

**CITY OF BROOKSVILLE
BUDGET WORKSHOP
COUNCIL CHAMBERS
201 HOWELL AVENUE
MINUTES**

July 26, 2011

6:00 P.M.

Brooksville City Council met in workshop session with Mayor Frankie Burnett, Vice Mayor Joseph E. Johnston, III, Council Members, Joe Bernardini and Lara Bradburn present. Also present were Thomas S. Hogan, Jr., City Attorney; T. Jennene Norman-Vacha, City Manager; Janice L. Peters, City Clerk; Steve Baumgartner, Finance Director; Mike Walker, Parks and Recreation Director; Bill Geiger, Community Development Director; Richard Radacky, Interim Director of Public Works; George Turner, Police Chief and Tim Mossgrove, Fire Chief. Members of the Hernando Today and Hernando Times were also present.

The meeting was called to order by Mayor Burnett.

FY2011/12 BUDGET

Overview and General Fund Budget Presentation

Discussion by Council on General Fund Revenues and Expenditures with overall direction.

City Manager Norman Vacha indicated this to be a preliminary budget which is not balanced. She advised the budget is short of being balanced by \$404,843 which includes a reserve for contingency of approximately \$399,000. The current budget presented is utilizing the existing millage of 6.37 mills.

Finance Director Baumgartner reviewed revenue projections for this budget. Ad valorem revenue collections through June were at 98.83% of our 10/11 Budget. The Tax Collector indicated there were 2008 delinquent taxes expected in August that would bring our total Ad Valorem collections to 1.06% of our 10/11 Budget. He stated Communications Services Taxes through June was at 69% of our 10/11 Budget. Public Service Taxes were down from the previous year by \$43,672 and Franchise Fee Collections are around \$48,515 from the previous year. He indicated collections for the last four (4) months of the fiscal year is about 37% of the revenues for Public Service Taxes and Franchise Fees. Half-cent sales tax revenues have been collected at 70% through June. Gas taxes are projected to be above our 10/11 Budget projections at 1.03% and through June our collections are at 67% of our 10/11 Budget. Revenue Sharing has collected 69% through June of our 10/11 Budget and we expect to collection 1.05% of our annual budget. He indicated that interest rates are down due to Treasury bills market and he noted our investment policy restricts investing out further than five (5) years. The FGFOA recommended governmental portfolios under \$25 million invest in pooled investments such as the SBA and the Florida League of Cities pool (FMIVT). He stated interest earning will be low, but importance is that the funds are safely invested.

City Manager Norman-Vacha reviewed significant points in the report. Revenues projected in the 2011/12 budget year, compared to 2010/11 budget, has a shortfall of revenues of \$773,856 or over 11%. This is due to the effects of economic changes and decline in values.

She reviewed ad valorem and stated property values for proposed budget year 2011/12 of \$390,017,831, compared to 2007/08 at \$543,050,744, a decrease of 39%. The 2005/06 property values were at \$355,000,000 and the millage rate was 7.5 mills generating \$2.66 million dollars in ad valorem taxes. In comparison, projecting ad valorem collections for 2012 at the current millage rate of 6.37 will generate \$2.484 million dollars.

She referenced Page 5 in the preliminary budget packet; comparison of 2006/07 versus current budget year on ad valorem taxes and delinquent ad valorem taxes was projected at \$2.5 million plus with a 3%

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decline in collections at \$2.048 million.

She referenced Page 8; Interest rates projected for 2011/12 budget were \$10,860 in comparison to 2006/07 at \$155,805.

She stated staff went back to a zero-based budgeting approach projected at 95% and collection rate is at about 92%. There is a drop in revenues not only in ad valorem taxes but in some other revenues that will not be coming forward from the prior year.

She pointed out revenue lines that will no longer be in the budget after this year as follows:

- Page 6 – Federal Grants Public Safety - \$45,000 TOPS Grant
- Page 9 – Other Funds Transfers in Traffic Camera Fund - \$100,000

She indicated Hernando County Property Appraiser Alvin Mazourek projected another 5% decrease in property values for next budget year 2012/13.

City Manager Norman-Vacha next reviewed expenditures; over the last several years. There has been a reduction in General Fund employees from 117.5 in 2006/07 to a current General Fund projection of 91.35 full-time employees through attrition, reorganization, efficiencies and new partnerships with local government including dispatch and computer services.

Starting in 2008/09 staffing levels began to be realigned and costed to appropriate business centers within the Enterprise funds such as utilities, water and sewer and sanitation. Realignment included Customer Service Representatives and Manager, Public Works Director and support staff for utilities.

She indicated there have been cut backs to a minimum expected service delivery levels and Council could consider eliminating staffing or reduced work schedules and furloughs. She pointed out 70% of the budget is for personnel services and a reduction in staffing would affect delivery of services or programming.

She stated overall costs on personnel have been reduced in each department by a lower retirement rate and a 3% employee contribution.

Assistant Finance Director Jim Delach reviewed Actual Retirement Rates for July 1, 2011 to June 30, 2012; 4.91% for regular employees, 14.10% for special risk employees, 11.14% for elected officials, 6.27% for senior management and 4.42% for DROP employees. He indicated next year's rates are increasing as follows: 1.67% for regular employees, 5.46% for special risk employees, 21.32% for elected officials, 10.19% for senior management and 6.36% for DROP employees.

Next he reviewed General Fund percentages from 2006 to 2013. He pointed out chapter plans were at 5% for years but benefits were added in 2003/04 and increased by 20.80%. He pointed out in 2006 the chapter plan was better than the Florida Retirement System for special risk; contributions for fire has increased to 31.21% where police has enough state funding and does not cost the City anything at this time. General Fund employees' current year budget total is \$347,221 in comparison to \$218,960 for fire. This year there is a savings of \$119,160 due to lesser employees and two (2) fire employees entering the DROP plan.

He then indicated expenses for salaries in 2012/13 are estimated to increase by \$52,756 but that number is expected to be higher. City Manager Norman-Vacha confirmed the final column numbers does not take into account that the legislature could increase the Florida Retirement System rates effective July 1, 2013.

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City Manager Norman-Vacha pointed out additional areas that have contributed to cost savings this year:

- Employee Group Medical Coverage – over the past three (3) years the City has been able to maintain a flat premium rate and this year negotiations resulted in an 11.3% decrease in premium charges or \$800 annually per employee for a total savings of \$87,000 annually. She also has alternative plans for consideration.
- Life Insurance – no premium increase from last year's decreased cost. Long term disability and dental coverage premiums have also not increased this year.
- Realignment of Staffing – this is being reviewed in all departments to budget expenses in the Enterprise Fund appropriately.

Operating expenditure request is less than last fiscal year as costs have increased. Alternative means to obtaining goods and services have been sought to hold costs down without decreasing service levels. However, it will be difficult to decrease any further or continue to maintain at the current levels. She pointed out the City Hall air conditioning system project is priority due to its age and serious disrepair.

Capital outlay has not been budgeted for the past few years and will be proposing adopting methodology that would help develop a program for pavement management, but there is no funding source. She stressed that roads continue to weaken. However, there is no long-term fix. Technology level has increased and efficiencies in payroll and accounting procedures have been put into place. The City has not spent a lot of time analyzing and projecting for facilities such as fixing roofs, painting and replacing carpeting. She warned delay of infrastructure maintenance results in greater future costs.

The solution to meet shortfalls is through a reduction of service levels, elimination of services, addition of new or increased revenues or a combination of both.

She stated she is seeking direction from Council to move forward and advised budget workshops are on August 9th and August 23rd. The September 13th Public Hearing would need to be moved to September 14th due to a conflict with the County's hearing. The Final Public Hearing is scheduled for September 28th.

Over the last several years there have been significant changes to balance the budget but warned this will not address long term cures.

She indicated staff is analyzing the use of prison labor and suggested reducing prison crews from three (3) to two (2) to work with the Streets Department and Parks, Facilities and Cemetery areas. Another suggestion is to utilize \$58,000 budgeted for a contract and \$1,000 for equipment for six (6) inmates annually to hire a full-time Park Attendant I at a lesser cost. Prison labor is on staff approximately four (4) to five (5) hours per day.

Council Member Bernardini felt replacing five (5) inmates working three (3) to four (4) hours with one (1) staff member working full time would not be more efficient. City Manager Norman-Vacha confirmed it would be more efficient for some of the functions. Also, every day there is a new team so time is spent briefing everyone on their job. Prison labor works well with weed eaters, drainage ditches, rights-of-way, smaller areas maintained with a mower, litter pickup, brick laying that is labor intensive. It would be more productive to mow rights-of-way utilizing better equipment with a full-time employee. She gave an example that for one (1) prison crew to manicure the grounds at City Hall takes about a day and a half. Council Member Bernardini suggested contacting the Hernando County Sheriff's Office about utilizing County inmates. City Manager Norman-Vacha indicated the Sheriff's Office is not ready to contract prison crews at this time.

Council Member Bradburn stated she has received complaints that needs in areas they maintain are not being met and supports the proposed change. She suggested review of efficiency of crew leader and prison crews at contract renewal time. Council Member Bernardini indicated he has not received any complaints and felt the prison crews do a good job.

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Vice Mayor Johnston suggested a trial period of one budget year with one staff person accomplishing the same thereby saving money from the inmate crews.

Mayor Burnett stated he is in favor of better work quality and saving money and pointed out the budget process gives Council an opportunity to review areas such as this. He also pointed out the importance of funding Capital Outlay to maintain roads.

Council Member Bradburn suggested the prison crews be utilized over the next year for fixing the brick roads.

Vice Mayor Johnston pointed out that the recommendation to eliminate the work crew must be valid since it comes from the supervisor of that crew. City Manager Norman-Vacha stated this proposed change would not eliminate the supervisor position but could change its function in the future.

Mayor Burnett commented on the fact that medical coverage has been lowered and gave credit to staff.

REVENUES

Vice Mayor Johnston referenced Page 5 Building Permits; he questioned the projected increase of \$40,000. Director Geiger indicated projected revenues are based on current average of \$11,500 per month which the City receives 20%.

Mayor Burnett asked about the cost of outsourcing. Director Geiger indicated outsourcing is continually reviewed and findings were that it is efficient to keep a private service provider at this time. City Manager Norman-Vacha pointed out that amount is also listed under expenditures and must be collected before it can be spent.

Vice Mayor Johnston referenced Page 5 Progress Energy Franchise Fee; he questioned the projected increase of \$58,000. Director Baumgartner advised a rate increase between 5% and 10% is expected. City Manager Norman-Vacha elaborated this information was received in late June from Senior Account Executive Gary Renfro of Progress Energy and he advised this is awaiting PSC ruling on ECCR charges which can fluctuate during the year.

Vice Mayor Johnston referenced Page 8 Street Light and Signal Maintenance. He asked where this revenue source comes from. Finance Director Baumgartner advised it is from the Florida Department of Transportation then Signal Maintenance is paid to Hernando County. City Manager Norman-Vacha explained it used to be budgeted under Miscellaneous and she felt it was important that specific revenues be listed individually. This revenue is for traffic lights and signals maintained on State highways and cost is figured by a formula method. Vice Mayor Johnston suggested an asterisk explaining this should be added.

Vice Mayor Johnston referenced Page 9 and commented \$250,000 for Prior Year Carry forward is unacceptable and needs to be figured out.

Council Member Bernardini asked for clarification on the Local Option Gas Tax. City Manager Norman-Vacha explained this revenue partially funds street operations and is budgeted separately due to statutory provisions that mandate it be spent towards street maintenance and repair.

GENERAL GOVERNMENT

City Manager Norman-Vacha indicated Page 14 is a summary of General Government Department Expenses.

Council Member Bradburn referenced Page 14 Debt Service; she asked for clarification of what that was. City Manager Norman-Vacha indicated it is the City Hall and Parks buildings loans that were paid off.

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Vice Mayor Johnston referenced Page 15 Legal Services; he suggested Council consider funding full-time in-house legal counsel which may bring a significant savings without a reduction in services. Council Member Bradburn indicated she would be amenable to reviewing Vice Mayor Johnston's option periodically for efficiency and pointed out the Hogan Law Firm has been extraordinary in what has been accomplished last couple of years. Vice Mayor Johnston clarified he has no problems with their work for the City and his suggestion is merely for potential savings. He stated there are many attorneys available with significant municipal background experience that would welcome an opportunity to have a secure job and would be willing to do it at a good price. Mayor Burnett commended the Hogan Law Firm for their work in bringing policies up to date but would be willing to discuss other options.

Council Member Bradburn referenced Page 15 and asked for clarification on the Capital Improvement Revenue Note. City Manager Norman-Vacha indicated it is the new Energy Systems Group performance for City Hall. Finance Director Baumgartner stated it is based on the energy savings throughout the departments and is a transfer to the new Debt Service Fund.

CITY COUNCIL

Council Member Bradburn referenced Page 18 Special Events and asked to see a list of waivers from the last two (2) years for prioritizing.

Council Member Johnston recommended no more than 50% funding of requests. Council Member Bradburn liked the concept but she felt different events help to bring economic benefit and questioned how you weigh one against the other. She also felt some groups come before Council because no other facility would help them and she would like to prevent that from happening in the future. She felt greater attention should be given to events that have long-term investment and impact.

Mayor Burnett asked for a list of percentages paid by requestors.

Vice Mayor Johnston referenced Page 16 and pointed out at the top of the page it has "Adopted" 11/12 Budget and should be "Requested" 11/12 Budget.

Council Member Bernardini recommended removing the waiver amount of \$7,000 then everyone pays equally. Vice Mayor Johnston understood the reasoning behind eliminating the waiver amount because that was the purpose for instituting the fee. However, should Council decide to keep it then he would only support shared cost of funding requests. This method would cover more events in the City and that would be a better economic impact.

Mayor Burnett supported leaving in the waiver amount and did not support Vice Mayor Johnston's recommendation. He felt special events bring people to the downtown area which support local businesses.

Council Member Bernardini pointed out requests for waivers are coming to Council earlier each year because requestors know there is a limited amount of money. Mayor Burnett suggested requests be submitted to Council during the budget process for selection. Vice Mayor Johnston suggested a 10% reduction in Council Salaries to fund Special Events and Mayor Burnett agreed.

Parks Director Walker stated staff does not present requests for waivers to Council more than six (6) months prior to the event. City Manager Norman-Vacha confirmed this is stated in the policy.

Council Member Bernardini indicated he would be in favor of the roll back rate of 7 mills. Assistant Finance Director Jim Delach referenced Page 3 of 61 and indicated that would add \$286,858.00 to the budget, budgeted at 100% and 7.1055 mills is the roll up rate.

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CITY MANAGER'S OFFICE

Vice Mayor Johnston referenced Page 19 and pointed out “Adopted” needs to be changed to “Requested”.

Council Member Bernardini asked would the newly adopted vacation and sick rates of accrual affect the budget. City Manager Norman-Vacha indicated vacation and sick leave is projected in annualized salaries and the only impact to the budget would be payout for vacation accrual with 160 hour cap annually, should an employee leave.

Council Member Bradburn stated she was not expecting a proposed increase in the benefit to employees to be more in line with the private sector.

TECHNOLOGY SERVICES DEPARTMENT

Vice Mayor Johnston pointed out the Summary of Expenses is \$80,000 but Budgeted Expenses on Page 10 indicate \$82,000. City Manager Norman-Vacha confirmed Page 10 should be changed to reflect \$80,000; \$60,000 for Contractual Services with the County and \$20,000 for Uncapitalized Equipment. She indicated the County also provides telephone services and equipment which are charged separately within each departmental budget under Communications.

HUMAN RESOURCES

Vice Mayor Johnston pointed out “Adopted” needs to be changed to “Requested” on Pages 25, 26 and 28.

Council Member Bernardini referenced Page 27 and asked about legal services which City Manager Norman-Vacha explained last year there was budgeted monies for revisions to the Personnel Policy and unemployment hearings, but offered it could be removed.

Mayor Burnett asked is \$500 enough to cover Training and Education. City Manager Norman-Vacha explained the staff member is encouraged to participate in conferences pertaining to Human Resource Management along with in-house training provided to each department and she felt the budgeted amount is sufficient.

ECONOMIC DEVELOPMENT DIVISION

Council Member Bernardini asked is this a new budget for the Blueberry Festival. City Manager Norman-Vacha explained this budget is for travel expenditures and/or promotional activities involving the Ambassador of Employment during his quest to attract businesses to the City of Brooksville. Mayor Burnett felt \$15,000 was reasonable based on the many activities Dr. Wilfong and Mrs. Heard have been involved in.

Council Member Bernardini asked is there a way to track expenses versus revenues. City Manager Norman-Vacha indicated it is difficult since each prospect varies in time spent; some take longer and may never locate here while another may have already done their own research and take less time.

Council Member Bradburn pointed out business retention in the first year Dr. Wilfong volunteered; there were eighty eight (88) new businesses in the City with about two hundred fifty (250) new jobs.

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COMMUNITY DEVELOPMENT

Council Member Bradburn referenced Page 30 and asked the reason Operating Expenses increased by about \$30,000. City Manager Norman-Vacha explained \$28,000 is the building permit revenue increase that is projected in expenditures for pay out to the contractor at an 80/20 split. Director Geiger elaborated on the breakdown of Other Contractual Services; \$125,000 contract with Page Dixon Chandler Smith LLC (PDCS), \$20,000 Capital Improvement Element update which includes statutory work, requirements for grant applications and planning consultant services; and \$3,000 web-based permitting software

Council Member Bernardini referenced Page 32; Legal Services. City Manager Norman-Vacha explained this line item is for contracted services with Hearing Officer for Code Enforcement.

Council Member Bernardini asked for a breakdown of indirect costs associated with the building department such as electric and office space. City Manager Norman-Vacha indicated staff will provide that information by square footage for an estimate.

FINANCE DEPARTMENT

City Manager Norman-Vacha explained last year two (2) customer service positions were funded at 40% and are now allocated 100% within wastewater and sanitation costs and the other two (2) positions are still partially funded within the General Fund.

POLICE DEPARTMENT

Council Member Bernardini referenced Holiday Pay that was incorporated into Salaries and asked the reason for an additional \$12,000. City Manager Norman-Vacha confirmed it was due to additional costs with turnover in staffing.

Vice Mayor Johnston pointed out the difference in staffing since 07/08 was due to eliminating dispatch. He stated there is grant funding for police officers that will not be available next year. Council Member Bradburn elaborated the police officers are funded throughout the grant period and once expired it could be decided to keep the position but would be at the City's expense. City Manager Norman-Vacha explained this particular grant does not require the City to hire the police officer for additional years of service.

Council Member Bernardini referenced Page 37 and questioned the necessity of having dispatch positions listed in the position budget table. City Manager Norman-Vacha explained they will be eliminated next budget cycle.

Council Member Bradburn referenced Page 38 Training and Education; she asked about the decreased amount. Chief Turner indicated Travel and Per Diem increased which was previously budgeted under Training and Education and was reduced by \$3,010.

Vice Mayor Johnston referenced Page 38 Reserves - Public Safety; he asked the reason this line item has increased about \$52,000 over the last three (3) years from \$15,235 to \$67,455. Police Chief Turner stated this line item is for part time positions; red light camera officer, accreditation manager and one (1) reserve police officer to fill in. City Manager Norman-Vacha indicated on Page 37 it is budgeted as one (1) full-time equivalent (FTE) reserve police officer with all of their hours added together. She also indicated they do not receive benefits.

Vice Mayor Johnston pointed out Regular Salaries and Wages for twenty seven (27) Full Time Police averages \$43,215 per position whereas this one (1) full time equivalency at \$67,455 has a \$24,000 discrepancy. Mayor Burnett suggested since three (3) positions are part-time then it should be 1.5 full time equivalents. City Manager Norman-Vacha pointed out the Accreditation Manager has a higher salary than some of the other average police officers due to his credentials and experience. She indicated it will

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be reviewed further for accuracy.

FIRE DEPARTMENT

City Manager Norman-Vacha indicated Foster and Foster actuarial has projected an increase for the retirement rate from 26.96% to 31.21%. She said the lower rate was budgeted for Retirement Contributions and this projection would result in an increase from \$172,026 to \$218,961.

Mayor Burnett asked is there a Fire Inspector budgeted. City Manager Norman-Vacha replied there is not but it can be accomplished with existing staff that are willing to go for additional training. Council Member Bernardini referenced Holiday Pay of \$5,000 incorporated into Salaries is about \$4,000 short. City Manager Norman-Vacha confirmed just as the Police Department it is not exact due to turnover in staffing that was hired at lower level pay but she will review further for accuracy.

Council Member Bradburn said last year's discussion of instituting a fire assessment for relief from millage tax should be revisited. She recommended realignment of schedules from twenty four (24) hours on duty and forty eight (48) hours off duty to ten (10) or twelve (12) hour shifts eliminating overtime pay during sleep time. She felt this would significantly lower personnel costs without diminishing services to the public.

Council Member Bradburn pointed out Retirement Contributions for firefighters' pension actuary projected a retirement rate of 31.21% compared to 15% for Special Risk under Florida Retirement System and police pension at no cost to the City. She is concerned that two (2) fire employees recently entered the DROP and will be drawing on their pension in the near future and suggested immediate review of no employee contribution. When she attended legislative hearings on this issue many cities discussed the pension risk they faced. For instance, Oldsmar's risk liability has increased about 600% in the last seven (7) years due to retirement. She would like to see numbers and negotiations on this issue because she felt it was too high a risk for taxpayers.

Council Member Bernardini did not agree that changing shift schedules would save costs since there still has to be the same amount of staff on duty at all times. Council Member Bradburn stated it would eliminate paying staff sleeping time and she also requested call times as part of a presentation by the Fire Chief. She felt it was possible the amount of staff could be greater during the day and lesser during the nighttime hours. Mayor Burnett stated a report could show all calls come in during the day but that could change at any time and no one can predict when a fire could start. Council Member Bradburn clarified she is not proposing elimination of a shift but still sufficient coverage and announced there are many departments throughout the State and nation that are utilizing ten (10) and twelve (12) hour shifts because it is a cost savings and service has not decreased.

Council Member Bradburn next suggested the Fire and Police Pension Chapter Plans be shifted to the Florida Retirement System for new hires and recent hires to save significant money and would like that implemented during this budget session. She felt along with shift savings there will be savings in overtime, accruals of benefits and efficiencies. It is a growing trend that has worked elsewhere so it is worth exploring here.

Vice Mayor Johnston stated he would be willing to look at the numbers to see if there are savings there and can be implemented properly then it would be worth consideration. He was not sure retirement contribution conversion would work because it is set up with the pension boards.

Mayor Burnett asked is there time to bring back those numbers for this budget session. City Manager Norman-Vacha confirmed staff and the City Attorney have projections and reminded Council this was one of the items they did not get to at the Financial Workshop in February. She indicated the City will be making a contribution to the Police Pension in the future at a higher rate or could decide to fund it now at a lower rate. There are legalities for changing the plan in a proper manner to the Florida Retirement System.

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PARKS DEPARTMENT

Council Member Bernardini stated the Parks and Recreation Board is currently reviewing fee increases at the golf course.

Mayor Burnett commended Parks Director Walker for his effort in increasing revenue by bringing in Little League teams and other similar events.

Council Member Bradburn asked the base pay of Park Attendant I that would replace an inmate prison crew. Parks Director Walker stated starting pay is under \$10 per hour or \$20,800 without benefits; City Manager Norman-Vacha indicated she would have to look up the base pay because she did not have it in front of her. Mayor Burnett disagreed that \$10 per hour was fair market price. Council Member Bradburn felt it was. Mayor Burnett suggested the City should look at the wage and determination scale that is set by the State of Florida. Council Member Bradburn suggested this position be dedicated entirely to mowing.

Council Member Bernardini felt the inmates are good workers that are given directives by a supervisor and he supports inmate crews because they are hard working individuals for a much lesser cost. Council Member Bradburn did not agree that the City receives as much benefit today as it did in the past.

Mayor Burnett felt a fully trained full-time employee would be more productive. City Manager Norman-Vacha offered an analysis on the matter to help Council decide which would be best served. She pointed out an inmate work crew, after set up, get to the job site, reloading equipment and break for lunch hour, averages four (4) to five (5) hours of work per day. She felt some of the areas work well with an inmate team and most of them work very hard. Council Member Bradburn felt it did not matter whose perspective is right the bottom line is the projects do not get done.

Council Member Bradburn requested \$350 in the budget for two (2) lithium battery weed eaters to maintain medians when crews cannot get to them. Council Member Bernardini disagreed and felt they could maintain weeds with a hoe or by pulling them out by hand.

QUARRY GOLF DIVISION

Vice Mayor Johnston advised \$100,000 could be saved by eliminating the Quarry Golf Course. Council Member Bernardini reiterated he hoped to increase the revenue to be able to keep the course open. Council Member Bradburn pointed out projected revenue is \$91,000 and expenditure is \$180,000. Vice Mayor Johnston indicated he would support the golf course should revenues increase next year to at least \$125,000 to \$130,000.

PUBLIC WORKS – STREETS DEPARTMENT

Council Member Bradburn cited the horrible condition of the roads will deter new businesses relocating to the City. She referenced Page 4 Millage Trends from 2001 to 2011 and pointed out roads should have been fixed during the years there was excess revenue but instead were neglected. She looks forward to Mr. Radacky's plan to identify priorities. She advised Council needs to find creative ways in the budget to do just more than maintain the roads and suggested dedicating a portion of the millage for this but that would dictate how it is spent depending on who is sitting on City Council in the future.

Mayor Burnett agreed with Council Member Bradburn and stated there also has to be Capital Outlay for additional sidewalks to be ADA compliant.

Council Member Bernardini stated over the last twenty (20) years there was a road paving project in place and he was also adamant to fund sidewalk repairs but neither program continued due to budget constraints.

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Mayor Burnett pointed out the “economic crunch” affected the budget in many ways including not following through with the recommendation of the study to increase employees’ salaries but have been able to avoid lay-offs and/or furloughs. He predicted this year and next to be the worst years yet.

Council Member Bernardini referenced the chart on Page 4 Millage Trends from 2001 to 2011; he said the millage rate continued to be lowered when tax assessments were up and felt it was cut too far. He advised a percentage of that money should have been put into a road paving or sidewalk program instead.

Mayor Burnett suggested staff be given direction on this matter and supported Council Member Bernardini’s suggestion of \$5,000 a year to address deteriorating roads and adding sidewalks. He felt the City cannot operate without Capital Outlay and a plan in place.

City Manager Norman-Vacha pointed out there is some money set aside for sidewalks in the Multi-Capital Plan allocated last year. Public Works staff has worked in conjunction with an engineering firm to develop a methodology for Council consideration before a priority list of streets in need of paving is put together and a funding mechanism.

Council Member Bradburn asked what the thought process was at the time there was funding dedicated to the Vehicle Replacement Fund but not roads. Vice Mayor Johnston replied there were funds dedicated to roads at one point in time and overlay did get done such as Mildred Avenue and Lamar Street but not reconstruction and paving. Vice Mayor Johnston said there was not enough money allocated for full paving just basic overlay. Council Member Bernardini pointed out some of the money was also used to rebuild Barnett Road.

City Manager Norman-Vacha stated in conjunction with the County, Martin Luther King Jr. Boulevard was repaved a couple of years ago. Mayor Burnett indicated parking spaces for that project has not yet been completed.

Vice Mayor Johnston referenced General Government; expense for a Special Election needs to be discussed. City Manager Norman-Vacha stated that issue will be discussed at the Regular Council Meeting on Monday and explained the current ordinance allows Council to make an appointment until the next regularly scheduled election.

City Manager Norman-Vacha advised Council Agenda on Monday will include a request to set a tentative millage rate for the TRIM. Mayor Burnett indicated in the past Council had set the rate at 10 mills and then reduces it. Council Member Bradburn advised last year setting a high tentative millage rate caused great panic and urged that they not consider doing that again this year. City Manager Norman-Vacha reminded last year Council set the tentative millage rate at 8 mills for the TRIM.

City Manager Norman-Vacha advised the Public Hearings were scheduled for September 13th and September 28th but due to a conflict with the County Commission’s Public Hearings, she asked Council to consider changing the first hearing to September 14th.

Council Member Bernardini stated he would consider setting the millage rate at what it would take to balance the 2011/12 budget as it is. City Manager Norman-Vacha indicated staff will be prepared with those numbers.

Council Member Bradburn reminded that she would like information on the Fire Department issues that she had requested. She would also like to see some ideas from Council and staff on dedicated funding for roads. She also felt there are a number of positions that she will discuss with staff for either reduction in hours or elimination altogether. Mayor Burnett did not support reducing staff that would result in a lower level of service provided to the public and agreed with Council Member Bernardini’s suggestion to set the millage rate to balance the budget and then work down from there.

City Manager Norman-Vacha asked what can be brought back for the next workshops.

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Council Member Bradburn stated the red light cameras should be brought back for discussion and felt it will save lives. Mayor Burnett did not support bringing back the red light cameras at a cost of increasing the budget.

Vice Mayor Johnston informed Public Works Director Radacky there was County staff working on the downtown traffic lights Friday afternoon and now they are more out of sync than they were before. Public Works Director Radacky stated there was a batch sequence that went out and should be fixed tomorrow.

City Manager Norman-Vacha introduced Stephanie Chambers of the Hogan Law Firm who was in attendance for the City Attorney.

City Manager Norman-Vacha summarized the following be brought back to Council:

- Cost for full time attorney in house with no outside clients versus current contractual arrangement.
- A list for the past two (2) years for Special Event Fee Waivers; granted and percentage contributed by requestor. In conjunction with that, Vice Mayor Johnston suggested a 50% sharing cost and Council Member Bernardini suggested funding it at zero.
- The breakdown of square footage for providing office space for the building department contractual arrangement with PDCA.
- Consideration of other staff scheduling options that may be workable within the Fire Department including impact to FLSA overtime costs.
- Retirement rates for pension plan costs for today and the future; legalities of pensions and shifting to Florida Retirement System and expected rates.
- Examine dedicated funding sources for pavement management projects.

Council Member Bernardini asked about review of the Police Department Reserve Officer FTE's Staff.

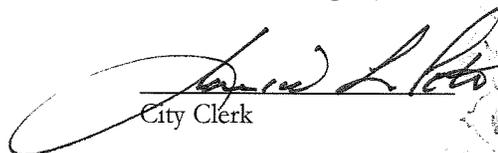
City Manager Norman-Vacha announced the next scheduled budget workshops are on August 9th and August 23rd both at 6:00 p.m. She indicated preliminary numbers for the remaining funds will be provided for water, wastewater, sanitation, fleet and all Capital Improvement Funds.

Mayor Burnett advised Council Members with questions or concerns can contact the City Manager prior to the next budget workshop.

ADJOURNMENT

There being no further business to bring before Council, the meeting adjourned at 9:13 p.m.

Attest: 
Mayor


City Clerk

