

**CITY OF BROOKSVILLE
FINAL PUBLIC HEARING
FISCAL YEAR 2010/11 BUDGET
MINUTES**

SEPTEMBER 22, 2010

6:30 P.M.

Brooksville City Council met in regular session with Mayor Lara Bradburn, Vice Mayor Richard E. Lewis and Council Members Joseph E. Johnston, III, Joe Bernardini and Frankie Burnett present. Also present were Jennifer Rey, 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 Bradburn, followed by an invocation and Pledge of Allegiance.

PUBLIC HEARING - PRESENTATION OF PROPOSED BUDGET FOR FISCAL YEAR STARTING OCTOBER 1, 2010

Mayor Bradburn stated the TRIM notices indicated a millage rate of 8 mills but the rollback rate of 7 mills had been agreed upon and commended staff for working diligently to trim the budget further.

She read the following public announcement for the record:

Public Announcement - Ad Valorem Tax Rate (TRIM Notice)

Pursuant to Section 200.069, F.S., "Notice of Proposed Property Taxes" (TRIM NOTICE) the proposed ad valorem rate for the Fiscal Year 2010/11 was advertised to be a maximum of 8.0000 mills. This millage rate would be a 13.96% increase over the rolled-back rate of 7.0202 mills. After reviewing revenue projections and proposed expenditure levels for the 2010/11 Fiscal Year, the General Fund budget is balanced at a proposed rate of 7.0000 mills, which is 0.29% less than the current year's rolled-back rate.

Public Hearing - Fiscal Year 2010/11 Proposed Budget

Consideration of the Recommended 2010/11 Fiscal Year Budget

Review of balanced budget, together with consideration of additional proposed changes.

Jennene Norman-Vacha, City Manager, indicated staff has worked hard to balance the budget. A requested budget reduced by \$245,756 which equates to .5925 mills and would allow a millage rate of 6.37 mills. She reviewed the areas where operating costs in the budget were reduced as follows:

General Government \$3,000; City Manager's Office \$2,063; Human Resources \$40,000; Development \$1,000; Finance \$1,500; Police Department \$46,448; Fire Department \$33,490; Parks and Recreation \$98,255; and Streets \$20,000.

Mayor Bradburn indicated this Council has reduced the total millage by 23% in three (3) years which, according to the Florida League of Cities is the largest decrease in the State of Florida. She stated there has been an expected 13% decrease in property values and expects an even further drop next year.

APPROVED BY BROOKSVILLE

CITY COUNCIL

ON 2/7/11 INITIALS JL

FINAL BUDGET HEARING MINUTES – SEPTEMBER 22, 2010

CITIZENS INPUT

Mayor Bradburn asked for public input. She started by referring to a letter received from Robert Buckner for the record (Attachment A) in which some citizens are calling for removal of the Quarry Golf Course because it has lost money every year of its existence.

Vice Mayor Lewis recommended Council voice their recommendations before the public. He recommended leasing out the Quarry to a private third party as he would like to see it continue.

Council Member Burnett concurred with Vice Mayor Lewis' analogy. He requested of staff the numbers with the Quarry removed from the budget. He recommended further review of employee health insurance with the possibility of a 10% employee contribution or an increase in the employee deductible from \$250 to \$500 and asked for the specifics of what that would save.

Council Member Johnston indicated leasing the Quarry had been tried before but did not work. As far as eliminating it completely he feels tonight is not the time but requested further review. Regarding the employee health insurance, the employees have not had a pay increase in three (3) years and he does not recommend it at this time. He also recommended getting started earlier on the budget review next year.

Council Member Bernardini recommended the possible elimination of the City Manager's Administrative Assistant, Parks and Recreation Director and Parks & Facilities Supervisor for a total reduction of \$189,678.44. Further, he recommended denying the Police Officer reclassification of its officers saving \$71,991.10 for a total reduction of \$261,669.54.

Mayor Bradburn, concerning the Quarry, feels it is a gem that has failed to reach its potential and supports a business operation such as this being better handled by private enterprise. Upon scrutinizing the individual budget, it costs more to run in the summer months and the driving range is under utilized. She thought the batting cages and driving range could have automatic money machines to take tokens, thereby eliminating the need for staff to maintain those areas. She recommended RFQ's for those issues. She does not support government running a golf course and this would also eliminate Pro Shop staff and Greenskeepers positions. She recommended elimination of the vacant Recreation Leader III position saving \$40,000 with benefits, as well as the vacant Planning and Zoning Coordinator position saving \$55,303 with benefits. She is concerned that Finance has too much staff and recommended elimination of one (1) position saving over \$60,000. She could not support raising the deductible rate of insurance for staff due to no raise in three (3) years. She would support consideration of minimizing the retirement allocation. She did not agree with Council Member Bernardini in his specific suggestions for staff reduction.

Council Member Burnett clarified that he just asked to see the numbers before making a recommendation.

Council Member Johnston clarified the millage rate increase is generating less revenue and most taxpayers should see a reduction in their tax bill from the previous year due to the assessment decreasing by a greater amount than what the millage rate has gone up.

Alan Garman, who Mayor Bradburn indicated was instrumental in creating the Quarry Golf Course, indicated he is in favor of taking care of the employees. He made recommendations such as putting coin machines on the lights at the tennis courts for usage at night. He reviewed the making of the Quarry, indicating a lot of volunteer work went into bringing the golf course into fruition. He questioned why a financially-challenged Quarry was never brought before the Parks and Recreation Board for ideas on fundraising options or better marketing. He wanted the specifics of the Quarry budget reviewed that pertains to employee salaries.

FINAL BUDGET HEARING MINUTES – SEPTEMBER 22, 2010

Michael Heard who has spent years owning and operating golf courses, agreed that the Quarry needs to be reviewed. She pointed out Jim Carmen has put together a group of people with a plan to enhance the golf course but marketing is the key and she questioned whether the City can afford to keep an expense-driven business.

Jim Brooks, Parks and Recreation Board Member, indicated he supports the golf course and all the amenities of the Parks and Recreation division for the children. He did not agree with cutting the Parks and Recreation Director Position or raising the employees' deductible for health insurance.

Council Member Bernardini indicated deleting the Parks and Recreation Director would return the department to the Public Works Department.

Jacob Auchern asked about the Quarry closing. Mayor Bradburn indicated no decisions have been made as of yet. Council Member Johnston indicated City Manager Norman-Vacha recommended closing on Mondays and changing the hours for review.

Kendall Harper, who has lived in Cloverleaf for twenty-four (24) years, stated he is not in favor of closing the Quarry as it is a short course and ideal for senior citizens.

Ken Yetten, who volunteers at the Quarry, was not in favor of closing it, indicating it is not worth the loss for the children to be able to play and keeping them off the streets. He also indicated he is not in favor of eliminating jobs because that would not be helping the community financially as jobs are what move the economy forward.

Tony Wunderly, a member of the golf course, addressed the marketing issue. He also indicated the Fire Department needs the Hurst tool. City Manager Norman-Vacha explained the City has the Hurst tool, also known as the "jaws of life", and this is a request for a replacement pump of the existing equipment.

Marie Lavern understands Mr. Harper's analogy of the shorter golf course for senior citizens and spoke on behalf of the Quarry employees as well.

Joe Johanssen, a volunteer at the golf course for three (3) years, spoke in favor of keeping the course.

City Manager Norman-Vacha reviewed numbers requested by Council Member Burnett; approximately \$75,000 would be saved by eliminating the Quarry from the budget and the General Fund would increase by \$22,975 should Council decide to decrease the employees' Health Reimbursement Account from \$500 to \$250.

Council Member Burnett indicated Council has difficult decisions to make and supports the reduction to 6.37 mills, with review in other areas as recommended.

Council Member Johnston commended staff on finding additional reductions to bring the millage rate to 6.37 mills and requested Council give ideas to staff no later than January 1 with recommendations by March 1 for reductions in next year's budget.

Vice Mayor Lewis also commended staff on the reductions presented by the City Manager and recommended staff start immediately in reviewing the Quarry issues. He did not concur with the elimination of the Parks and Recreation Director, but supported elimination of the Park Facilities Supervisor. He would like to go forward with the Police Department reclassification, but agreed with the elimination of the City Manager's Administrative Assistant position, as well as review of the Program Coordinator and Recreation Leader III positions. He also did not support increases in the deductible for employee insurance, but was in favor of the 6.37 millage and would also agree to the 7.0 millage with an increase in employee salaries.

FINAL BUDGET HEARING MINUTES – SEPTEMBER 22, 2010

Council Member Bernardini reiterated his stance on the issues, as did Mayor Bradburn. She mentioned for the record, incidents of deaths involving red-light running.

Finance Director Baumgartner indicated that by lowering the millage rate from 7.0 to 6.37 the change in the expense in General Government for the Community Redevelopment Agency and revenue Fund 615 would both decrease by \$3,622.

Approval of Resolution No. 2010-19 for FY2010/11

Consideration of proposed resolution levying a General Fund Ad Valorem Millage Rate of 7.0000 mills.

[Note: Restatement of Public Announcement required if millage rate adjustment]

Steve Baumgartner, Finance Director, clarified the proposed millage rate is 9.26% less than the rollback rate and the new TIF payment is based on 6.37 mills.

Motion:

Motion was made by Council Member Johnston and seconded by Council Member Burnett for approval of Resolution No. 2010-19 with a millage rate of 6.37 with necessary changes in paragraphs 1, 2 and 3.

City Clerk Peters read Resolution No. 2010-19 by title, as follows:

A RESOLUTION LEVYING AN AD VALOREM MILLAGE RATE FOR THE FISCAL YEAR 2010/11 FOR THE OPERATION OF THE VARIOUS DEPARTMENTS AND FUNDS OF THE CITY OF BROOKSVILLE, FLORIDA, AND PROVIDING AN EFFECTIVE DATE.

Motion carried 5-0 upon roll call vote as follows:

Council Member Johnston	Aye
Council Member Burnett	Aye
Council Member Bernardini	Aye
Vice Mayor Lewis	Aye
Mayor Bradburn	Aye

Mayor Bradburn adjourned to the CRA budget hearing at 8:47 p.m. and reconvened at 9:03 p.m.

Ordinance No. 814 - Recommended Budget for FY2010/11

Consideration of second and final reading of proposed budget effective October 1, 2010.

[FIRST READING 09/08/10]

City Manager Norman-Vacha reviewed the changes as recommended:

General Government \$3,000; City Manager's Office \$2,063; Human Resources \$40,000; Development \$1,000; Finance \$1,500; Police Department \$15,298 Operating Budget and \$31,150 Personnel and Benefits for a total of \$46,448; Fire Department \$25,290 Operating Budget and \$8,200 Capital for a total of \$33,490; Parks and Recreation \$41,887 JBCC and Parks Divisions and \$56,368 Quarry Division for a total of \$98,255; and Streets \$20,000 Operating Budget. She summarized a total reduction of expenditures within the budget of \$245,756 and the proposed millage would change total revenue with a total expenditure reduction within the General Fund of \$249,378. She asked for Council purview to adjust the Reserve for Contingency to reflect either addition or deletion of such revenues and expenditures.

FINAL BUDGET HEARING MINUTES – SEPTEMBER 22, 2010

Motion:

Motion was made by Council Member Burnett and seconded by Vice Mayor Lewis for approval as amended per City Manager recommendation.

City Clerk Peters read Ordinance No. 814 by title, as follows:

AN ORDINANCE APPROPRIATING CERTAIN MONIES FOR THE GENERAL OPERATIONS OF THE CITY OF BROOKSVILLE, FLORIDA, FROM ITS SEVERAL FUNDS FOR THE TWELVE MONTH PERIOD BEGINNING OCTOBER 1, 2010 AND ENDING SEPTEMBER 30, 2011.

Motion carried 5-0 upon roll call vote, as follows:

Council Member Burnett	Aye
Council Member Bernardini	Aye
Council Member Johnston	Aye
Vice Mayor Lewis	Aye
Mayor Bradburn	Aye

Mayor Bradburn re-read the newly adopted millage rate into the record as follows:

“Pursuant to Section 200.069, F.S., “Notice of Proposed Property Taxes” (TRIM NOTICE) the proposed ad valorem rate for the Fiscal Year 2010/11 was advertised to be a maximum of 8.0000 mills. This millage rate would be 6.37 mills, a 9.26% decrease over the rolled-back rate of 7.0202 mills”.

Council Member Johnston requested the page numbers be corrected on the budget document; also Waste Water and Solid Waste on the Table of Contents are listed as “Sanitation” in the budget document.

Mayor Bradburn, in closing the discussion for the Final Budget Hearing, stated there is much to be grateful for and much hard work ahead in the coming months as Council will be working on many of the alternatives of funding as discussed tonight in several areas of city operations along with a potential Fire Assessment in the future.

Finance Director Baumgartner reviewed bookkeeping entries that do not affect the General Fund as follows: The City Welcome Sign has to be brought forward in Capital Projects reserves for next year in the amount of \$7,880; the Sanitation Boom Truck in the amount of \$127,824 under Capital; and the Wildfire Grant under the Fire District that was moved to the General Fund will be put in Fund 122 Fire Grants and Donations from the General Fund including a match from the Cost Recovery Fund.

Motion:

Motion was made by Council Member Johnston and seconded by Council Member Burnett for items to be carried forward to the 2010/11 budget. Motion carried 5-0.

City Manager Norman-Vacha reviewed post cards provided by the Anti-Drug Coalition, in conjunction with the Health Department, to be distributed to all residents regarding Going Tobacco Free encouraging residents not to use tobacco within the park area.

Council Member Burnett re-emphasized the tasks accomplished tonight and clarified that their recommendations need further review. He recommended the Fire Inspector position be reviewed for the Fire Department as well as the Community Development position in the next budget.

FINAL BUDGET HEARING MINUTES – SEPTEMBER 22, 2010

Vice Mayor Lewis requested staff send a thank you letter to the Hernando Mining Association who paid a gentleman to remove trees at the Quarry golf course.

City Manager Norman-Vacha thanked staff for their efforts in the budget process by continuing to strive to work hard and being mindful and sensitive of taxpayers' dollars by implementing new technology, streamlined processes, and going Green for the sake of making a difference and taking everyday tasks seriously. She also thanked Council for their part in the process by their indulgence and consideration of staff recommendations. She pointed out that staff is already working on areas within next year's budget proposals.

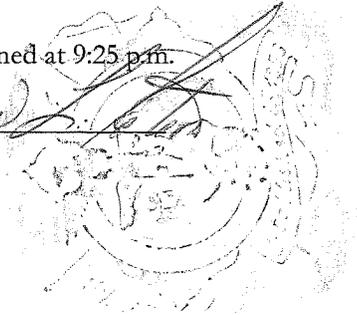
Mayor Bradburn commended the City Manager for the many hours she has put into this budget and stated adoption of this budget has reduced the millage about 20% within the past three (3) years.

ADJOURNMENT

There being no further business to bring before Council, the meeting adjourned at 9:25 p.m.

Attest: Law Bradburn
Mayor

[Signature]
City Clerk



Date: September 20, 2010
To: City of Brooksville
Lara Bradburn, Mayor
Richard Lewis, Vice-Mayor
Joe Johnston
Frankie Burnett
Joe Bernardini
T. Jennene Norman-Vacha, City Manager
From: Robert A. Buckner
Re: Budget

Dear City Council:

Firstly, I support and applaud your decision to abate the implementation of the fire assessment for the current budget period until the allocation of unit costs are amended for equity and fairness. However, I am hopeful the tentative millage rate of 7.00 can be further reduced to account for equity and fairness to the taxpayers of the City of Brooksville. The tentative millage rate is the approximate "roll back" amount due to a reduction in taxable value to equate revenue from the previous year. But, I am confident other cost saving and belt tightening measures can be achieved to further reduce the millage rate. Such will provide needed tax relief to the taxpayers in these challenging economic times.

At issue is a fundamental policy decision on whether to adopt a final millage rate to fund a perceived static expense budget, or find additional cost savings to provide more tax relief to the tax payers. My previous correspondence addressed the current challenging business environment in the City, and I conclude the vast majority of taxpayers have less disposable pre-tax revenue. The private sector has already made difficult decisions and sacrifices in their personal budgets and lifestyle, and I respectfully request the City to do likewise. I am confident City residents and business entities will understand and accept possible reductions in services in exchange for less tax liability. Furthermore, the projection for next year's taxable value will be less, and better to make challenging decisions now to adjust for less revenue next year.

I have included an attachment (Population and Taxes per Resident) that summarizes changes in taxable value, millage rates and the average tax per City resident for budget years. The "boom years" had massive increases in revenue despite reductions in millage rates, but the increase in population was not commensurate in percentage terms with additional service needs that were apparently funded (expenses). Said another way, the decrease in millage rates were not at the same percentage increase of revenue in relation to a rather static population. The column in bold denoting the average tax per City Resident and the associated graph supports the contention. One might argue that City government got "fat" during the boom years, and now due to less revenue, going on a diet or prioritizing services is a challenge.

Unfortunately, unless certain services are able to be adjusted or systematically changed in a timely manner, then the primary area for cost reduction is personnel. I can assure you personnel changes and reductions have occurred more dramatically in the private sector in direct relation to less revenue due to economic conditions. The number of personnel in the City is currently less than previous budget periods, but government generally does not make the adjustments as timely due to necessities as the private sector. Again, the same challenge will most likely exist next year due to less projected revenue from the ad valorem tax base. Reductions may not need to be strictly the number of FTE personnel, but consider implementation of furloughs or other similar

work schedule adjustment measures. Other elements of employee compensation or benefit packages should be explored. Also, strict policies to combat overtime should be emphasized.

The Quarry Golf Course is another area and/or entity that should be on the table for potential abolishment or temporarily closed. I have attached a summary of the revenues and expenses, and associated graphs regarding the QGC. From 2003 – 2009 the “loss” is in excess of \$550,000, and including the impending budget, the historical “loss” exceeds \$787,000. Too many golf courses exist per the population in Hernando County, and the vast majority of courses are struggling financially. The revenue figures have been relatively consistent, but the expenses have a historical wide variation. Thus, I contend the ability to increase revenue will not be realistic, but expenses will continue to be the primary cause for a “loss” and a drain on the budget. Taxpayers have been and will continue to subsidize golf course operations and use. The projected loss for the current budget is approximately ¼ mill, and the time has come to accept the reality that the City should not be in the golf course business at the expense of the taxpayers. However, simply closing operations on an interim basis may be a prudent option until economic conditions improve or additional cost saving measures are employed, but even during the boom years, the Quarry revenues never covered expenses.

In summary and per comments from my previous correspondence, I believe the taxpayers should receive a lower net tax liability for the impending 2010 tax bills. Increasing the millage rate to 7.00 will not be the fair and equitable resolution because some assessments remained static or actually increased, whereby some property owners will have a higher tax liability despite difficult financial positions. I respectfully request the City explore all options possible to reduce the millage rate as much a possible, and hopefully close or at the 2009 rate. Tax payers and business entities deserve a lower tax liability, especially during the recent and continuing dire economic conditions.

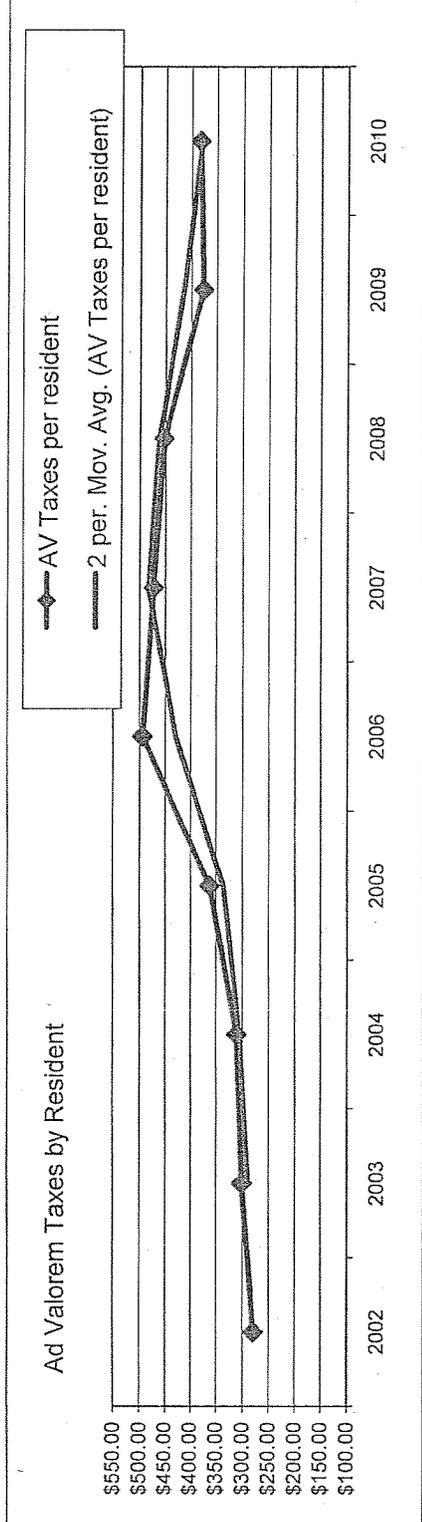
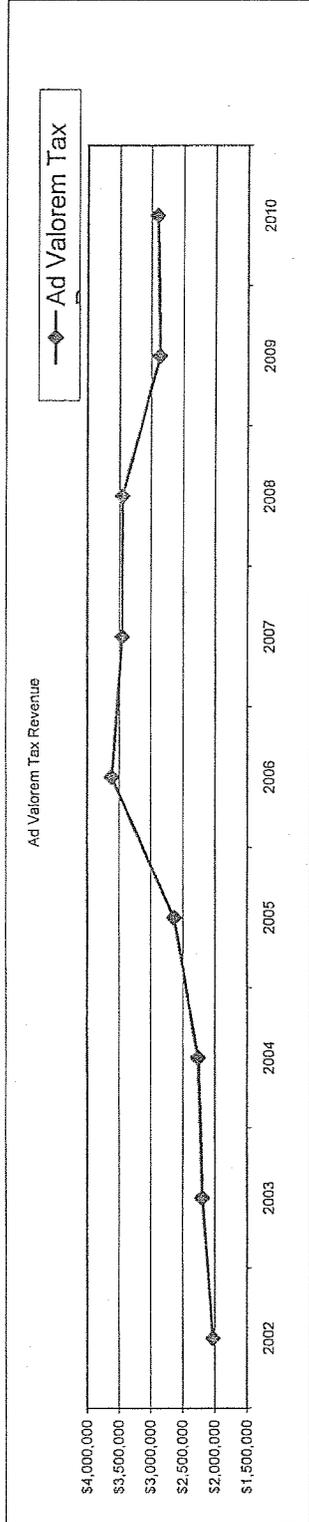
Sincerely,



Robert A. Buckner

City of Brooksville - Population and Taxes per Resident

Year	Adjusted Taxable Value		Percentage Change Prior Year		Millage Rate	Percentage Change Prior Year		Net % difference GTV vs. MR	Ad Valorem Tax	City Population	Pop. % prior year	Taxes per City Resident	% Change
	2002	2003	2003	2004		2004	2005						
2002	\$ 253,713,328		7.14%		8.0000	0.00%	7.14%		\$2,029,707	7,260	0.46%	\$279.57	
2003	\$ 274,404,384		8.16%		8.0000	0.00%	8.16%		\$2,195,235	7,297	0.51%	\$300.84	7.61%
2004	\$ 287,393,489		4.73%		7.8700	-1.63%	3.11%		\$2,261,787	7,279	-0.25%	\$310.73	3.29%
2005	\$ 351,157,823		22.19%		7.5000	-4.70%	17.49%		\$2,633,684	7,279	0.00%	\$361.82	16.44%
2006	\$ 482,065,315		37.28%		7.5000	0.00%	37.28%		\$3,615,490	7,322	0.59%	\$493.78	36.47%
2007	\$ 545,843,654		13.23%		6.3230	-15.69%	-2.46%		\$3,451,369	7,309	-0.18%	\$472.21	-4.37%
2008	\$ 568,431,915		4.14%		6.0690	-4.02%	0.12%		\$3,449,813	7,640	4.53%	\$451.55	-4.38%
2009	\$ 472,475,278		-16.88%		6.0690	0.00%	-16.88%		\$2,867,452	7,633	-0.09%	\$375.67	-16.80%
2010	\$ 414,775,643		-12.21%		7.0000	15.34%	3.13%		\$2,903,430	7,592	-0.54%	\$382.43	1.80%
Totals:									67.77%		57.08%		
Average \$ 405,584,537									7.53%		6.34%		
Average \$ 405,584,537									7.1479		7.401		
Average \$ 405,584,537									\$2,823,107		0.56%	\$380.96	5.01%



Quarry Golf Course

Year	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Budget 2010	Budget 2011
Revenue:									
Membership Fees	\$ 14,938	\$ 15,852	\$ 30,297	\$ 28,511	\$ 28,969	\$ 23,968	\$ 20,472	\$ 23,000	\$ 20,000
Green Fees	\$ 52,027	\$ 63,051	\$ 58,009	\$ 67,342	\$ 70,173	\$ 74,120	\$ 70,905	\$ 71,000	\$ 63,000
Driving Range Fees	\$ 13,424	\$ 12,900	\$ 11,267	\$ 18,036	\$ 16,716	\$ 16,875	\$ 15,863	\$ 17,500	\$ 14,000
Cart Rental	\$ 433	\$ 1,179	\$ 534	\$ 1,049	\$ 762	\$ 966	\$ 1,145	\$ 900	\$ 900
Restaurant Sales	\$ 4,856	\$ 4,253	\$ 5,018	\$ 6,076	\$ 5,019	\$ 3,590	\$ 3,777	\$ 4,000	\$ 3,500
Golf Supplies Sales	\$ 5,916	\$ 1,755	\$ 4,975	\$ 8,333	\$ 6,968	\$ 6,141	\$ 6,176	\$ 8,000	\$ 5,000
Discount QGC					\$ -	\$ 1,695	\$ (1,522)	\$ -	\$ (1,500)
Discount Golf		\$ 3,812	\$ 2,419	\$ 227	\$ 1,671	\$ 1,162	\$ 1,841	\$ 1,500	\$ 3,000
Miscellaneous Revenue			\$ 2,626	\$ 1,141	\$ 992	\$ 646	\$ 742	\$ 800	\$ 800
Total Revenue	\$ 91,594	\$ 102,802	\$ 115,145	\$ 130,715	\$ 131,270	\$ 129,163	\$ 119,399	\$ 126,700	\$ 108,700
Expenses									
Total Expenses	\$ 149,209	\$ 146,318	\$ 168,068	\$ 212,357	\$ 259,063	\$ 209,050	\$ 231,066	\$ 211,336	\$ 256,990
Net Figures	\$ (57,615)	\$ (43,516)	\$ (52,923)	\$ (81,642)	\$ (127,793)	\$ (79,887)	\$ (111,667)	\$ (84,636)	\$ (148,290)
Net "Loss" 2003 - 2009:	\$ (555,043)								
Net "Loss" 2003 - 10/11:	\$ (787,969)								

