

CITY OF MELBOURNE, FLORIDA
MINUTES – SPECIAL MEETING BEFORE CITY COUNCIL
SEPTEMBER 30, 2008



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
	Kathy Meehan	Vice Mayor, District 3
	Richard Contreras	Council Member, District 1
	Mark LaRusso	Council Member, District 2
	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: Review of the 2008-09 Tentative Budget

Deputy City Manager Amy Elliott reported that this is the second public hearing on the 2008-2009 fiscal year budget. City Council previously reviewed and amended the City Manager's proposed budget at the July 21 workshop meeting and at the first public hearing on September 16. The proposed budget is the operating program for next fiscal year and includes all major funds and operations of the City. The total proposed budget is \$166,356,936. This is over \$8.6 million less than the current year budget.

Mrs. Elliott informed Council that there was a twenty-dollar misstatement in the budget summary advertisement that appeared in the paper. The Department of Revenue advised City staff to distribute the corrected budget summary at this meeting. (At this point, the corrected budget summary was distributed to City Council.) Mrs. Elliott pointed out that copies of the corrected summary are available in the Council Chamber for the public.

Continuing, Mrs. Elliott said that the budget reflects a property tax rate of 4.4751 mills, as tentatively approved on September 16. This is 5.3% below the rolled back rate of 4.7251 mills. The rolled back rate as determined in accordance with a statutory formula is neither a tax increase nor a tax decrease. The tentatively approved 4.4751 millage rate will generate nearly \$170,000 less in property tax revenue than the current fiscal year.

Other revenues have been adjusted to reflect growth trends and rate increases previously approved by Council. Most growth trends show flat to declining revenues. With regard to total expenditures, the single biggest change is the decrease in the

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General Fund. The major reductions are in funding for staff positions, deferral of capital equipment, and deferral of capital improvement projects. Similar cost reduction measures have been applied to the other operating funds as appropriate to cope with flattening revenues.

The Deputy City Manager concluded by saying that the recommendation is to approve a final millage rate of 4.4751 mills and the final 2008-2009 budget of \$166,356,936.

4. COUNCIL ACTION RE: Resolution No. 3024 establishing the 2008-09 Millage Rate.

Mayor Goode opened the public hearing. There were no comments, and the public hearing was closed.

Mrs. Elliott announced that the proposed millage rate of 4.4751 mills is 5.3% below the rolled back rate of 4.7251 mills.

Council Member Richard Contreras reviewed a PowerPoint presentation on his analysis of the impact of Council's action. Staff recommended a millage rate of 4.5110; however, Council tentatively adopted a millage rate of 4.4751. Using the staff recommended millage rate, the City tax revenue on a single-family home with a taxable value of \$150,000 is \$676.65. The City tax revenue based on Council's adopted millage rate of 4.4751 is \$671.25. Mr. Contreras pointed out that the annual taxpayer savings is \$5.40.

In exchange for an annual savings of \$5.40, the General Fund contingency will be reduced by approximately \$167,000. Historically, contingency has been used for emergencies and to offset those things that happen through the course of a budget year. Mr. Contreras commented that it would be a misstatement to say that Council hasn't relied on the contingency fund.

Continuing, Mr. Contreras recalled the workshop meeting (February 2008) where Council reviewed two lists of possible expenditure reductions. List A was relatively easy to implement and staff has done all they can with that list. List B contains items that may or may not materialize. One of those items relates to renegotiating with the LIU. He added that it is his understanding LIU voted against making any pay concessions.

Mrs. Elliott confirmed that the LIU voted against that proposal.

Mayor Goode asked for a motion before discussion continues on this item.

Moved by Palmer/Thomas for approval of the millage rate of 4.4751.

Mr. Contreras noted that typically the City has a \$200,000 contingency balance in the General Fund. Based on the action proposed, including Council Member LaRusso's (voluntary reduction in monthly automatic mileage), the contingency balance will be

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\$34,860. He stated that he hopes this balance will increase throughout the year following favorable quarterly budget adjustments.

Returning to the February 2008 workshop discussion on possible expenditure reductions, Mr. Contreras said that one item (renegotiation with LIU) has not materialized. On a positive note, however, the County has tentatively approved \$300,000 EMS funding.

With regard to measures and alternatives in terms of trying to find more dollars to sustain the City, Mr. Contreras informed Council that he has one recommendation relative to the Melbourne Police Department assigned vehicle program. He said that he is bringing up this issue because of the cost of fuel and vehicles. There are a lot of dollars associated with that program and, based on the information he has been provided, it appears as if the cost is \$150,000. In Council's initial discussion a couple of years ago, there was discussion about looking at a radius reimbursement. Currently, the City compensates the police officers with that program as long as they live in the County. There's no distinction between officers who live inside the City or outside the City.

Mr. Contreras directed staff to return with a proposal on the October (14) agenda regarding a radius calculation.

Mayor Goode pointed out that there is already a main motion on the floor. Mr. Contreras said that he doesn't believe this requires a motion. Staff can take direction to place the item on the next agenda. Mayor Goode replied that he would like a motion for any action taken at this meeting with regard to the budget.

Attorney Gougelman asked the maker/seconded to confirm that the motion also includes approval of Resolution No. 3024. The maker/seconded agreed.

Council Member Mark LaRusso recognized the one employee who is participating in the salary reduction program. The City Manager confirmed that the employee voluntarily reduced their work hours, which resulted in a salary reduction.

Vice Mayor Kathy Meehan asked if this is the lowest contingency amount the City has ever had. Mrs. Elliott said she doesn't know if it's the lowest, but confirmed that it is a low balance.

Council Member Cheryl Palmer pointed out that the savings from the low millage rate was not required to come from contingency. Additionally, she recommended that someone doing an analysis look back at previous years to see how the contingency fund has been used to supplement the budget rather than for emergencies.

Council Member Joanne Corby said she is not sure if the analysis was based on the 2006-2007 or 2007-2008 property assessment, which would be vital information. The other item she wanted to point out is this millage rate is above the rate that requires a

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majority vote but below the rolled back rate. The City Manager stated that is correct, it is 5.3% below the rolled back rate.

Mrs. Corby asked how many more years before we can have a millage rate that does not require a majority vote. Mr. Schluckebier replied that staff doesn't propose doing this again unless the Legislature – for the third year in a row – changes the rules. In the future, we would propose going with a rate that would require a simple majority of the City Council. Mrs. Corby concluded by saying nice job on the budget and commending all the staff that participated.

Mr. Contreras said that one of his slides indicates that the historical use of contingency was for emergencies. Additionally, he articulated that it was also used for off-sets.

The question was called. The roll call vote was:

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

Nay: Contreras

Motion carried.

Moved by Contreras/Meehan to direct staff to bring back a proposal for discussion at the October 14 meeting to look at the assigned vehicle program relative to reimbursement for radius.

Mr. Contreras said that in many cases in the professional world there is an out of pocket expense or an agreed upon amount between the employer and the employee if mileage goes beyond a certain radius. Council would be remiss in not considering potential cost savings to the taxpayer, which may exceed the \$167,000 cost to the contingency fund. He added that is also called an off-set.

Council Member John Thomas stated that there's not a single Council Member who wants to tax one penny more than what's needed to accomplish the goals. Continuing, Mr. Thomas said that crime is open 24 hours a day. The City needs to get more serious about crime, make it a high priority, and flood high crime areas with as many police vehicles as possible. The take home vehicle plan is a critical piece in maintaining a quality Police Department, recruiting and keeping a competitive edge.

Mr. Thomas expressed concern with charging officers a mileage rate out of their pockets when it is a service to the City for them to be immediately on duty with their take home vehicles and on call up to the last minute that their shift ends.

Mrs. Corby asked the Mayor to call the question. The mayor said he will allow Mr. Contreras to close. Discussion continued.

The question was called. The roll call vote was:

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Aye: Contreras

Nay: LaRusso, Thomas, Palmer, Corby, Meehan and Goode

Motion failed.

5. COUNCIL ACTION RE: Resolution No. 3025 establishing the Fiscal Year 2008-09 Budget.

There were no comments from the public.

Moved by LaRusso/Thomas for approval of Resolution No. 3025 adopting the final 2008-2009 budget of \$166,356,936. The roll call vote was:

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

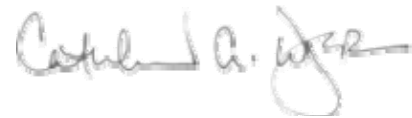
Nay: Contreras and Palmer

Motion carried.

6. ADJOURNMENT

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

The meeting adjourned at 7:03 p.m.



City Clerk – 10/7/2008

Approved by Council: _____