

**CITY OF BROOKSVILLE
BUDGET WORKSHOP MINUTES
COUNCIL CHAMBERS
201 Howell Avenue
Brooksville, FL 34601**

MINUTES

August 10, 2015

3:02 P.M.

Brooksville City Council met in workshop session with Mayor Frankie Burnett, Vice Mayor Natalie Kahler and Council Members, Robert Battista, Betty Erhard and William Kemerer. Also present were Clifford Taylor and Elizabeth Martin, City Attorneys; T. Jennene Norman-Vacha, City Manager; Janet Kato, Deputy City Clerk; Tannette Gayle, Finance Director; Jim Delach, Assistant Finance Director; Bill Geiger, Development Director; Mike Walker, Director of Parks/Facilities and Recreation; William Smith, Utilities Superintendent; Richard Radacky, Director of Public Works; Telina Dowdell, Human Resources Specialist; Tim Mossgrove, Fire Chief; and George Turner, Police Chief.

The meeting was called to order by Mayor Burnett, followed by an invocation and the Pledge of Allegiance.

FY2016 BUDGET-ALL FUNDS OTHER THAN GENERAL FUND

Overview of Funds Other than General Fund Presentation

Discussion by Council on all City funds other than General Fund Revenues and Expenditures, with overall direction.

Jennene Norman-Vacha, City Manager, stated that she would like to begin the meeting by pointing out some of the specific Special Funds for discussion:

Fund 108 – Local Option Gas Tax

The City Manager explained that Gas Tax money is a shared commodity with the Board of County Commissioners. Based on an agreement with them, there is a split based on population which is currently 4.77% of the actual funds received. The City's share is slated to be \$202,000 coupled with a second local option gas tax which will take effect January, 2016, which is projected for the City in 2016 to be about \$50,000. There are statutory requirements on how the monies can be spent. Historically, the funds projected for Fund 108 are transferred out to the General Fund to fund streets and drainage maintenance. The City Manager recommended that Fund 108 reflect local option gas tax 1 – 6 which is projected at \$202,000. She added that since the second local option gas tax which takes effect in January, 2016 cannot be used for routine maintenance, she would recommended showing a separate fund for 2017, not grouped into Fund 108, which can be used for routine maintenance.

Fund 110, 112, 113, 114, 115

These are fees to be collected in new construction and can only be used for capitalized costs related to growth and cannot be spent to maintain or replace.

Fund 128 - Photo Enforcement Traffic Safety Program

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Photo enforcement revenues are derived from violations, which each year have decreased. The City shares those costs with the State of Florida per the requirements of the Traffic Safety Act and the State of Florida regulates the amount of the violation. Statutorily, the violation is \$158.00. Of that amount, \$113.00 goes back to the state, leaving \$45.00 to be divided by the City and the City's camera provider. The City's portion pays for personnel and administrative functions. The decrease reflects monies for the first quarter, October - December, 2015, based on Council's direction that the contract will end and the program will be eliminated. City Manager Norman-Vacha provided Council with a chart mapping out the number of violations since the camera's reinstatement in 2012.

Fund 144 – Brownfields Assessment Grant. This grant will end September 30, 2015.

Fund 308 – Multiyear Capital Project Accumulation. This fund has no other funding source other than Fund 128. The decrease in Fund 128 will directly affect the road, sidewalk and culverts, drainage or other safety related capital projects reflected in Fund 308.

The City Manager advised that historically the City has had little to no money for road maintenance so a few years ago Council approved a methodology study for road projects known as the Pavement Management Plan. Council began at the top of the list of these projects which include about 6 different roads. Chatman Blvd and Brooksville Ave. are completed, with Bell Ave. being in the process of being completed. Award of Bid has been approved for Veteran's Ave. and work should begin shortly. Daniel Ave. is being reconsidered for work at this time. Mildred Ave. has been bid out but details are still being worked out on whether it is a viable project in October, 2015 and it will come back to Council for consideration.

Funds 201 & 202 - Debt Service Funds

The City Manager explained the debt service and sinking funds, adding that these funds are used to pay committed loans or bonds.

In response to Vice Mayor Kahler's question, the City Manager stated that staff would be providing a more detailed job description, functions and licensing requirements of a project coordinator/manager as it relates to the Public Works Department and it would be provided to Council at a later date.

Funds 401, 402 and 403 – Water and Sewer Funds

These funds are currently combined in several funds, but staff is considering working with the auditors on separating the water revenues and wastewater revenues. Council may see that changed reflected in time for the Public Hearings.

City Manager Norman-Vacha called attention to the large scale water and wastewater capital projects plan which lists the number of projects completed since 2010. It also includes projects planned from 2016 – 2020.

Council Member Battista brought up for discussion the \$3,000,000 received from a bankruptcy restated claim which is comprised of 1) reuse plant capacity 2) pond inside gate at Southern Hills and 3) \$50,000 for appraisals to be done on parcels for the acquisition of right-of-way to complete Governor's Boulevard. It was discussed that the first two should stay in the utility fund but the City Manager acknowledged that the \$50,000 should be removed so that is readily available for the Governor's Boulevard project as the commitment to build that is not many years away.

Funds 603, 605, 607, 609, 610, 612, 613, 615 - Trust & Agency Funds

The City Manager brought up for discussion Fund 609, which is the employee health insurance and

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HRA fund. She explained the mechanics of the partially self-funded health insurance plan and the premiums and stop-loss maximums for an individual employee and for the group as a whole.

The City Manager further discussed the benefit currently being provided known as the Healthcare Reimbursement Account, which is in the amount of \$500.00 per employee. She stated that it is her recommendation that the termination reserves, insurance plan contributions and expenditures and the HRA expenditures should be separated for clearer accounting. Perhaps any surplus money in the HRA can be put towards the health insurance fund. The change in accounting would be presented for City Council's approval during the budget adoption hearings. Representatives from providers or the Gehring Group should be made at an upcoming Council meeting.

City Manager Norman-Vacha responded to Council Member Erhard's question that the HRA benefit for each employee is \$500.00 and further clarified that the cost of each employee for their benefits package is \$7,743 per employee based on last year's premium but will need to be adjusted to reflect a projected 10% increase. How the breakdown of "personal services costs" is reflected in the budget, along with the entire premium cost package, which include health, life insurance, long-term disability and dental, will be presented at an upcoming meeting..

Council Member Kemerer asked how many employees were covered by insurance, which the City Manager responded was about 120 employees. Part time employees are not covered. The calculations for the premium costs and the required retention/termination monies were discussed, with the City Manager offering to work with the Finance staff and run a spreadsheet on each department.

Fund 615 - Community Redevelopment Agency

This Agency continues to focus and move forward with commercial exterior improvement grants and Downtown Beautiful/Gateway and way-finding signage projects. Council Member Battista offered his opinion that the CRA commercial exterior improvement grant is one of the best programs the City has in improving the downtown area.

Council decided to go through the budget page by page, bringing up any concerns or questions they may have.

Page three

Council Member Kemerer brought up for discussion the specialized training and equipment needs. The City Manager explained that the revenue source for this specific type of training is the disposition of the court penalties.

Page Four

Council Member Erhard requested clarification regarding the definition of "Transfer Out" and "Reserves". City Manager Norman-Vacha explained that the gas tax monies received are transferred out to the General Fund, which is reflected in the "Transfer Out" line item. The "Reserves" are monies set aside that are not part of the transfer.

In response to Vice Mayor Kahler's question, the City Manager addressed road maintenance issues and the red light camera money source that will carry through December, 2015, and the local option gas tax that will funds specific road maintenance issues as allowed by law.

Page Six

Council Member Battista brought up for discussion the "Capital Outlays" of \$1,260,223.

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The City Manager stated that the number will change due to monies expended on the design phase costs for Providence Boulevard.

Page Seven

Vice Mayor Kahler called attention to the “Special Assessments” line item that is related to growth. Norman-Vacha explained that it reflects capital value or investment such as equipment or facilities.

Page twelve

Vice Mayor Kahler expressed concern that a negative balance is carried forward under “Reserves”. The City Manager stated that she was unsure there is a negative balance showing and will check on that.

Council Member Kemerer questioned the \$20,000 listed as “TBA” and whether there was a specific project anticipated for next year. Police Chief Turner advised the PD has received \$21,434 to purchase radar units for the cars with some of the monies going towards their drug division as approved by the recently awarded JAG grant program, which will come back for the City Council to approve.

Page Eighteen

In response to Vice Mayor Kahler’s request for information on how the First Tee is being run without the golf course being functional, the City Manager responded that recently they have partnered with Southern Hills and the Brooksville Golf and Country Club. However, the City is struggling to make the program work and anticipates speaking with First Tee International on how to continue it.

Page thirty-four

The City Manager advised that page 34 would be removed.

Page thirty-seven

Council Member Kemerer asked if the “Bond Settlement Fund Capital Projects Fund” is being closed out. The City Manager felt that the \$60,000 will be carried forward.

Page thirty-nine

The Vice Mayor called attention to the sewer impact fees (connection fees) and questioned the large increase from last year’s budget. Assistant Finance Director Delach stated that it reflects a projected amount of new residential connections. The impact fees are also based on the projected amount of new construction.

Page forty

Council Member Kemerer asked how the costs involved will be allocated between the separated sewer and water fund since they share common facilities, common employees, etc. City Manager Norman-Vacha stated that there is formula used, which is a part of bond pledging requirements. The numbers are already accounted for separately, but now will be reflected as such in the budget document.

Page forty-four

Council Member Kemerer questioned the elimination of the sewerage collection, which the City Manager and Utility Superintendent Smith stated that they would have to check on it as it may be an oversight. “Promotional Activities” was explained as developing some type of brochure or promotion for the City.

Regarding “Other Contractual Services” questioned by Council Member Erhard, the City Manager stated that they are typically ongoing such as an agreement and include items such as copier services, GIS licensing and maintenance fees and sludge disposal. “Other Current Charges” are things such as bank statements.

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Page fifty-five

Vice Mayor Kahler voiced a question regarding why some departments do not share in vehicle maintenance. The City Manager stated that the “General Government”, does not have a vehicle that is routinely used by them. Community Development does have a code enforcement truck, but it is a new vehicle and therefore reflects no maintenance based on last year’s work orders.

The Mayor requested a future workshop discussing the advantages of leasing/buying vehicles.

The City Manager pointed out that page 58 is the same as page 55 and will be corrected.

Page sixty-one

Council Member Kemerer questioned whether the Ford pick-up trucks in 405 are an expansion of fleet, to which the City Manager responded that they are replacement vehicles. The vehicle replacement schedule and life of specific vehicles were discussed. Discussion ensued regarding the possible need to increase reserves to cover vehicles that will need to be replaced. City Manager Norman-Vacha offered to come back to Council with more detailed information on the vehicle replacement schedule and the related reserves and how to fund the fleet properly. Council Member Kemerer recommended discussing this topic at the same workshop as the topic of leasing or buying vehicles is discussed.

Page seventy-two

Addressing the large increase in the “Contributions” line-item, Council Member Battista advised that a representative of the FLC had informed him that out of 311 cities in the State of Florida who have Fire Pension and/or Police Pension plans under Florida Statute 185/187, only 11 cities, of which Brooksville is one, use a factor of 4 which is the legal maximum, to determine pension payouts.

Page seventy-three

In response to Vice Mayor Kahler’s question regarding the \$3,000 listed under the CRA - “cultural programs”, Community Development Director Geiger stated that it is for any program that would have a direct benefit back to the CRA. This has been an amount included in the budget for the last several years for that purpose. This would include things such as working in partnership with the Fine Arts Council on a program that would benefit or enhance the CRA area.

Overall budget approval/discussion

Council Member Battista advised that he has no problems with what is being recommended by the City Manager, and there was an agreement to this by each Council Member.

The proposed workshop for August 24th is cancelled.

It is anticipated that Council will need to approve the property causality, general liabilities, errors and omission, health insurance, etc., at the August 17, 2015 meeting. Presentation will be made by the Gehring Group at an upcoming meeting.

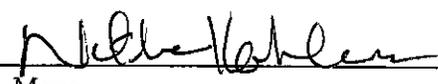
The City Manager advised that she will ask Council to accept the 3.5% increase in premiums and approve the renewal on August 17th so that she can include those numbers in the 1st Public Hearing on September 6th. There will be a representative of the Gehring Group available at the September 21st meeting to answer any questions.

A workshop will be held after the budget process to discuss fee waivers.

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ADJOURNMENT

There being no further business to bring before Council, the meeting adjourned at 5:14 p.m.

Attest: 
Mayor


for Deputy City Clerk