

CITY OF MELBOURNE, FLORIDA
MINUTES – SPECIAL MEETING BEFORE CITY COUNCIL
SEPTEMBER 25, 2007



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. The Pledge of Allegiance.
2. Roll Call.

| | | |
|----------|-----------------------------|----------------------------|
| Present: | Harry C. Goode, Jr. | Mayor |
| | Mark LaRusso | Vice Mayor, District 2 |
| | Richard Contreras | Council Member, District 1 |
| | Kathy Meehan | Council Member, District 3 |
| | John Thomas | Council Member, District 4 |
| | Cheryl Palmer | Council Member, District 5 |
| | Joanne Corby | 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. COUNCIL ACTION RE: Proposed 2007-08 Budget

Deputy City Manager Amy Elliott reported that this is the second public hearing on the 2007-2008 fiscal year budget. Council previously reviewed and amended the City Manager's proposed budget at the July 23 workshop meeting and at the first public hearing on September 11.

This budget is the operating program for next fiscal year and includes all major funds and operations of the City. The total proposed budget is \$169,982,581. This is about \$10.3 million less than the current year budget. The vast amount of this change is the reduction in capital improvements funded by the General Fund and the Water and Sewer System Fund.

Property Taxes

The budget reflects a property tax rate of 4.4751 mills. This is equal to or 0.0% above the rolled back rate, as tentatively approved on September 11. It will generate the same level of property tax revenue as the current fiscal year, as adjusted for new construction and annexations. It is expected to generate \$21 million, which will fund about 12% of the City budget. As a point of reference, this is slightly less than the Police Department budget. Melbourne's proposed millage rate compares favorably to other full service cities in the County. And, as discussed several times before, the use of the rolled back rate will require a two-thirds vote of the City Council.

Other Revenues

CITY OF MELBOURNE, FLORIDA
MINUTES – SPECIAL MEETING BEFORE CITY COUNCIL
SEPTEMBER 25, 2007

Other General Fund revenues have been adjusted to reflect growth trends, some of which are negative. Major revenue sources are flat or declining, such as construction permit revenues and State shared revenues.

The Water and Sewer Fund revenues reflect the system-wide 7% rate increase as recommended by the rate study consultant and approved on July 24. This level of rates is needed to provide for operations, maintenance and debt service costs.

The Golf Courses revenues reflect the annual fee increases adjusted by the increase in CPI, and other increases, all as recommended by the Golf Courses Advisory Board.

Expenditures

With regard to total expenditures, the single biggest change is the decrease in capital improvements. The actual Capital Improvement Fund decreased \$4.6 million and the transfers from the two largest operating funds – the General Fund and the Water and Sewer Fund – decreased a combined \$7.1 million.

TRIM Requirements

In accordance with TRIM requirements Council must first take action on the millage rate. This does not preclude Council from discussing the proposed budget, but the millage rate must be adopted first.

The recommendation is to approve a millage rate of 4.4751 mills and to approve the final 2007-2008 budget of \$169,982,581.

Mayor Goode opened the public hearing on Items 4 and 5. There were no comments from the audience.

4. COUNCIL ACTION RE: Adoption of Resolution No. 2055 establishing the 2007-08 Millage Rate.

Mrs. Elliott disclosed that the proposed resolution provides for the adoption of a final millage rate of 4.4751 mills, which is 0.0% above the rolled back rate.

Council Member Richard Contreras said that given the topic of tax relief and how it has affected us, he wanted to ensure that the sentiments of the majority of the residents who have discussed this issue with him are on the record.

The City's organizational chart was displayed on the overhead. Mr. Contreras pointed out that Council is accountable to the citizens of the City of Melbourne. He said that he and the citizens feel they were hijacked by the State's legislative body, particularly the Brevard Legislative Delegation. Mr. Contreras displayed the names of the Brevard Legislative Delegation on the overhead. He noted that the citizens asked him to read these for the record: Senator Bill Posey, Senator Mike Haridopolos, Representative

CITY OF MELBOURNE, FLORIDA
MINUTES – SPECIAL MEETING BEFORE CITY COUNCIL
SEPTEMBER 25, 2007

Ralph Poppell, Representative Thad Altman, Representative Mitch Needelman, Representative Bob Allen and Representative Stan Mayfield.

Continuing, Mr. Contreras said that not one member from the Brevard Legislative Delegation approached Council as a whole or staff to ascertain in advance the cause and effect of House Bill 1-B. At a recent Florida League of Cities Conference, the issue was discussed. The most significant thing he walked away with was that it was incumbent on the elected officials of Melbourne to educate our citizens about this issue.

Mr. Contreras pointed out that our citizens are quite savvy. They have told him in most direct terms, "Keep this paltry tax relief. It isn't worth what we as a community are losing." Others have said, "Are you kidding me? My tax bill went up. I hope that the State Legislature doesn't do me any more favors." And lastly, many have stated to him, "This tax relief stunt was purely for political gain."

Mr. Contreras summarized and said that he takes his responsibility seriously to educate those who have asked who is responsible for this tax relief. That is why he provided the citizens with the names of the Brevard Legislative Delegation. Additionally, he said that he believes if there is an opportunity to improve a situation, a recommendation should be put on the table. The bottom line is that the State Legislature should not band-aid the property tax structure for political gain or special interest groups. The Legislature should correct the problem in a way that is fair and equitable to all the citizens of Florida, especially the citizens of the City of Melbourne.

Moved by Contreras/Thomas that the City of Melbourne send a letter to the Florida Governor, Senate and House Leadership, and Brevard Legislative Delegation to conduct a "root cause analysis" on the inequity of the State's property tax structure and to implement corrective action for broad-based property tax reform. The roll call vote was:

Aye: Contreras, Meehan, Thomas, Corby, LaRusso and Goode

Nay: Palmer

Motion carried.

Moved by Thomas/Meehan for approval of Resolution No. 2055, which adopts the final millage rate of 4.4751 mills for the 2007-08 fiscal year. The roll call vote was:

Aye: Meehan, Thomas, Palmer, LaRusso and Goode

Nay: Contreras and Corby

Motion carried.

CITY OF MELBOURNE, FLORIDA
MINUTES – SPECIAL MEETING BEFORE CITY COUNCIL
SEPTEMBER 25, 2007

5. COUNCIL ACTION RE: Adoption of Resolution No. 2056 establishing the Fiscal Year 2007-08 Budget.

(Note: The final budget includes the revisions outlined in the agenda report.)

Moved by LaRusso/Meehan for approval of Resolution No. 2056. The roll call vote was:

Aye: Meehan, Thomas, Palmer, LaRusso and Goode

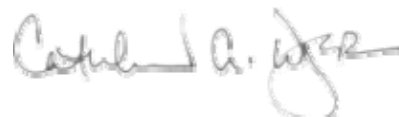
Nay: Contreras and Corby

Motion carried.

6. ADJOURNMENT

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

The meeting adjourned at 6:41 p.m.



City Clerk – 10/3/2007

Approved by Council: October 9, 2007