



City Manager's PROGRESS REPORT

The 'Guide to Services' is being provided to residents and to those who operate businesses in Melbourne as a way of improving your access to local government. The information presented in this progress report is intended to directly assist you in identifying and utilizing government resources.

It is also important to foster citizen awareness of municipal activities and programs. The report offered here provides insight into the challenges faced by the City of Melbourne over the past year and some of the accomplishments. Information here will tell you how city government is utilizing community resources to provide critical services and enhance the quality of life.

I would also like to note the value of citizen involvement in government affairs. In 2004, the City Council sought community opinion and solicited new ideas by holding a Town Hall Meeting. This year the effort is to be expanded to include a resident opinion survey. Again this year we will offer an open invitation to a Citizens Academy, a one-day event that allows participants to learn about municipal activities and opportunities for their direct involvement.

Storms Make History

Of course, 2004 will be remembered as the first time in modern history that our community experienced the effects of three hurricanes, with two of the storms heavily impacting our area.

Those storms left an unparalleled amount of damage to public and private property. Damage to City property including the airport, along with the cost of responses to the hurricanes, totaled some \$10-million. The city is seeking

reimbursements from FEMA and from insurance companies. The City has already received a reimbursement of \$3-million from FEMA for the cost of removal of debris.

The storms tested the City's disaster readiness plans and resources along with those of our citizens, organizations, and businesses. The ongoing recovery effort is showing just how resilient our community can be in the face of a disaster.

Before the storms arrived, City employees distributed more than 18,000 filled sandbags to residents and business operators. As we responded to the hurricanes, some 500 City employees remained on duty. Police officers and firefighters were on extended shifts to ensure

the availability of emergency services.

The City successfully maintained critical services during and after the hurricane impacts. However, areas where improvements in emergency preparations are needed were also noted and adjustments are being made.

Building Activity Expands

Despite the storms, the local economy remained robust. In 2004 the City recorded a very large increase in the level of new investments in homes and commercial properties. The value of construction activities that received permits actually doubled as compared to the previous year.

The valuation for commercial construction was recorded at more than \$150-million as compared to less than \$60-million in the previous year. The value of residential construction jumped from

\$62-million in 2003 to more than \$112-million in 2004. The value of miscellaneous building projects was at \$41-million in 2004, up from \$21-million in the previous year.

The increases in valuation are in part due to several large projects including a major hospital addition, apartment complexes, and condominium projects. Of course, hurricane damage boosted the number of permits sought for roof and fence repairs. The City has waived permit fees for projects to repair hurricane damage, an assistance program that is continuing through the end of April of this year.

The City's Code Compliance Division reviewed 3,271 residential and commercial plans in 2004. A total of 16,537 inspections of construction projects were completed to ensure compliance with approved plans and building codes.

Another indicator of development activity comes from the Planning and Economic Development Department. Planners reviewed 31 site plans for developments involving three acres or more. The plans included both commercial sites and residential sites with 1,822

units in multi-family dwellings. Also reviewed were six residential plats totaling 775 single-family units and six commercial plats.

Major projects that impacted the community include the Washington Mutual Melbourne Operations Center at the intersection of Babcock Street and Eber Road. The Economic Development Commission estimated an economic impact of nearly \$18-million as a result of 500 jobs added to the economy. The center was established in a former retail location that had been unused for several years.

Another important project just completed is Florida Tech's F.W. Olin Physical Sciences Building, the third major structure funded by the F.W. Olin Foundation. The 70,000-square-foot, three-story building is a teaching and research facility.

In a separate project with an economic impact, a state-supported incubator for small businesses is to open in a new building to be constructed on property at the Melbourne International Airport.

The area's economy and accompanying job opportunities were cited as a primary reason that the Melbourne-Palm Bay area was judged the fourth best retirement spot in the entire country in a book published in 2004. The rating was published in "Retirement Places Rated," published by the popular Frommer's Travel Guides, an imprint of Wiley Publishing Inc.

In its sixth edition, the book compares 203 potential retirement areas on the basis of ambiance, cost of living, climate, personal safety, services, and each area's economy. Our area's attraction for retirees jumped upward from a 26th place rating just five years ago to the 4th place position.

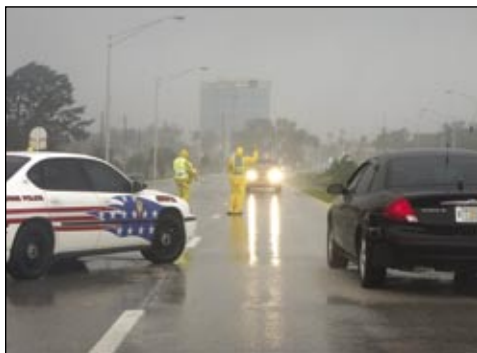
Shaping Melbourne's Future

While Melbourne's annual population growth is modest, planning for infrastructure and services must take into account our position as the hub city of the South Brevard County's expanding urban area. At the same time, we must facilitate the continuing evolution of Melbourne's residential, business, and industrial areas. It is also important that we take steps to preserve Melbourne's history in the face of inevitable changes that are part of our progress. Work is underway to shape a historic preservation ordinance.

Melbourne's population as estimated by the University of Florida for 2004 was just under



A new swimming pool with special features for the family was dedicated at Fee Avenue Park in 2004.



Melbourne emergency and support personnel were on duty as hurricanes impacted the area.

75,000. Annexations increased the geographic area of the City to just over 38 square miles. During 2004, the City annexed 1,033 acres with an assessed valuation of nearly \$45-million. Property owners on Melbourne's northwest flank voted to approve annexations so that they could begin receiving City services. The annexations included the addition of rural properties that were allowed to retain a zoning classification that allows for large home lots and the stabling of horses.

The City continues to plan and implement projects that respond to population growth within the current city limits. A \$3.84-million project to widen a portion of Eber Road between Babcock Street and Dairy Road is underway. The project is to expand the busy section of roadway to four lanes plus turn lanes, and will include a sidewalk and bike path.

Revitalization Programs

The City also continued to look inward to the revitalization of urban areas where lowered property values and other signs of decline were in evidence. Redevelopment programs continued to provide significant returns in three areas of Melbourne. In each area, a portion of city and county property taxes are reserved for improvement projects.

HISTORIC DOWNTOWN: The progress of redevelopment work is most obvious in the historic downtown area centered on New Haven Avenue. Projects underway there for more than a decade have yielded results including visual enhancements and a thriving business center. A number of multi-family residential development projects are now proposed in the vicinity of the downtown area.

Successful community events also continue in the downtown area. This year the City is co-sponsoring the Melbourne Art Festival, an event that draws artists from throughout the United States. Continuing revitalization work in the downtown area is to include an expansion of both lighting and streetscaping improvements. Work has also begun on plans for an expansion of the redevelopment district to the south.

OLDE EAU GALLIE: In the Eau Gallie area, revitalization planning is underway that seeks to take advantage of the proximity of the Indian River Lagoon. Funding from a state grant is assisting the effort. The City Council has approved a project to design improvements to the Pineapple Pier. State funding supported the acquisition of a traditional town square property. Work is also underway to determine the feasibility of expanding the Eau Gallie redevelopment district.

BABCOCK STREET: A project in the Babcock Street redevelopment area provided a facelift for the portion of the roadway between Hibiscus Boulevard and Nasa Boulevard. Medians were installed as well as sidewalks

and landscaping. Benches and decorative crosswalks were added. State funds are to add medians between Nasa and Apollo boulevards in the upcoming budget year.

A project to realign the northern end of Babcock Street is being completed, removing a right-angle curve just before the street intersects with U.S. 1. A portion of the property purchased by the City for the project is being sold. As was planned, the property where an abandoned movie theater once stood is being sold to a private developer. The developer is planning an office complex for the property, an investment that will boost revitalization efforts.

Fire Department Evolves

Late in 2004, Chief Paul Forsberg was selected to lead the Melbourne Fire Department after the retirement of Chief Walt Chamberlin. Chief Forsberg joined Melbourne after 11 years as assistant chief for Tamarac, Florida. His qualifications include experience in development of a growing fire department and demonstrated leadership skills.

Earlier in the year, the relocation of Fire Station 74 was completed, a project designed to allow faster response times by emergency crews from a more centralized location. The new building on Hickory Street also provides space for administrative offices that were previously located at Station 71 on Eau Gallie Boulevard.

The safety of responses from all stations was enhanced in 2004 by the implementation of a traffic signal preemption program. It allows traffic signals to be changed to green for approaching emergency vehicles.

Construction is underway on Melbourne's eighth fire station, to be located on Eber Road near the intersection with Dairy Road. The new station will ensure rapid responses to the growing residential areas in southern Melbourne.

Community Safety Is a Priority

The City initiated a new emergency call-out service during 2004 that allows telephone alerts to go directly to residential and business telephones. The City can initiate emergency calls to thousands of homes in just minutes. Emergency alerts will continue to be issued via news outlets, e-mail, and the City's web site. This year the Police Department will also add a radio broadcast capability that can be especially helpful when an emergency affects our roadways.

The Police Department began work

in 2004 toward national accreditation, a process that is designed to enhance performance through observance of widely recognized law enforcement standards. Chief Don Carey has led three other departments through the process.

Demand for service from the Police Department continues to grow. In 2004 the department responded to 80,804 calls for service. Officers reported 21,450 traffic stops, nearly 2,300 in response to roadway accidents. During the year, traffic citations numbered 21,163.

Work continues to improve the efficiency of the Police Department. The department has added two civilian crime scene technician positions, which will free sworn officers for other duty. Implementation of improvements to the computer-aided dispatch and records management computer system is underway.

The highly successful use of volunteers also continues. The department is being assisted by 86 volunteers who performed nearly 15,000 hours of service last year. Thirty-eight of those individuals have completed training to serve as 'V-COP' volunteers in direct assistance to patrol operations.

Police recorded a 7% overall drop in crime in Melbourne. Officers were assigned to thousands of hours of hurricane-related duty. While seven murders were recorded in Melbourne, arrests have already been made in six of the incidents.

Neighborhood Improvement Programs

Melbourne's Housing and Community Development Department utilizes state and federal funds to improve the quality of life for economically disadvantaged residents. Last year Melbourne received from the federal government \$677,000 in Community Development Block Grant funds and \$284,422 in HOME Investment Partnership funds. The state provided \$580,386 in State Housing Initiative Partnership funds last year.

The funds were put to use to complete infrastructure projects, to provide housing assistance to individuals and families, and to fund vital



Students participating in Melbourne's High School Government Day tried out glasses that simulate the effects of inebriation on balance.

community services provided by non-profit organizations.

The City takes great pride in accomplishments of non-profit partners that utilize funds provided by the City. They are meeting community needs ranging from medical assistance for the homeless and indigent to child care for low-income families, youth programs, and supportive housing for homeless persons.

In 2004, infrastructure projects included landscaping of a major portion of University Boulevard. A master plan for the continued development of Lipscomb Park was completed. Design work was completed on a major utility improvement project in the Booker T. Washington neighborhood in north Melbourne. The work is to replace decades-old waterlines, install new sidewalks and fire hydrants, and resurface streets.

Families Are Assisted

Direct assistance to individuals and families continued in 2004. Six low-income households received \$165,000 of housing rehabilitation assistance. Two low-income families moved into new homes built with \$90,000 in state-funded subsidies to replace homes deteriorated beyond rehabilitation.

The City helped 22 very-low income families by providing rental subsidies. In partnership with the South Brevard Sharing Center, Melbourne provided 120 very low income tenants with security and utility deposits to help them obtain decent housing.

The City continued a partnership with Habitat for Humanity for South Brevard in developing the 28-home subdivision called Faith Landings. A continuing agreement with Community Housing Initiative made it possible for 28 families to purchase homes for the first time. The City's investment of \$340,124 in state funds leveraged \$2,830,322 in private mortgages for these 28 homes.

The Melbourne Housing Authority completed extensive renovation of 10 rental units with state funds provided by the City. State and federal funding allowed Abilities of Florida, Inc. to complete the rehabilitation of nine condominium units for rental to very low-income persons with physical disabilities. With federal funds provided by the City, the Space Coast Center for Independent Living was able to make handicapped accessibility modifications in five homes, enabling occupants to fully utilize their homes.

Budget Allows for Progress

The City Council provided for the continuation of a high level of municipal services in approving a \$127.6-million budget for the fiscal year that began on Oct. 1. The budget responds to increased costs of operations and provides for improvements in services and facilities. The property rate remained at \$4.79 per \$1,000 of

taxable property valuation. Because of changes in the overall valuation of property in Melbourne, revenue increased by just over 4 %.

The budget includes a \$54.5-million General Fund to provide for day-to-day operations. A \$22.9-million capital improvements fund provides for facilities and infrastructure projects.

Property taxes provide about 1/4 of General Fund revenues and about 1/10 of overall revenues to the City. Other sources of revenue include municipal franchise, license, and permit fees; interest income; portions of gasoline and sales taxes; and grants from state and federal agencies.

The budget also includes two funds that receive revenue directly from customer payments: a \$2.64-million fund for the two municipal golf courses and a \$38.9-million Water and Sewer Fund. A budget of \$1.1-million was approved for the City stormwater program, an assessment-funded effort to reduce flood risks and comply with federal environmental mandates.

The City Council gave approval to an \$8.6-million budget for the Melbourne International Airport. The Airport is a municipal agency that operates independently and is overseen by a seven-member Airport Authority.

Grant funding continues to be an important means of providing program improvements. The City received nearly \$2.2-million in county, state, and federal grants during 2004. More than \$1.5-million of the grant funds were provided by federal and state sources to be used for neighborhood improvements and services to benefit low-income residents. Additional grant funds of \$360,130 have been secured from numerous sources and help support fire, police, recreation, and utility department activities.

Financial Position Remains Strong

Much of the support work, while critical to the City's mission, is not easily observed by the community. Many City departments participated in planning that was completed in 2004 for a new computer system to manage financial affairs. That \$1-million project is now being implemented.

Service to some 52,000 utility customers was improved in 2004 with the introduction of a billing system that increased internal efficiency

while presenting easier payment options. For the first time the utility bills are being sent out with return envelopes.

The City received a salute from the Government Finance Officers Association in the form of a Certificate of Achievement for Excellence in Financial Reporting.

Another area of work that is seldom noticed by the public is the effort to improve safety and in doing so reduce costs of accidents and claims.



Firefighters staged a community event promoting public safety and demonstrated emergency techniques, including extrication from an automobile.

The City's efforts earned the 2004 Corporate Safety Achievement Award from the Florida Safety Council, which notes the success of programs in the public sector. Melbourne has received the award for the fifth year in a row. During that five-year period the number of claims, and the value of those claims, has dropped by 95%.

Recreation Facilities Rebound From Storms

All of Melbourne's parks were damaged by the hurricanes of 2004, and restoration work continues. Ball fields were ready for this

year's Little League season, although repairs are continuing. Waterfront parks were hit especially hard, and work is still to be completed at Ballard Park, Pineapple Park, and Claude Edge Front Street Park. The popular boat ramps at Front Street were replaced in February. Repairs to structures at the two municipal golf courses are nearing completion.

Important additions to recreational facilities were completed in 2004. A swimming pool that was opened at the Fee Avenue Park includes play features for youngsters. Two new clay tennis courts were opened at Fee Avenue in a project that combined City funding and community contributions.

At the Jimmy Moore Tennis Complex off Sarno Road the improvements completed include a driveway, paved parking, and landscaping. Improvements were also added at community centers, and a feasibility study for the expansion of Crane Community Center was completed.

The recreation program continues to include special events and an expanding array of classes for the community. This year swimming lessons are to be offered by the City at the Fee Avenue Park and Sherwood Park pools.

Water Supply and Distribution

The design of the second phase of improvements to Melbourne's surface water treatment plant is nearing completion. Construction is to begin this year on improvements including the addition of ozone and activated carbon

treatment systems, along with improvements to capabilities for pumping raw water from Lake Washington.

The addition of ozone treatment will ensure that the water quality will meet federal standards for by-products of the disinfection process. Using ozone treatment will reduce the need for chlorine as a primary disinfectant. The activated carbon system will be used as supplemental treatment for taste and odor compounds just prior to the rainy season, when they are more prevalent.

Improvements to the water distribution system continue, including the completion of the second phase of a new waterline along Highway U.S. 1 from Post Road north to the Pineda Causeway. Water mains have been upgraded in the Eau Gallie area, and improvements have been made to primary water transmission lines.

A combined total of 2.7 billion gallons of wastewater were treated and 807 million gallons of reclaimed water were produced by the two treatment facilities. Construction has been completed on improvements at the D.B. Lee Wastewater Treatment Plant to provide an increase in capacity from 5-million gallons per day (MGD) to 6 MGD. Rehabilitation work was completed at the Grant St. Wastewater Treatment Plant, which increased capacity of the facility to 5.5 MGD.

Improvements to the sewage collection system also continue on an annual basis. Last year, numerous sewer line replacement and rehabilitation projects were completed. In addition, a major lift station that serves the City's northern service area is being relocated and replaced.

Programs Improve Customer Service

The City has begun replacement of water meters that must be read by an employee with fully-automated meters. The new meters contain a radio-transmitting device that allows the meter reader to remain in a vehicle while using a laptop computer to gather meter readings. As the new meters are phased in they will allow savings in labor costs while increasing worker safety and efficiency of the process.

The Utilities and Public Works Department coordinated hurricane clean-up efforts that involved 35 employees from throughout the City organization. City staff members served as coordinators, monitors and truck measurers in the collection of 168,512 cubic yards of veg-

etative debris and 1,709 tons of construction and demolition debris resulting from hurricanes Frances and Jeanne.

The City continued an active program of environmental education, with an emphasis on water conservation, prevention of stormwater pollution, and recycling. Two state awards recognized the City's efforts in conjunction with the Brevard Water Resources Conservation Team.

Melbourne's Toilet Retrofit Rebate Program entered its seventh year, with cost-share funding again being granted by the St. Johns River Water Management District. The program encourages the installation of toilets that conserve water. By the end of 2004, rebates had been provided to 1,132 Melbourne water customers.

For Melbourne's recycling efforts, the City received \$83,106 in rebates from Waste Management, the private company that collects waste material under contract with the City. The City recycled more than 5.4 million pounds of material throughout the year.

Streets and Stormwater Management

The City's stormwater utility program was funded last year by more than \$800,000 from assessments. The program began in 1999 to reduce flooding and to allow the community to meet federal environmental standards. The assessment funds are being used to purchase property for stormwater collection and treatment purposes. Improvement projects included upgrades to stormwater pipes and outfalls, replacement and up-sizing of deteriorated pipes, and construction of new stormwater retention areas.

The City is also continuing a stormwater pipe-relining program. Rather than replace pipes, the program involves installation of a cured-in-place liner. The process avoids disruptive construction projects. Some 1,430 feet of pipe has been lined at various locations throughout the City.

Connecting With Citizens

The City continues to support programs to improve communication with residents and businesses, and to encourage participation in government. There are many volunteers directly assisting municipal operations, including 150 members of committees and boards. Others are active in adopt-a-park and adopt-a-road programs.

In March of 2004 the City held a "Town Hall Meeting" to gather information from the community prior to budget consideration. The

City Council received comments and suggestions from all interested parties before determining how to direct available resources. The Council also approved a plan for the survey of citizens that is to be completed this year.

The City also supports numerous community events, including the staging of the Independence Day celebration at Front Street Park. The \$12,000 fireworks display for 2004 was funded by contributions from individuals, families, organizations, businesses, and other local governments. City employees also join public events with exhibits and demonstrations that afford the public an opportunity to learn more about City services.

The City of Melbourne web site (www.melbourneflorida.org) also offers a point of contact between the City and the community. This technology allows citizens to access City information and services on demand at any time of day or night.

The web site continued to evolve during the past year as more homeowners and business people took advantage of information and services available by way of the Internet. The number of user sessions during 2004 averaged more than 60,000 per month. About 1,400 persons are subscribed to an e-mail service that instantly provides them with all news releases and community advisories issued by the City.

Looking Ahead

Each year brings change, some welcome and some accepted with regret. The City extended condolences to the family and friends of retired Mayor Joe Mullins, who passed away on Dec. 26, 2003.

Mayor Mullins was a tireless community leader who served Melbourne as an elected official from 1977 to 1996. In 1999, the City honored the former mayor in the naming of the Joe Mullins Reverse Osmosis Water Treatment Facility.

In 2004 the City held retirement ceremonies for two veteran elected officials. Pat Poole retired from her District 3 seat after 18 years of service. Mayor John Buckley retired after eight years in the post. He served as a City Council member for the ten years prior to election as mayor. The City Council has approved the naming of the City's surface water treatment plant in his honor.

The coming year will offer new opportunities for improving services to our citizens, yet will also present many challenges. We must direct our resources to the areas of greatest need. All City employees will be asked to continue their work in resourceful, productive ways that will directly benefit our community.

Jack M. Schluckebier
City Manager



UTILITIES workers improved the water distribution system as part of ongoing work to maintain and upgrade critical infrastructure.