

CITY OF MELBOURNE, FLORIDA
MINUTES – CAPITAL FINANCING WORKSHOP
APRIL 20, 2004



A workshop meeting was held in the City Council Chamber, 900 East Strawbridge Avenue, and was called to order at 6:30 p.m. by Mayor John A. Buckley.

1. Pledge of Allegiance
2. Roll Call

Present:	John A. Buckley	Mayor
	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	Vice-Mayor, District 5
	Loretta Isenberg-Hand	Council Member, District 6
	Jack M. Schluckebier, Ph.D.	City Manager
	Amy W. Elliott	Assistant City Manager
	Paul R. Gougelman, III	City Attorney
	Cathleen A. Wysor	City Clerk
	Marilyn Crotty, Facilitator	Director, Florida Institute of Government

3. Welcome and Introductions - Mayor Buckley and Facilitator (Marilyn Crotty)

Mayor Buckley welcomed the audience to the Capital Financing Workshop meeting. He clarified the following items from the March 2 Town Hall meeting: U. S. 192, Eau Gallie Boulevard and Babcock Street are maintained by the Florida Department of Transportation. Sarno Road, Croton Road, Wickham Road and Apollo Boulevard are maintained by Brevard County. The City is not able to work on these roadways unless we are willing to pay for the work.

Continuing, the Mayor said that several people recommended the installation of traffic signals. A traffic signal requires that certain warrants be met and it is based on actual traffic counts – not projections.

Mayor Buckley introduced the facilitator, Marilyn Crotty, who is the Director at the Florida Institute of Government, University of Central Florida.

Ms. Crotty pointed out that this is a workshop meeting; therefore, Council will not be voting or making final decisions. This is a follow-up to the Town Hall meeting that was conducted in March. At this meeting, Council will review the comments that were made and look realistically at budget planning, particularly the capital improvement plan.

Ms. Crotty asked Council to establish an ending time for this meeting. Following a brief discussion, Council agreed to end the meeting by 8:30 p.m. If the meeting needs to be extended, Council may do so by consensus. Ms. Crotty advised the audience that the workshop meeting does not offer an opportunity for citizen input. That opportunity was

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available during the Town Hall meeting and there are future opportunities to speak at regular Council meetings.

With regard to the next agenda item, Ms. Crotty said that Council Member Richard Contreras asked for a presentation by Fishkind & Associates.

4. Fiscal Impact Modeling – Fishkind & Associates, Inc.

Ron Schwartz, Fishkind & Associates, Inc., representing Hank Fishkind, reviewed a presentation on the Fishkind Fiscal Impact Analysis Modeling (FIAM) Project. He highlighted the following:

- FIAM estimates the costs and revenues associated with land use decisions; projects future budget balances; is written with open code; and is calibrated with local community data.
- The goal of the model is to make fiscal impact analysis a routine part of land use planning.
- In addition to calculating costs, FIAM is designed to measure levels of service, track land inventory, analyze alternative growth plans, etc.
- The FIAM was initiated in May 2002 and Version 5.0 is scheduled for delivery on May 15, 2004.
- Several counties use the FIAM, including Brevard County. Local cities include West Melbourne.

In response to Council Member Richard Contreras's questions, Mr. Schwartz offered the following information: the model is usually offered by way of a fixed fee proposal; if a convoluted analysis needs to be performed, the City could opt to contract on an hourly basis; the model provides the framework; Fishkind will work with the City to calibrate and adjust the model so it suits Melbourne; Version 3 does an excellent job but Version 5 offers updates; and the City would own the model and have the ability to update it with information.

Mr. Schwartz noted that annexation is a perfect example of the model's capabilities. The taxable value of an annexation area can be calculated. He confirmed for Mr. Contreras that the model will show what affect an annexation will have on the City in terms of services.

Council Member Pat Poole asked Mr. Schwartz if he is proposing to sell this model to the City. Mr. Schwartz responded yes. Council Member Loretta Hand asked the cost. Assistant City Manager Amy Elliott said that Dr. Fishkind proposed \$10,000 for this model.

Vice Mayor Cheryl Palmer asked if the model can be manipulated, because of the open code, to give the desired results. Mr. Schwartz said that Council would have to rely on City staff. As with any analysis, the data could be manipulated. Mrs. Palmer said that she believes this model would be extremely usable and offer people confidence in the decisions being made. However, she said she is concerned that the data can be manipulated.

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Council Member Ed Palmer said he is interested in the model because of the maximum flexibility it offers. He asked how maintenance costs are calculated with regard to parks, roadways, etc. Mr. Schwartz said it depends on whether it is a capital or operating cost. Following a brief discussion, Mr. Schwartz confirmed that the model will not indicate what the maintenance costs should be. However, if the costs are known, it would be easy to plug that information into the model.

City Manager Jack Schluckebier said he could see where the information would be helpful in performing a detailed analysis of a potential annexation. However, with regard to the governing body reviewing a development permit, he asked how having this information would help Council make a decision. Mr. Schwartz said that the model won't dictate "pass everything positive or turn away everything negative." However, he noted that part of the social good is to have an idea of the cost.

Mr. Schluckebier said if the City Council is responsible for development decisions, this information can be considered; however, in considering this, it could place Members in the posture of being labeled "not objective." Mr. Schwartz said that the model would simply provide the best information from all inputs. He confirmed for the City Manager that land use decision making is the major use of this model by other governments.

Mr. Contreras suggested that this model would indicate that the City of Melbourne can only afford "X" number of a certain type of development; it would indicate the cut off. Regarding Mrs. Palmer's concerns, Mr. Contreras said that anything can be manipulated. It depends on the integrity and trust of the employees.

Mayor Buckley thanked Mr. Schwartz for his presentation. Ms. Crotty added that a decision won't be made at this meeting, rather Council would consider this in the future.

5. March 2, 2004 Town Hall Meeting Ideas Synopsis

Ms. Crotty referenced the suggestions made by citizens at the Town Hall meeting and in response to the *Melbourne Messenger* article soliciting such comments. She asked Members if they had any comments.

Mrs. Palmer said she would like to raise the issue about pepper trees along the riverfront. One citizen suggested a boardwalk, but some action should be taken sooner. She noted that at one time the City was able to get clearing done. The view of the river lasted about a year. The information in the package indicates that the City would have to acquire easements in order to apply for a grant for the boardwalk.

Mrs. Palmer asked if City staff could investigate whether landowners are responsible for keeping the pepper tree growth under control or whether they would consider giving the City easements to allow us to pursue grant funding for clearing and/or a boardwalk.

Mayor Buckley said this would be a good project for Eagle Scouts. They could obtain permission from the property owners and clear the trees. Mrs. Palmer asked about liability

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with regard to use of scouts.

In response to Mr. Palmer, Mr. Schluckebier confirmed that Keep Brevard Beautiful has scheduled a work crew for April 28-29 for Brazilian pepper tree removal on U. S. 1. He added that the difficulty relates to the number of parcels; the magnitude of work is astonishing. The work of the volunteers is helpful and we appreciate what they are doing. However, if we are to make progress on this, it would have to be some type of City sponsored event.

Mr. Palmer said the end result is that we don't want pepper trees. How we go about doing this is the issue. It would not be prudent to hire people to cut the trees. The key issue rests with the property owners and whether they ought to be contributing, taking over the project or whether code enforcement can address this.

Mrs. Palmer asked if this is a code enforcement issue. Mr. Schluckebier said that staff will determine that.

Ms. Crotty summarized and said that this will be referred to staff to pursue options that are fiscally and legally best. She noted that it sounds like there is an interest on the part of Council to see something with regard to this issue.

Mrs. Hand referenced the comment about replacing the Code Enforcement Board with a special master. Mr. Schluckebier said that staff has not evaluated this; the information was presented by someone who works in the code enforcement field with Brevard County. Mr. Schluckebier added that he is not certain that cities have found the special master process enhances the effectiveness of code enforcement activities. Additionally, the issues facing the County are different than those in the City. People want more direct code action, yet the process should not be turned over to a nameless/faceless bureaucrat. A "jury of peers" is not foolproof, but it works well.

The City Manager concluded by saying that our volunteer Code Enforcement Board does an incredible job working its way through the number and types of cases we have.

Ms. Crotty summarized – the City is not actively pursuing this unless there is direction from City Council. Mrs. Hand stated that she is not interested in pursuing this and added that she is not sure the City can afford another layer of government.

Mr. Contreras referenced the suggestion that we use recycling in our roadway projects and asked if a determination would be made in time for 2005. Mr. Schluckebier said that we would have an answer by summer. He added that we want to ensure that this process is on an approved list for our uses.

Mr. Palmer asked for an update on where we stand with the school impact fee issue. He added that this needs to be addressed. The City Manager said that staff is bringing forward a proposal on the April 27 agenda. Staff's hope is that Council will support a resolution encouraging the Board of County Commissioners to follow their consulting report, which

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advocates imposing school impact fees.

Mrs. Palmer referred to the need to level/resurface Croton Road, between Eau Gallie Boulevard and Sarno Road. She said she understands this is the responsibility of the County. She noted that recently the City Manager was successful in working with the County on a trash/debris problem on a County roadway. She commented that it may be appropriate for us to respectfully approach the County and ask that this roadway be given attention. Additionally, she noted that this area is actually a hazard.

In response to Mrs. Poole, Mr. Schluckebier confirmed that downtown sidewalks will be included in the street lighting/streetscaping project that is budgeted. Mrs. Walker asked if Municipal Lane will be included and Mr. Schluckebier said yes.

Mayor Buckley recommended that the Apollo Boulevard extension be pushed, especially in light of Wickham Road being overloaded. This will be the only new north/south route available in the future. Mrs. Walker agreed.

Mrs. Palmer said that a study indicates that the Apollo Boulevard extension will take pressure off of U. S. 1, Wickham Road and Sarno Road. She stated that she believes it is ready to go when we have the funding. Mayor Buckley said we would have to fund the design. Mr. Palmer pointed out that the U. S. 1 construction has aggravated the situation.

Ms. Crotty said that the City Manager addressed several items in the agenda package. One is a suggestion that the City alternate between a Town Hall meeting and resident opinion survey each year. The survey would provide demographically clear information from the broad citizenry about what folks are happy about, not happy about and what they are willing to pay for.

Mrs. Palmer said that she would like for the City Council to be involved in the development of survey questions. Ms. Crotty agreed and added that if the survey is done regularly, a benchmark will be established and Council can see the progress being made based on the responses. It does provide valuable information.

Mr. Contreras recommended that the Town Hall style meeting be conducted in even years and the survey be conducted in odd years. By consensus, Council agreed.

Ms. Crotty asked if there were any other comments on this issue.

Mr. Contreras recommended that in the future, citizens provide a recommendation on how to fund their requests. Ms. Crotty said that is interesting and would be wonderful if citizens could do that. However, the level of understanding of citizens on the intricacies of government funding is not where it should be. Perhaps this points to the need for more citizen education.

Mr. Contreras said that we have the mechanisms/tools to educate and we need to educate our citizens on the need to become more involved.

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6a. Capital Projects – Discussion of general government capital project priorities

Ms. Crotty commended the City for having a five-year capital plan. She noted that many cities do not look down the road. She said that her understanding of the material indicates that we have a list; however, with the exception of the current year, we don't have funding to go along with that list. It is similar to a wish list. Staff needs input from Council on the continuation of the five-year plan. She asked Members to comment on the effectiveness of the way information is currently displayed and if there are ways to alter that so it would be more meaningful.

Mr. Palmer said that it may be a wish list, but it allows Council to review that list throughout each budget. At some point there is a realization that some items have been unfunded for too long. He recommended the five-year list continue.

Mrs. Hand agreed and said she would like the current practice to continue. If projects aren't continually listed, they will be forgotten.

Regarding the projects listed in the agenda report, Mrs. Hand said she would like the Apollo Boulevard extension to become the number one priority. Mrs. Palmer agreed.

Mrs. Poole disagreed. She said that the people who live in that area are opposed. The project would be very bad for the environment, along with being costly.

Mrs. Poole referenced the current configuration of the five-year plan and expressed support for continuing with that format.

Mr. Schluckebier said if Council is satisfied with how the capital improvement plan is presented, that is great direction to staff.

With regard to the Apollo Boulevard extension, he reported that is an FDOT project. It is a local project that DOT has in its five-year plan only to the extent of engineering. He added that he believes the design is scheduled two fiscal years from now; however, there is no long range planning consideration for funding that project. It is a \$12 million project and the design will be \$1 - \$1.5 million. Because DOT funds are short and there are competing projects, it is a pipe dream unless the City takes definitive action.

Mrs. Walker asked if we know when the U. S. 1 project will be completed. The City Manager said it is scheduled for completion in July 2005. The Mayor added that DOT will never make that deadline. Mrs. Walker noted that the completion will help alleviate traffic on Wickham Road.

Ms. Crotty said she has heard several comments on the form of the capital plan. She asked if there were any additional comments.

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Mr. Contreras said that in terms of identifying projects, in reality the burden of decision making rests with Council. He said he has a problem with continuing to defer.

Mayor Buckley said he has no problem with the way capital projects are currently listed.

Regarding Apollo Boulevard extension, the Mayor said he advocates proceeding and noted that this project would help the whole traffic situation in the City. Mrs. Walker agreed.

Ms. Crotty said a clear majority favor proceeding with the Apollo Boulevard extension project.

Mr. Palmer referenced the Manager's comments and asked what the City can do. Mr. Schluckebier said the City can communicate directly with FDOT and the MPO to add this project. He informed Council that DOT has a provision where cities can advance funds for projects that are in the five-year plan. The City would provide the money and DOT would repay the money at the time the project is scheduled.

Mr. Contreras stated that he supports the Apollo extension project.

With reference to other items on the list, Mr. Contreras said he would like to add the fire station in South Melbourne and the renovation of City Hall.

Mr. Palmer said that the increased street resurfacing program should be added.

Mr. Contreras said that the increased level of intersection improvements/traffic signals should be added. Mrs. Hand recommended that be listed as the number two priority.

Mr. Palmer asked for a discussion on the widening of Florida Avenue. Mr. Schluckebier said the project is intended to be designed three years from now and built four years from now. Mr. Palmer said it was simply a question and he doesn't put too much priority in this project.

Mrs. Poole said that the City should start a program of buying land for preservation, especially the way development is going. She recommended we find ways to purchase property when it becomes available. The City Manager said that might coincide with the Council stated concern with pepper trees on U. S. 1.

Mrs. Palmer echoed the sentiments that the unfunded list should continue. It is important that the projects not be pushed into oblivion.

Ms. Crotty asked if Council feels there are any other items on the list that are a priority.

Mr. Palmer said there should be a park on the beachside area of Melbourne. Mayor Buckley said that Paradise Park, although a County park, is located in Melbourne. A brief discussion followed regarding a possible location.

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Mrs. Hand said the City should consider land acquisition for cemeteries. Mrs. Poole agreed.

Ms. Crotty asked if Council was ready to rank the proposals. Mrs. Poole suggested that Council Members review and rank individually. Ms. Crotty said that perhaps staff could provide information on each of the items listed, which would allow Council to make an informed decision. Mr. Schluckebier said that staff will supply background information on each item.

Mr. Contreras asked that information be included on the funding sources. For example, information should be provided on where the local option gas tax monies can be legitimately spent.

Ms. Crotty said the recommendation is to link each capital item to a funding source and Council will make a decision at a later time. Council concurred with this idea.

6b. Funding Level – Discussion of general government revenue/funding level for capital projects

Ms. Crotty referenced the staff memorandum, which requests clarification by Council Members on the following: “In development of the future five-year capital improvement schedules, which level of revenue increase should staff work toward achieving? As is (\$1 – \$1.5 million revenue increase). Moderate improvement (\$2 - \$2.5 million revenue increase). Substantial improvement (\$4 - \$4.5 million revenue increase).”

Ms. Crotty asked if anyone had any thoughts on this. She added that it may be hard to discuss in a vacuum without a list of projects.

Mr. Palmer said the City could consider grant money as an additional funding source. Also, we should ensure that the money we already have, like the storm water utility, is being used for the intended purpose.

Mrs. Palmer said that the capital list should be reviewed before grant requests are submitted to Council. She commented that we have applied for grant money for projects that are not on the list, which results in projects being pushed back.

Continuing, Mrs. Palmer recalled that the grant money for the Police Department boat could have been used for the Elbow Creek dredging project. Mayor Buckley said he believes that grant money was allocated to the Police Department, and that was the only department that could use the funding. Ms. Crotty asked staff to provide clarification information to Mrs. Palmer on this item.

Mr. Schluckebier said that often the required purpose of grant money does not relate to our top priorities. He added that the direction and concern are noted and staff will do its level best to fund the priorities of Council.

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Ms. Crotty asked Council to comment on the level of revenue increase. Mayor Buckley said he would like staff to pursue a “moderate improvement.” Mrs. Hand agreed. Following a brief discussion, Mr. Palmer asked if all of Council is in agreement for a “moderate improvement.” Mrs. Palmer said not all and asked if we are talking about a permanent or temporary increase. Ms. Crotty said that has not been identified; however, it is part of the next discussion. She recommended Council proceed with the next agenda item.

7. Additional Options for Funding Sources – Discussion of options for increasing revenues

Mayor Buckley said he has no problem adjusting the current impact fees upward by the consumer price index. He said there should be no new impact fees and he is opposed to a dedicated millage. Additionally, he said that this area won't see an infrastructure sales tax for a long time.

Mrs. Poole stated that the most important thing Council can do is raise impact fees. Development is going wild, which is causing road and school problems. The City needs to slow development. Mrs. Palmer asked if the purpose of additional impact fees would be to slow development. Mrs. Poole said it needs to be slowed for a while to allow time for the schools and roads to catch up.

Mayor Buckley said that the proposed increases in our current impact fees seem reasonable. Ms. Crotty asked if the consensus is to raise the fees.

Mr. Schluckebier said that it would be advisable to bring in a consultant, who would form the basis for an increase. This would allow our fees to be sustained and would avoid future litigation. The cost for a consultant for a one time update would be \$15,000 - \$25,000.

Mr. Contreras said since the recommendation is for use of a consultant, the scope should be broadened. We shouldn't limit the review to transportation and recreation impact fees. Mrs. Poole agreed. Mrs. Palmer said she would not mind broadening the scope for the consultant. Ms. Crotty said the idea is for the consultant to look at our existing fees and explore possible fees. Mr. Palmer agreed.

A brief discussion followed about the storm water utility fee. Mr. Palmer said he supports making an adjustment since we have not gone the full amount authorized. Mr. Schluckebier said that staff can review the underlying fee. He added that an adjustment was made last year; therefore, we did not intend to review the rate this year.

Mrs. Poole disagreed with adjusting the storm water utility fee and said that people are already struggling.

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Mrs. Hand said she would not be able to support a fire or police impact fee. Mrs. Poole said that growth should pay for itself. Mrs. Palmer pointed out that there are positive impacts from growth; a certain amount of money comes in from growth.

Ms. Crotty asked if there was any interest by Council in pursuing an additional local option gas tax or infrastructure sales tax. By consensus, the answer was no.

Ms. Crotty asked Members to comment on having a dedicated millage.

Mr. Contreras said a couple of years ago, Council was presented with a menu that showed, for example, "X" number of police cars would result in "X" increase in the millage rate.

Mr. Schluckebier said in this context it would be for support of projects. Some cities have a quarter of a mil for parks or sensitive lands. A dedicated millage would allow a finite list of projects to be accomplished. He added that we also need to address how we enter into general government debt.

Ms. Crotty said that the projects on the priority list would be appropriate for a dedicated millage. If people wanted to buy conservation land or a beachside park, they could vote to tax themselves for a set period of time. Additionally, the City Manager has suggested that Council develop a policy for bonding capital projects. She noted that a citizen survey would indicate whether people are willing to have an increased millage to pay for parks.

Attorney Gougelman briefly discussed a Melbourne Beach bond issue where 70% of the voters supported a special millage to fund a library.

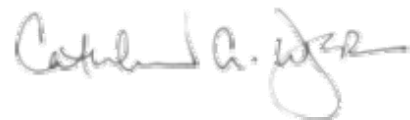
Ms. Crotty said that the agenda material has been covered. She asked if there were any other issues related to these matters that Council wished to discuss. There was no response.

Mayor Buckley thanked Ms. Crotty for facilitating the meeting.

8. Adjournment

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

The meeting adjourned at 8:38 p.m.



City Clerk – 4/26/2004

Approved by Council: May 11, 2004