim Johnson asking the city to commit financial support for the local (non-airport) share of the Small Community Air Service Development Pilot Program grant. The local commitment is estimated to be \$165,000. Mrs. Poole noted that this request, if considered, will affect the city's budget.

Mrs. Poole referenced the newspaper article regarding the award of the grant to Daytona Beach. She questioned whether the city and its residents would have known that the Melbourne International Airport did not apply for this grant if the article had not appeared in the paper.

Mayor Buckley defended the Airport Director's actions and said that in discussions earlier this year, Mr. Johnson indicated that he did not feel MIA was qualified to apply. The Mayor added

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that, at the same time, airport staff was working diligently on an \$8 million grant application to FAA.

No further discussion.

COUNCIL ACTION RE: City Manager's Proposed 2002-2003 Budget, including setting the Proposed Tentative Millage rate.

Mr. Hill referenced the agenda package, which includes a listing of revisions to be considered, answers to Councils' questions raised about the proposed budget, listing of general governmental expenditures and other financial uses by function for the last 10 fiscal years, and general governmental revenues and other financing sources for the last 10 fiscal years.

Mr. Hill added that this budget is probably more notable for what is not included. He explained that the budget proposes a property tax of 4.5228 mills. If adopted, this will be the sixth year in a row with the same millage rate. The city has been able to fund new and expanded programs as necessary, restore capital outlay and build reserves. Starting 18 months ago, there was an indication that this would be harder and harder to accomplish. The proposed budget has a large list of unfunded needs. No new tax increase is proposed; however, clearly there are some items that need to be addressed. Mr. Hill stressed that Council needs to look at a number of issues and provide policy.

Mr. Hill pointed out that in the General Fund Non-Departmental there is an error in debt service. One hundred and seventy-six thousand dollars is not budgeted that needs to be budgeted. The error was discovered immediately before the meeting started.

Mayor Buckley said that the city is currently negotiating with the fire union; therefore, the negotiating team should determine the firefighting staffing level.

Mr. Contreras referenced the unfunded departmental positions, which include the estimated cost in millage if funded. He stated that this information will be crucial as Council begins its review. He added that he understands that fire negotiations are underway and there are some unfunded state mandates that we need to comply with.

Mayor Buckley said the additional firefighting positions needed to comply with the state mandate is subject to interpretation. Several numbers have been discussed. He repeated that the final number should be determined through negotiations.

Mr. Contreras questioned the action that should be taken if the negotiations become protracted. Mayor Buckley said Council should put in some increase. He added that he believes we have to increase our millage and noted that the millage could be cut back before the final public hearing.

Mr. Palmer said that the proposed budget is austere; it allows for no expansion of services. Fire service is still an issue, especially in the southern portion of Melbourne and on the

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beachside. Police service is the same way; the city is obligated to provide police presence on the beach. He noted that the recent water and sewer rate increase will have an adverse impact on some people in the city. Mr. Palmer concluded by saying we need to try and reduce some expenses in Fleet Management.

Mrs. Poole agreed that this is a lean budget. She recommended that Council proceed with funding the new traffic signal preemption system for emergency vehicles (\$60,000), which is included on the unfunded needs list. She discussed the importance of emergency response time and suggested that local option gas tax money or money from the traffic calming program be used to fund the preemption system.

Continuing, Mrs. Poole referenced the grant to fund four traffic and vice officers. She noted that funds need to be found to include these positions in the budget. She suggested that the safety of our residents should be considered over and above grants-in-aid for non-profit organizations. Most non-profit organizations receive funding from other organizations that provide overlapping services. The groups that were awarded funding were told that no final decision would be made until the budget was considered.

Mrs. Poole concluded by recommending the city proceed with a fire impact fee to finance a fire station in the south portion of the city.

Mrs. Walker said the lean budget is the result of a lot of hard work. She noted that the reports indicate that individuals on the beachside appear to be getting quick fire service. She stressed that Council must be reasonable and spread out the funds. She added that she is concerned that we would consider increasing our millage rate, especially in view of the recent water and sewer rate increase. A tax increase would create an imposition for many and this is a difficult situation for the city to be in.

Mrs. Palmer stated that this is a year in which so many people have lost their retirement and jobs; the city must be sensitive to the financial condition of our citizens while providing services they expect. She noted that it is obvious to all that to some degree we have to increase the number of firefighters. The city is a first responder and will continue to be a first responder. The statistics show that the citizens on the beachside are receiving adequate services.

Mrs. Palmer said she appreciates the recommendation in the budget to use Community Service Officers (CSO). She added that she can support a slight increase to hire more CSO's. She agreed with the previous comment about grants-in-aid and said that grants are nice to provide – but they are not considered essentials. Families are cutting back and the city has to do the same.

Mrs. Hand said her concerns relate to the safety of our citizens with police and fire response. She commented that she is hard pressed to consider a tax increase in light of the recent water and sewer rate increase. Our citizens don't have the income; many are retired and can't afford medication. She concluded by saying Council should work hard to maintain the budget that has been presented.

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Responding to Mrs. Poole, Mr. Hill confirmed that \$1.3 million in new funds is needed each year to fund the labor negotiated agreements and cost of living adjustments for the non union employees.

Mrs. Walker asked the city's position on impact fees to cover safety. Mr. Hill said there is no proposal in the budget for fire impact fees. That is something Council may wish to consider; rough calculations have been included in the package. A proper study would need to be conducted to show the basis for the fee and that would take a couple of months. Mrs. Poole said homes are being constructed now; therefore, the city should start the impact fee immediately.

The Mayor pointed out that there have not been any structure fires on the beachside this year and there is an average of one call per day for medical. He said he can't support adding any facilities on the beach. He noted that he is concerned about the increase in health insurance and the number of people topped out in their salary range in the city.

Mr. Palmer agreed that the city should proceed with fire impact fees. He added that the airport fire station should be reviewed because he is not sure we are collecting for all the services we provide to the airport and the trailer park. He recommended that this issue be considered when the airport boundary issue returns to Council.

Mr. Hill confirmed for Council that the City Engineer could probably conduct the fire impact fee study.

Moved by Walker/Poole for staff to proceed with the fire impact fee study.

Mrs. Hand noted that fees are passed on directly to homeowners. She pointed out that this action could have an adverse affect. Mr. Hill said that is correct.

Mrs. Poole said in the southern end of the city, subdivisions with 50' lots are being constructed. She stated that this fee needs to be paid.

Mrs. Palmer said a slow down in growth is one reason we are in a budget crunch. She added that she is of the opinion that impact fees don't take dollars out of developers' pockets. Rather, they represent a substantial cost to potential homeowners.

The question was called. Motion carried. Council Member Cheryl Palmer and Mayor Buckley voted nay.

Council began reviewing and providing tentative approval to the budget. Based on Council action taken at this meeting, changes are noted.

General Fund

Revenues: \$40,516,429

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| <u>ACCOUNT NUMBER</u> | <u>DESCRIPTION</u> | <u>CHANGE</u> | <u>NEW ACCT TOTAL</u> |
|--|--------------------------------|---------------|---------------------------|
| 200014-03003 | COPS 2002 UHP | \$100,000 | \$100,000 |
| 200014-11920 | Intra from Cap. Const. Reserve | \$504,701 | \$504,701 |
| NEW REVENUE TOTAL | | | \$41,121,130 |
| Expenditures: | | | |
| Mayor & Council | | | \$116,036 |
| City Attorney | | | \$218,208 |
| A brief discussion followed regarding outside legal counsel. | | | |
| Recessed: | 8:55 p.m. | | |
| Reconvened: | 9:03 p.m. | | |
| City Manager | | | \$118,492 |
| City Clerk | | | \$237,526 |
| Management Services | | | \$262,805 |
| Risk Management | | | \$0 |
| Purchasing | | | \$183,272 |
| Public Information | | | \$104,654 |
| Personnel | | | \$241,715 |
| Information Systems | | | \$0 |
| Financial Services (Accounting and Revenue) | | | \$942,939 |
| Recreation | | | \$966,404 |

The Mayor and several Council Members complimented the Parks Division on the condition of our city parks and the great job that the employees are doing.

Mr. Contreras pointed out that the operating costs for the Melbourne Auditorium exceed the revenue by \$250,000 per year. From a business standpoint, he recommended Council take

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a hard look at this facility and decide to stop or to dump another million or two into the building.

Mr. Palmer asked the status of the roof repair. Mr. Hill said that the city received authorization from FEMA for \$400,000. We are currently working with the state to see if it will offset the \$50,000 local match. Staff is proceeding with the engineering design.

Mrs. Poole stated that the Auditorium is a prime source of entertainment for our citizens. She noted that our residents are taxed to death and this is something that the city provides for them whether we make a profit or not.

Mrs. Hand and Mr. Palmer expressed support for continuing the operation of the Auditorium. Mrs. Palmer said there is a need for the service and at this point we can't afford to replace the Auditorium. Mr. Contreras agreed that it provides a service to our citizens; however, from a budget and future planning standpoint, we need to seriously consider what to do with the facility. The costs are increasing faster than the revenue.

| | |
|--------------------------------|-------------|
| Pools Operations | \$232,978 |
| Melbourne Auditorium | \$420,602 |
| Crane Community Center | \$159,210 |
| Eau Gallie Civic Center | \$436,168 |
| Carver Community Center | \$108,443 |
| Grant Street Community Center | \$428,385 |
| Lipscomb Park Community Center | \$316,692 |
| Parks Maintenance | \$1,841,720 |
| Cemeteries | \$104,928 |
| Police Administration | \$608,706 |

Mr. Contreras asked the number of vehicles needed for the nine additional CSO's. Chief Chandler responded that the grant positions would require cars. Deputy Chief Torpy noted that the CSO's would replace officers that would return to patrol. Therefore, nine would be deployed to the streets and they would need four vehicles.

Mr. Palmer asked how many additional police officers have been approved. Mr. Hill said that we submitted a grant for four police officers. There has not been any funding provided in the budget for those positions. The CSO's are a separate discussion. He confirmed for Council that it is likely the city will receive the grant for the four additional police officers.

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Mrs. Poole said she hopes the department isn't looking past more than four officers at this time. Mr. Chandler replied yes and said that the officers requested through the grant are to address a specific problem – prostitution and drugs. The city still needs to address the increasing call load, accidents, and crime.

Mrs. Poole questioned whether a portion can be considered in this budget. Mr. Hill said regarding the nine CSO positions, the department would be happy to receive one or two. The priority would be to relieve sworn officers with CSO's so the sworn personnel can return to the road.

Mrs. Poole suggested money budgeted for traffic calming be used for the Police Department. Mr. Hill said it would have to be taken from other sources; traffic calming is funded by local option gas tax funds. In terms of staffing, he stated that funding needs to come from recurring revenue. He cautioned against deleting a one time capital request or using a windfall amount to pay for employees.

Following a brief discussion, Mr. Hill assured Council that he does not have a recommendation on where money can be cut in order to fund personnel. He noted that Mr. Contreras offered one suggestion (Auditorium) and it is up to Council to determine the importance.

Mayor Buckley said the millage rate of 4.5228 does not include the grant positions, additional CSO's, and firefighters. He stated that if Council wishes to add any of those to the budget, the millage rate will have to be raised.

A brief discussion followed regarding the discussion with the police union regarding a 12-hour work day. Mrs. Palmer said this concerns her. The Chief noted that many officers now work 12 hours because of the call load. A 12-hour day would provide officers with consistency; they would know that 12 hours later the shift would end and they would not be held over.

Mr. Hill confirmed for Mrs. Palmer that the \$90,000 in the budget for wire tapping equipment will be funded by Law Enforcement Trust Fund money. That is the money the department receives from seizures and forfeitures. The use is restricted; it must be used to purchase new equipment. If additional (new) vehicles are needed, they could be funded from the LETF money. This would require Council approval.

A brief discussion followed regarding the use of M16 rifles versus AR15 rifles. The Chief said that the M16 has less penetrating power, which would reduce the potential for someone downrange from being struck. The M16 is a standard in the industry.

Mrs. Hand referenced the first year match required for the four grant funded positions (\$69,171) and asked if that could be funded from the grants-in-aid money. Mr. Hill said as long as Council did not add the grants back in to the budget. Mrs. Hand said that perhaps it is more important to add officers.

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Mr. Torpy confirmed for Mr. Contreras that the three positions on the unfunded needs list are included in the request for nine CSO's. Mr. Chandler confirmed for Mr. Contreras that we lost one officer over the past six months to another agency (Brevard County). The employee who left indicated that it was due to the schedule. Additionally, he is a helicopter pilot and the Sheriff's Office has a helicopter unit.

Mr. Contreras stated that the downside to a 12-hour workday is the quality of life. He stressed that his concern is to hold on to the officers we have and the quality we have.

Mr. Contreras referenced the recent crime statistics and noted that crime is up. He asked if the increase in population and complexity of our infrastructure is an indication of a bow wave that we are not going to be able to keep up with. Mr. Chandler said that is an accurate assessment.

Mr. Palmer asked if a CSO can handle traffic accidents. Mr. Chandler replied that it depends on the training and type of accident.

A brief discussion followed regarding the committee that is reviewing the issue regarding the 12-hour workday. Mrs. Palmer repeated her concerns with going to this schedule and the effect it would have on an officer's personal life. Mr. Contreras noted that overtime is skyrocketing; there is a need to reel that in while taking into account service to citizens and the need to not create a disservice to our officers.

Moved by E. Palmer/Hand to fund the four grant funded uniformed officers plus three additional community service officers. (See later discussion for change of motion.)

Mrs. Poole and Mayor Buckley asked the source of funding. The Mayor noted that these positions are not within the present millage rate. Mrs. Hand said she would like the funding to come from the grants-in-aid. Mr. Hill confirmed that the grants-in-aid (General Fund Non-Departmental) is \$113,823.

Mr. Contreras noted that additional vehicles will be needed. A discussion followed regarding replacing vehicles versus retaining vehicles. Mr. Hill noted that the department has already cut back on its request for replacement vehicles. He suggested that Law Enforcement Trust Fund money be used if additional vehicles are needed. Chief Chandler added that Police Officers on the street engaging in high speed, emergency runs need safe equipment.

The Chief confirmed that for every two positions, one vehicle is needed. Mr. Hill clarified that the grant does not provide vehicles. Mayor Buckley pointed out that the motion for seven positions would require four vehicles.

The maker/seconded amended the motion to provide funding for the four grant funded uniformed officers plus two additional community service officers. The question was called on the motion as amended. Motion carried. Mayor Buckley voted nay. In later discussion, Mrs. Palmer said she did not indicate her vote on this motion because of not knowing whether the funding would come from an increase in the millage rate or from the existing

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budget. According to Robert's Rules of Order, silence indicates an aye vote. Following the failed vote for reconsideration (see later discussion), Mrs. Palmer said her vote on this motion is nay.

Discussion followed regarding the funding source and the possible use of grants-in-aid. Mr. Hill said the organizations that received (tentative) funding by Council were not promised funding; however, they do have an expectation that they will receive funding. Mayor Buckley said several of the organizations are planning on the funding for salaries, etc. Mr. Palmer recommended that Council continue with review of the budget and then review the amount of funding that will be required.

Moved by Contreras/Buckley to reconsider the previous vote. The roll call vote was:

Aye: Contreras, C. Palmer and Buckley

Nay: E. Palmer, Poole, Walker, and Hand

Motion for reconsideration failed.

At this point, Mrs. Palmer indicated that her vote on the motion to fund the six positions is nay.

Police Operations \$11,659,457

| <u>ACCOUNT NUMBER</u> | <u>DESCRIPTION</u> | <u>CHANGE</u> | <u>NEW ACCT TOTAL</u> |
|---------------------------|-----------------------|---------------|---------------------------|
| 420000-34300 | Uniform Prov/Cleaning | \$ 7,200 | \$105,200 |
| NEW ACCOUNT TOTAL | | | \$11,666,657 |

Police Support Services \$3,757,088

| <u>ACCOUNT NUMBER</u> | <u>DESCRIPTION</u> | <u>CHANGE</u> | <u>NEW ACCT TOTAL</u> |
|---------------------------|-----------------------------|---------------|---------------------------|
| 440008-12010 | Regular Salaries | \$ 46,668 | \$1,926,351 |
| 440008-15010 | Holiday Gift Certificate | \$ 20 | \$ 640 |
| 440008-21000 | FICA Taxes | \$ 3,570 | \$ 158,194 |
| 440008-22040 | General Pension | \$ 5,600 | \$ 89,774 |
| 440008-23010 | Emp Health/Life Insurance | \$ 7,628 | \$ 236,118 |
| 440008-23030 | Employee Assistance Program | \$ 42 | \$ 981 |
| 440008-24000 | Workers' Compensation | \$ 210 | \$ 11,249 |
| NEW ACCOUNT TOTAL | | | \$3,820,826 |

2002 COPS UHP \$0

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| <u>ACCOUNT NUMBER</u> | <u>DESCRIPTION</u> | <u>CHANGE</u> | <u>NEW ACCT TOTAL</u> |
|---------------------------|-----------------------------|---------------|---------------------------|
| 450807-12010 | Regular Salaries | \$118,558 | \$ 118,558 |
| 450807-15010 | Holiday Gift Certificate | \$ 40 | \$ 40 |
| 450807-21000 | FICA Taxes | \$ 9,070 | \$ 9,070 |
| 450807-22020 | Police Retirement | \$ 26,842 | \$ 26,842 |
| 450807-23010 | Emp Health/Life Insurance | \$ 15,256 | \$ 15,256 |
| 450807-23030 | Employee Assistance Program | \$ 84 | \$ 84 |
| 450807-24000 | Workers' Compensation | \$ 7,971 | \$ 7,971 |
| NEW ACCOUNT TOTAL | | | \$ 177,821 |
| Fire Administration | | | \$462,402 |

Note: The next action will affect the Capital Improvement Fund:

Mrs. Poole asked if Council is going to consider funding the traffic signal preemption system (\$60,000 from the unfunded needs). She recommended the funding come from the traffic calming improvements. Mrs. Hand disagreed and said many residents have been waiting for traffic calming devices. Mrs. Poole said that once installed, many residents will want the traffic calming features removed.

Moved by Walker/Poole to take \$60,000 from the annual traffic calming and road improvements (Capital Improvement Fund) to fund the traffic signal preemption system (unfunded needs).

Discussion continued.

The question was called. Motion carried unanimously.

Discussion followed regarding the source of funds for the traffic calming (Local Option Gas Tax). Mr. Hill noted that source of funds can be used for the signal preemption system because it is a transportation related expenditure.

Mr. Palmer stated that Council can't fund personnel until the union agreement is settled. Mr. Hill said if Council believes that there is a likelihood for increased expenses, they should be considered. He added that the Fire Chief has indicated that a minimum of nine positions will be necessary to meet the minimum staffing requirements. There are other opinions that argue for additional positions beyond that. Council has the ability to indicate that the staffing has to be provided within the current resources, or to indicate that so many positions will be added.

Mr. Hill clarified for Council that fire impact fees could be used for capital facilities only – not for firefighters.

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Chief Walt Chamberlin discussed the recent law, which requires the “2 in/2 out” requirements with all departments to be in compliance by September 30, 2002. In order to comply with this mandate, he said nine additional positions will be needed.

Responding to Mrs. Poole, Chief Chamberlin said using commanders, etc. from the scene to meet this requirement would jeopardize the firefighting operation. If the commander on the scene is in, he won’t be able to continue commanding the fire scene.

Discussion continued. Mrs. Walker asked what the alternatives are if we don’t have the revenue. Mr. Hill said Council needs to find other items that are a lesser priority. In response to questions, Chief Chamberlin confirmed that he needs a minimum of nine firefighters to meet the new state requirement.

Earlier in the discussion, Mrs. Poole indicated that the change in the union contract to allow “flexibility” in staffing would be able to address this requirement without adding additional firefighters. Mrs. Palmer asked the Chief to comment. The Chief replied that the staffing could be met but response time would be lost and areas of the city would be left uncovered. There is a possibility fire loss would increase. Mayor Buckley stated that it would be foolish to skimp on this.

Chief Chamberlin confirmed for Mrs. Poole that the Palm Bay Fire Department does provide backup for Melbourne for areas located south of Florida Avenue.

Moved by Contreras/Buckley to increase the firefighters by nine with the funding to come from either additional sources or some other areas where funding will be reduced. The roll call vote was:

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

Nay: None

Motion carried unanimously.

*Mrs. Poole said she does not believe the funding is located in the budget. She originally voted nay but then changed her vote to aye.

Mr. Hill pointed out that unless Council provides funding now, additional funding cannot be added in September (through an increase in the millage rate). Mrs. Hand asked if staff can find the money. Mr. Hill said there is no way unless items are cut. Mayor Buckley recommended the millage rate be slightly increased.

Mrs. Palmer suggested an across the board cut, excluding salaries. Mr. Palmer pointed out that \$800,000 is in the capital construction reserve account.

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Mr. Hill confirmed that there is approximately \$800,000 in the capital construction reserve account. Regarding an across the board cut, he said in some instances it would be disproportionate because of the mix of large and small departments. Additionally, there are fixed monthly operating expenses.

Mrs. Palmer said Council needs guidance on the non-essential items that are in the budget. Mr. Hill said items don't make the capital outlay schedule unless they are really necessary or they need to be replaced. He suggested Council propose a raise in the millage rate, which would allow time before the public hearing to review ways to cut.

Mrs. Poole asked why the funding couldn't come from the capital construction reserve account. Mr. Hill said that would work for one year. That action would require funding for subsequent years.

At this point, Council decided to continue with review of the budget.

Fire Emergency Medical Services \$215,541

Fire Operations \$6,495,955

| <u>ACCOUNT NUMBER</u> | <u>DESCRIPTION</u> | <u>CHANGE</u> | <u>NEW ACCT TOTAL</u> |
|------------------------------------|-----------------------------|---------------|---------------------------|
| 510008-12010 | Regular Salaries | \$256,209 | \$4,864,138 |
| 510008-15010 | Holiday Gift Certificate | \$ 90 | \$ 1,190 |
| 510008-21000 | FICA Taxes | \$ 19,600 | \$ 403,517 |
| 510008-22030 | Fire Retirement | \$ 10,069 | \$ 187,416 |
| 510008-23010 | Emp Health/Life Insurance | \$ 34,326 | \$ 629,070 |
| 510008-23030 | Employee Assistance Program | \$ 189 | \$ 2,462 |
| 510008-24000 | Workers' Compensation | \$ 15,659 | \$ 210,280 |
| 510008-34300 | Uniform Prov/Cleaning | \$ 19,800 | \$ 106,800 |
| NEW ACCOUNT TOTAL | | | \$6,851,897 |
| Code Compliance | | | \$1,804,830 |
| Engineering | | | \$482,613 |
| Streets and Storm Water Management | | | \$1,041,170 |
| Local Option Gas Tax | | | \$1,835,086 |
| Traffic Signage and Signals | | | \$360,892 |
| Facilities Maintenance | | | \$659,030 |

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| | |
|-----------------------------------|-------------|
| Solid Waste Management | \$192,785 |
| Fleet Management | \$0 |
| Planning and Economic Development | \$388,298 |
| Non-Departmental | \$3,111,399 |

As noted by Mr. Hill in his opening remarks regular salaries and contingency will be reduced to account for \$176,000 in Sales Tax Bond debt service. This action does not change the department total.

| | |
|------------------------------|---------------------|
| Total Expenditures: | \$40,516,429 |
| NEW EXPENDITURE TOTAL | \$41,121,130 |

Special Revenue Funds

Revenues and Expenditures:

| | | |
|----------------------------|-------------|-----------|
| Redevelopment District | | \$584,571 |
| Downtown | \$ 345,838* | |
| Babcock Street | 205,597 | |
| Olde Eau Gallie Riverfront | 33,136 | |

*As noted in the agenda report, expenditure accounts within the Downtown budget will be revised to account for a correction to allocation of an employee. Revisions did not affect the fund total.

| | |
|------------------------------------|--------------------|
| Housing and Community Development | \$459,769 |
| Community Development Block Grant | \$733,062 |
| HOME – Housing Assistance Program | \$277,783 |
| SHIP – Housing Assistance Program | \$643,614 |
| Transportation Impact Fees | \$1,788,250 |
| Total Special Revenue Funds | \$4,487,049 |

Water & Sewer Fund

| | |
|-----------|--------------|
| Revenues: | \$32,757,863 |
|-----------|--------------|

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Expenditures:

| | |
|---------------------------------------|--------------|
| Utility Billing and Collection | \$1,090,564 |
| Utilities Administration | \$475,736 |
| Water and Wastewater Operations | \$497,520 |
| Water and Wastewater Customer Service | \$783,765 |
| Water Production | \$6,363,870 |
| Water Distribution | \$2,228,507 |
| Environmental Community Outreach | \$79,419 |
| Wastewater Collection | \$1,965,910 |
| Wastewater Treatment | \$3,721,049 |
| Non-Departmental | \$15,551,523 |
| Total Expenditures | \$32,757,863 |

Storm Water Utility Fund

| | |
|----------------------------|-----------|
| Revenues and Expenditures: | \$893,000 |
|----------------------------|-----------|

Golf Course Fund

| | |
|-------------------------|-------------|
| Revenues: | \$2,709,450 |
| Expenditures: | |
| Melbourne Golf Course | \$1,212,917 |
| Harbor City Golf Course | \$1,284,239 |
| Non-Departmental | \$212,294 |
| Total Expenditures | \$2,709,450 |

Insurance Fund

| | |
|-----------|----------|
| Revenues: | \$95,000 |
|-----------|----------|

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Expenditures:

| | |
|-----------------------|----------|
| Workers' Compensation | \$95,000 |
| Total Expenditures: | \$95,000 |

Revisions will be made within line items of the Insurance Fund Workers' Compensation to account for the additional 15 positions added to the budget. The changes will be offset by an increase in the Contra Account by the same amount. No change to the total.

Capital Improvement Fund

| | |
|-----------------------------|--------------|
| Revenues: | \$12,598,831 |
| Expenditures: | |
| Roadways and SW Management | \$4,145,000 |
| Sidewalks and Bikeways | \$108,699 |
| Leisure Services Facilities | \$307,000 |
| Police | \$194,632 |
| Fire | \$60,000 |
| Facilities Maintenance | \$70,000 |
| Water and Sewer | \$7,693,500 |
| Golf Courses | \$20,000 |
| Total Expenditures | \$12,598,831 |

Note: \$60,000 will be moved from the annual traffic calming in order to establish a new project to construct traffic signal preemption system. No change to the total budget.

Moved by Buckley/Contreras to set a tentative millage rate of 4.7.

Mayor Buckley said Council has added \$503,000 to the budget. The increase in millage would allow time prior to the public hearing to continue reviewing the budget.

Mr. Hill said the millage required to fund the 15 positions Council added to the budget at this meeting is 4.7147.

The maker/seconded agreed with setting a tentative millage rate of 4.7147.

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Mrs. Poole stated this is the wrong thing to do. Mrs. Palmer asked if this rate can be reduced. Mayor Buckley replied yes – between now and the final public hearing in September. Mrs. Poole said the newspaper will report that the city raised taxes.

The question was called on establishing a millage rate of 4.7147. The roll call vote was:

Aye: Contreras and Buckley

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

Motion failed.

Mrs. Poole recommended the millage be set at 4.5228.

Mr. Hill asked if it is Council's intention to meet again to review the budget. He explained that once the millage is set, it is locked in. (The tentative millage can always be reduced after it has tentatively been adopted; however, it cannot be increased.) He stressed that at this point if the millage is set at 4.5228, the budget will not be balanced.

Moved by Poole/Hand to keep the millage as is (4.5228). The roll call vote was:

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

Nay: Contreras and Buckley

Motion carried.

Mrs. Poole recommended the funding be taken from the capital construction reserve account. Mrs. Palmer asked if this can be done and Mr. Hill replied yes. Mr. Contreras pointed out that the City Manager has made it clear that that action is a one year resolution – a bandaid move. Mr. Palmer responded that the budget is only for one year.

Mrs. Palmer recommended Council meet again to continue with the review of the budget and to identify potential cuts.

Moved by Poole/Hand to fund the additional 15 positions from the capital construction reserve account (approximately \$503,000). The roll call vote was:

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

Nay: Contreras, C. Palmer, and Buckley

Motion carried.

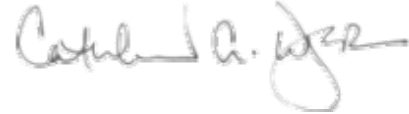
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Moved by Poole/Hand to establish September 3 and September 17 as the public hearing dates. Motion carried unanimously.

ADJOURNMENT

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

The meeting adjourned at 11:39 p.m.



City Clerk – 8/9/2002

Approved by Council: _____