

CITY OF MELBOURNE, FLORIDA
MINUTES – SPECIAL MEETING BEFORE CITY COUNCIL
SEPTEMBER 13, 2005



A special meeting of the City Council was held in the City Council Chamber, 900 East Strawbridge Avenue, and was called to order at 6:30 p.m. by Mayor Harry C. Goode, Jr.

1. Pledge of Allegiance.
2. Roll Call.

Present:	Harry C. Goode, Jr.	Mayor
	Richard Contreras	Vice Mayor, District 1
	Mark LaRusso	Council Member, District 2
	Kathy Meehan	Council Member, District 3
	Grace Walker	Council Member, District 4
	Cheryl Palmer	Council Member, District 5
	Loretta Isenberg-Hand	Council Member, District 6
	Jack M. Schluckebier, Ph.D.	City Manager
	Paul R. Gougelman, III	City Attorney
	Cathleen A. Wysor	City Clerk
	Amy W. Elliott	Deputy City Manager
	Howard Ralls	Deputy City Manager

3. PUBLIC HEARING: Proposed 2005-06 Budget

Deputy City Manager Amy Elliott provided a brief overview of the proposed 2005-2006 budget. She stated that this is the first public hearing that we are required to have by State Statute. The second public hearing is scheduled for September 27, 2005.

Mayor Goode opened the public hearing.

Pat Poole, 805 East Palmetto Avenue, spoke in opposition to the recent increase in Mayor & Council salaries, scheduled to go into effect in November 2006. She submitted a list showing salaries of elected officials from other Brevard County municipalities. And, she noted that Palm Bay may not raise their salaries without approval of a referendum. Mrs. Poole reminded Council that the proposed increase in travel allowance (scheduled on the regular meeting agenda) should be considered in the total for salaries. She believes that things have gotten out of kilter.

Mayor Goode said that the president of the Melbourne Art Festival is present if any Council Members have questions.

Council Member Mark LaRusso stated that he believes the Art Festival is doing a phenomenal job. He asked if the festival raised its slot or space fee this year.

Lori Emly, President, Melbourne Art Festival, said that the Board of Directors will consider an increase for the following year. Several years ago the booth space was increased from \$200 to \$250 along with a \$30 jury fee. Members of the board felt that

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another increase could possibly hurt the festival. She added that they also plan to look at their concessionaires next year.

Mr. LaRusso said he posed the question because the Art Festival asked for \$20,000 this year. He would like to know what the festival's intentions are for next year and believes that organizations should find ways to fund themselves. Mr. LaRusso pointed out that a \$50 increase in slot fees would result in \$12,500 additional revenue for the festival.

Ms. Emly explained that she requested \$20,000 because City services alone amount to over \$18,000. The invoice for special police service is over \$15,000. She added that they would like to consider the use of some private security next year instead of all City police. She added that she wants City police and code officers present; however, they believe there is an opportunity to decrease that expense.

Mr. LaRusso said that the Police Chief and City Manager would make the determination next year on whether the festival could proceed with private security. He thanked Ms. Emly for providing additional information.

That concluded comments from the public. Mayor Goode closed the public hearing.

4. COUNCIL ACTION RE: Adoption of a Proposed Millage Rate for FY 2005-06.

From the agenda report: The proposed millage rate of 4.7415 is 0.4165 mills (9.63%) above the rolled-back rate of 4.325 mills. This increase tax revenue will be used to fund increased personnel costs and street resurfacing. The proposed millage rate is 1% less than the current year rate of 4.7856 mills.

Moved by Hand/Contreras to approve the millage rate of 4.7415 for the 2005-2006 fiscal year. Motion carried unanimously.

5. COUNCIL ACTION RE: Adoption of a Tentative Budget for FY 2005-06.

From the agenda report: Staff recommends that Council act on the following revisions to the budget:

A. Presentation by Melbourne Art Festival concerning 2005-06 non-profit grant funding:

At the July 25 Budget Workshop, the Council tentatively approved a \$10,000 grant-in-aid to the Melbourne Art Festival in the 2005-2006 budget. By consensus, Council asked that a representative from the Art Festival attend the first public hearing to provide information and answer questions.

The agenda package included additional material submitted by Lori Emly, President of the Melbourne Art Festival, Inc. A copy of the Art Festival's original grant application is

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also included. Ms Emly indicates that the festival has 250 slots. Each artist pays \$250 plus a \$30 jury fee, which is consistent with other art festivals of this size. This is part of how the festival retains its top 25 ranking in the United States. Ms. Emly reports that the economic impact to the area is in excess of \$500,000. This number includes lodging and dining; however, it does not include information on the amount of sales tax collected.

Ms. Emly states that the annual Art Festival activities include the award of a scholarship, a student art competition, student art workshops and participation in recycling.

B. Recommended changes to Proposed Budget:

Preliminary approval was given for the 2005-06 Proposed budget of \$119,705,071 at the July 25 Budget Workshop. At that meeting, Council allocated \$103,073 grants-in-aid to specific non-profit organizations. This reduced the grant program expense budget by \$103,073 and increased the contributions to the individual non-profit organizations by a like amount. These allocations to the non-profit organizations did not change the total of the General Fund. The changes to the respective expenditure accounts are listed in the agenda package.

Also at the workshop, preliminary approval was given to increase the General Fund real and personal property tax revenue by \$245,900 based on the July 1 valuation from the Property Appraiser. The increase in property valuation also provided additional tax increment revenue to the City's three redevelopment districts of \$49,544 to Downtown Redevelopment, \$33,297 to Babcock Street Redevelopment, and \$2,993 to Olde Eau Gallie Riverfront Redevelopment. This additional tax revenue for the General Fund was tentatively approved for additional road resurfacing in the Capital Improvements Fund. The increases in the tax increment revenues for the redevelopment districts were tentatively approved as a reserve for future projects.

Staff recommends that Council act on the following revisions to the Proposed Budget:

1. SPECIAL REVENUE FUNDS

Recommend a change to the Special Revenue Funds, Housing & Community development budget. These are grant funds derived from the State that will be received over a three-year period and must be included in the budget/appropriation. Council has previously adopted the Hurricane Housing Recovery (HHR) Plan and authorized transmittal of the plan to Brevard County for inclusion in the Brevard County HHR Plan, which will be submitted to the Florida Housing Finance Corporation. The total funding request for the HHR Plan is \$2,449,030 over a three-year period plus some interest income. It is expected that the majority of the funds will be committed in the first two years of the program, with a 15% administrative fee allowed in each of the years.

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The recommended increase to the Housing & Community Development budget is for the estimated administrative fees of \$146,942. These fees will be utilized for an additional Rehab Specialist or equivalent, operating supplies and equipment, travel, advertising and other applicable expenses. Recommend adding a full-time Senior Rehab Specialist position (paygrade 33) to the Housing and Community Development budget at the estimated cost of \$47,500.

Recommend establishing the Hurricane Housing Recovery Fund to record the activities associated with the Hurricane Housing Recovery Plan. The funding for this program comes from the Florida Housing Finance Corporation. Estimated revenue for the first year of the three-year program is \$979,612.

Increases totaling \$1,126,554 to the revenue and expenditure budgets for Housing & Community Development and the newly established Hurricane Housing Recovery Fund results in a revised total tentative Special Revenue Funds budget of \$4,328,434.

2. AIRPORT FUND

The 2005-06 proposed budget of the Airport Fund is summarized below. The Airport Authority Board adopted the proposed budget at its August 17 meeting.

Total Revenue	\$ 10,874,539
Administration	\$ 2,796,404
Airport Police	1,010,384
Marketing	1,859,073
Airfield and Hangar Area	1,657,526
Terminal Building and Area	1,834,311
Industrial Air Center	417,862
Trailer Haven	705,894
Customs/Foreign Trade Zone	593,085
Total Expenditures	\$ 10,874,539

3. GOLF COURSE FUND

Council recently approved a rate increase for the golf courses. Recommendations for adjustments to revenue accounts will be made at a 2006 quarterly budget review as the revenues materialize and funds become available for needed improvements.

4. SUMMARY

A summary of approved and proposed revisions to the Proposed 2005-06 budget for the General Fund, Special Revenue Funds (Downtown Redevelopment, Babcock Street Redevelopment, Olde Eau Gallie Riverfront Redevelopment, Housing & Community Development, and Hurricane Housing Recovery) and Capital Improvement

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Fund is included on Pages A-1 through A-3 of the agenda package. These changes increase the total proposed budget by \$1,126,554. With the addition of the Airport Authority Budget of \$10,874,539, the total tentative budget for 2005-06 is \$131,706,164.

Council Member Cheryl Palmer asked if the Senior Rehab Specialist position in the Special Revenue Fund will be a cost assumed by the City after the grant period has ended.

Assistant Housing and Community Development Director Denise Carter said that this will be a two-year position. It will not be a recurring cost to the City. City Manager Jack Schluckebier added that this is a time-limited position to assist with administration of the Hurricane Housing Recovery funds. This will not be a continuing obligation.

Council Member Loretta Hand said she is not happy about the renovations to City Hall. She added that she believes that a new building would be better. And, parking will still be a problem on this site. Mrs. Palmer agreed.

Moved by Contreras/LaRusso for approval of the 2005-2006 tentative budget of \$131,706,164 (which includes increases for the General Fund, Special Revenue Funds, and Capital Improvement Fund, and adding the Airport Fund). The roll call vote was:

Aye: LaRusso, Meehan, Walker, Palmer, Hand, Contreras and Goode

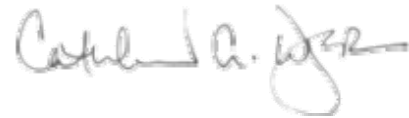
Motion carried unanimously.

Mrs. Palmer said she is not happy with everything in the budget; however, she believes it is a responsible budget.

6. Adjournment

Moved by LaRusso/Walker to adjourn. Motion carried unanimously.

The meeting adjourned at 6:55 p.m.



City Clerk – 9/21/2005

Approved by Council: September 27, 2005