

**CITY OF BROOKSVILLE
BUDGET WORKSHOP
MINUTES**

August 9, 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 OTHER THAN GENERAL FUND BUDGET

Review of other than General Fund projections for FY2011/12.

City Manager Norman-Vacha indicated all other than general funds would be discussed tonight; Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Water and Wastewater Fund, Sanitation Fund, Internal Service and Maintenance Funds and Trust and Agency Fund. Utilities, Sanitation and Fleet Management are the majority of the discussion along with Special Revenue Funds that she would like to point out.

She referenced Page 5 Local Option Gas Tax; and pointed out this first goes into Special Revenue Funds then into the General Fund for a portion of Streets Department budget.

Next, she referenced Page 9 Public Building Impact Fees Fund; staff has allocated an estimated \$100,000 under Capital Outlay to widen and pave John Grubbs Boulevard and parking improvements for the Enrichment Center/Quarry expansion. This project is for further discussion by Council during the budget cycle.

Vice Mayor Johnston referenced Page 9 expenditures footnote that the funds are to be spent within seven (7) years of receipt and requested that staff put together a list of when funds expire and a list of eligible projects. City Manager Norman-Vacha advised most of the funds need to be spent quickly and felt the expansion project could be used for some of the funds along with other projects. She reminded Council Impact Fees can only be allocated to projects that are growth in nature. She advised most of Reserves of \$159,800 must be expended within the next few years less about \$40,000 or must be returned if not expended within seven (7) years of receipt.

Council Member Bradburn stated she has requested, every budget session, a list of projects to compile an accurate Capital Improvement Plan and when each fund expires.

City Manager Norman-Vacha said there is an approved Capital Outlay Program but unfortunately a lot of the projects are not eligible for Impact Fee funds.

Council Member Bernardini questioned funds budgeted for roads under Public Building Impact Fees Fund. City Manager Norman-Vacha stated John Grubbs Boulevard is not a public road but is a driveway for access to a public facility that is expanding making it eligible for Impact Fees funds. Council Member Bernardini felt the funds could be used for improvements or moving the Department of Public Works facility. Council Member Bradburn felt there would not be money to move the facility anytime in the near future but some upgrades are covered under the Energy Systems Group contract. City Manager

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Norman-Vacha advised improvements to an existing facility are limited pertaining to Impact Fees. Mayor Burnett suggested creating a 5-20 year plan for a new building would help project what could be accomplished within that timeframe. City Manager Norman-Vacha advised a 5-year Capital Plan approved last year is being updated in the proposed 2011/12 budget and includes this year's projects.

City Manager Norman-Vacha next referenced Page 15 Good Neighbor Trail Fund; Capital Outlay of \$476,960 is not cash money but is an asset as a city-owned right-of-way for final Phase 2B construction to be funded and completed in the next fiscal year.

Mayor Burnett pointed out on the first phase of the trail in the area of Tanglewood Apartments where Union Street was closed needs fencing or a decorative wall added. Council Member Bradburn stated she has been there and she will relay his feedback to the Good Neighbor Trail Committee.

City Manager Norman-Vacha referenced Page 34 Multi Year Capital Project Accumulation Fund. Within the fund last year staff allocated a \$200,000 match to the Energy Systems Group project that was not utilized including \$100,000 from Traffic Camera Fund and \$100,000 from the General Fund. The balance is approximately \$19,000 after projected spending of \$75,000 on a City wide sidewalk plan, \$300,000 on a Street pavement program. She advised there is no ongoing funding source but at least some money could be pledged towards a pavement management program. The City of Brooksville Welcome Sign project of \$16,000 will be finalized next year and asked for it to be carried forward.

City Manager Norman-Vacha referenced various Sinking Funds related to Water and Sewer, and General Government funds related to the Energy Systems Group project and indicated Finance Director Baumgartner will address these funds.

City Manager Norman-Vacha indicated Public Works Director Radacky and Public Works staff will discuss all aspects of their budgets including Water, Wastewater, Sanitation and Fleet Management.

Lastly, City Manager Norman-Vacha referenced Page 76 Community Redevelopment Agency Fund; she stated funds are allocated towards revitalization plans and master plan project in accordance and direction of City Council.

Finance Director Baumgartner addressed Government Accounting Standards Board GASB 54; fund balance reporting and governmental fund type definitions, which does not apply to water, sewer, solid waste or enterprise funds. There may be additional changes in the budget due to GASB 54 regulations that could affect some Special Revenue Funds.

He stated there are five (5) specific components of fund balance; non-spendable, restricted, committed, assigned and unassigned fund balance.

He next indicated the Debt Service Fund was established for the ESG SunTrust loan and required by GASB 54. Special Revenue Fund accounts for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than Debt Service or Capital Projects. He stated Law Enforcement Investigative Trust, Impact Fees and Justice Assistance Grant (JAG) have a specific revenue source and expenditures which meet criteria, unlike the Traffic Camera Fund expenses which are not specific and may be moved into the General Fund.

He reviewed GASB 34 audit of governmental funds; fixed assets do not depreciate and a second set of books must be kept in accordance with GASB 34 to depreciate fixed assets.

He advised an interim audit starts tomorrow with Oliver and Company and these issues will be addressed with them.

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Special Revenue Funds

Page 5 Council Member Bradburn referenced the Local Option Gas Tax and asked has the money been allocated to a specific purpose. City Manager Norman-Vacha advised historically money has been taken in through a Special Revenue source for specific expenses and allocated to the Streets Division budget. She advised there could be a separate transportation fund set up to show spending for a specific purpose and will be discussed with the auditors. Council Member Bradburn indicated her preference is to have the funds dedicated.

Page 6 In reference to the Law Enforcement Investigative Trust Operating Expenditures, Council Member Bernardini confirmed with City Manager Norman-Vacha the \$51,560 includes Building Repair and Maintenance of \$5,400, \$1,600 Criminal investigation, \$14,560 Operations, \$10,000 Non investigative equipment and a Weapons upgrade and training cost of \$20,000. He also confirmed projected Reserves are \$96,840.

Page 7 Council Member Bernardini referenced Road Impact Fees and recommended funds for the parking lot at the Enrichment Center come out of this fund if needed. He also recommended funds be used to repair Chatman Boulevard.

City Manager Norman-Vacha clarified Road Impact Fees require a new road be built or expanded due to new growth. She announced Diane Rowden along with Bill Bachschmidt, Vice President of DAB Constructors, Inc. have agreed to resurface a portion of Chatman Boulevard at no cost. Staff is working with General Manager Gary D'Amico to determine if the City can afford to repave the remainder. An update will be reported to Council as the project progresses.

Mayor Burnett and Council Member Bradburn felt it was better to have DAB Constructors complete repairs on Chatman Boulevard at the same time that they are doing their donated portion and asked for a cost to finish the road.

Vice Mayor Johnston asked could the road impact fees be used for the completion of Real Tree Lane in Southern Hills. City Manager Norman-Vacha indicated it could not because it is a private road.

Richard Radacky elaborated on the Chatman Boulevard project and the lack of drainage which should be addressed first. He also indicated there also has to be swales put in up to US41 which should resolve the drainage issue.

City Manager Norman-Vacha advised DAB Constructors are on a short timeframe and are willing to do the overlay now because they are also doing some other work in the County. Public Works Director Radacky agreed that project should move forward since the potholes on that portion are very bad.

Mayor Burnett did not agree that the overlay be done before the drainage is fixed to keep it from eroding.

Council Member Bradburn stated there have been failed attempts in the past to develop property because of the drainage issue expense and difficulty in getting permitting. She advised Coastal Engineering has plans in place that could be used to address at least a portion of drainage. City Manager Norman-Vacha stated she will bring back to Council a status report on the project along with the status of Impact Fee funds, including dates of collection and expenditure requirements.

Council Member Bradburn asked for an update on the Providence Boulevard project. Director Geiger indicated documentation for the project through Withlacoochee Regional Planning Council has been submitted to the Environmental Protection Agency for consideration of future grant funding to match funding in the Road Impact Fees Fund. This viable project would preserve capacity on State Road 50 and for economic development purposes in this area. He indicated right-of-way acquisition and design

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for drainage needs to be updated.

Vice Mayor Johnston asked what the prospects on the north end of Providence Boulevard are. Director Geiger explained that back in 2004/2005 it was getting too costly for right-of-way acquisition so the property owners were approached to explain that the road's benefits and working with the City would reduce costs for right-of-way acquisition. Then there was an issue with costly excavation of the retention area because it was within the same area of a cell tower, which ended the project at that point.

Vice Mayor Johnston asked if the property owners are amenable to right-of-way acquisition at this time. Director Geiger explained property owner Mr. Sims, in consideration of a previous agreement with the City, is amenable to working with the City on this matter. City Manager Norman-Vacha indicated staff is taking a different approach this time with pre-discussions to have more assurances in place before spending money on engineering and design.

Page 11 Council Member Bernardini referenced Parks Impact Fees Fund and felt the Quarry Driving Range Tee Box Improvements and Driving Range Ball Dispenser would increase revenue.

Council Member Bradburn asked what the allocation for the Playground accessibility improvements is. City Manager Norman-Vacha indicated the playground carry-over project proposed last year is to greatly improve accessibility for children with disabilities and the elderly. The project will be done in conjunction with the Junior Service League.

Page 24 Council Member Bradburn referenced Tree/Streetscaping; she advised the City needs to start planning for the demise of its majestic canopies by planting new trees and suggested a program such as "Adopt a Tree". She pointed out the plantings need to be during warm weather to allow several months to get established or wait until Spring but not base the plantings on when funds become available should that be during Winter.

Council Member Bernardini advised Stewart Tree Farm has great trees at a good price right now and felt the City should take advantage of that.

Debt Service Funds

Page 29 Council Member Bradburn asked why Mobile Home Licenses are \$0. City Manager Norman-Vacha stated this is a sinking fund part of GASB that correlates with the Capital Projects Funds on Page 35.

Director of Finance Steve Baumgartner explained this is a new fund requirement of GASB 54 for the 2006 loan per Bond covenant and referenced Pages 35 and 36. He pointed out the SunTrust loan covenants will work in the same manner by capturing the money from the General Fund Water, Sewer and Sanitation then will be transferred to pay quarterly payments.

Capital Projects Funds

Page 34 Council Member Bradburn referenced Multi-Year Capital Project Accumulation Fund and reminded Public Works Director Radacky she had provided him with technology on leveling out a sidewalk without having to redo the entire section. She asked that be incorporated into the Sidewalk Program.

Public Works Director Radacky felt sidewalks should be part of the Road Pavement Project along with the structure of the retaining walls on Howell Avenue. Council Member Bradburn did not favor aluminum handrails in the historic district.

Council Member Bradburn asked will work on brick streets be included in this fund. Public Works Director Radacky stated brick streets have been worked on to level out potholes and tree roots but still

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need to be addressed. Council Member Bradburn advised contacting an arborist on the best time to disturb the tree roots on what approach to use. Mayor Burnett advised against cutting the roots as this would kill the trees and he felt it would be wise not to plant anymore big trees along the roads to avoid this problem in the future. Council Member Bradburn did not agree and felt trees over the roads serve a great purpose and changing the arch of the road could help resolve this issue. She requested, from Public Works Director Radacky, a brick road plan to remove the asphalt starting with an inventory including measurements and data on each of the roads by priority and dedicating time for those projects.

Public Works Director Radacky stated this has been an ongoing project during the winter months. He indicated Brooksville Avenue is in the worst condition. He specified there will be an inmate crew dedicated to Public Works next year for this purpose. Council Member Bradburn also pointed out, in conjunction with infrastructure improvements, she has noticed the road work done on Olive Street. She advised there have been significant holes and dips appearing on Florida Avenue in the past few months.

Mayor Burnett asked if engineering fees to identify bad roads or design to fix the roads is included in the budget. City Manager Norman-Vacha stated staff has been working with an engineer for methodology to help determine priorities for improvements. She indicated the money budgeted under this fund is to accomplish projects once a priority list is in place. Mayor Burnett felt money budgeted for engineering is not necessary and should be put back into finishing the road projects.

City Manager Norman-Vacha explained staff would like to set methodology with Council in how to determine road prioritization based on data collection. She pointed out some roads would have to be rebuilt and are not worth resurfacing. She suggested an alternative method would be to have staff arbitrarily put together a road priority list. Council Member Bernardini pointed out there was a list put together when there was an engineer on staff.

Discussion ensued regarding different ways to prepare and fix roads. City Manager Norman-Vacha reminded Council there are limited funds and suggested choosing a method to fix roads correctly. Mayor Burnett thanked the City Manager for her explanation and understood the need for methodology.

Vice Mayor Johnston asked could Road Impact Fees be used to install gutters and sidewalks on existing road improvements to comply with Florida Department of Transportation urban design standards and suggested sidewalks on North Avenue and such. Director Geiger confirmed Impact Fees were a major part of funding for Barnett Road for improvements on drainage, sidewalks and width. Council Member Bradburn pointed out stimulus funds were intended to cover those projects but never worked out that way. City Manager Norman-Vacha explained part of it was acquisition of road right-of-way. Director Geiger further explained the funding would have been lost waiting for design and permitting of right-of-way acquisition for the extended scope of work required so it went back to a base and resurfacing project.

Vice Mayor Johnston also suggested extending part of South Main Street to Martin Luther King Boulevard. City Manager Norman-Vacha indicated those improvements raise the level of the road and raises the improvement so they are not repair and maintenance. Director Geiger pointed out collector roads are also a specification for Impact Fees.

Council Member Bernardini would like to know what it is costing to get that report put together.

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Water and Wastewater Fund

Council Member Bradburn suggested an education and public awareness hearing when implementing the Energy Systems Group project. It will take several months to assimilate the changes. City Manager Norman-Vacha explained it is part of the overall project and Energy Systems Group is working directly with customers as they are changing to radio read meters.

Page 42 Footnote (3) should be corrected to reflect Southwest Florida Water Management District Grant.

Page 45 Council Member Bernardini referenced Wages on pages 45 and 54 and asked the reason for an increase. City Manager Norman-Vacha reminded it is due to shifted cost allocations for customer service salaries that were previously paid through the General Fund along with the Public Works Director and referenced Page 44 which gives breakdown by position.

Vice Mayor Johnston asked the reason for a decrease in Retirement Contributions as opposed to an increase in Wages. City Manager Norman-Vacha explained it is due to 3% employee contribution changed by the State of Florida that went into effect July 1st.

Council Member Bernardini requested for the next budget workshop data on where the increases came from with page numbers. City Manager Norman-Vacha will prepare a breakdown of staffing patterns in 2010/2011 and projected figures in 2011/2012.

Sanitation Fund

Page 50 City Manager Norman-Vacha pointed out there is \$175,000 in projected Capital Outlay for a recycling vehicle to allow recycling of more than one type of recycling each week, per Council request. Council Member Bradburn will follow up later in the week on a potential used recycling truck in Orlando.

Page 50 Vice Mayor Johnston asked are there requirements that water, wastewater and sanitation be Enterprise Funds. City Manager Norman-Vacha explained they are separately funded through their own revenue source because of bonds that rely on rate structures per business type. Finance Director Baumgartner further elaborated the GASB rule is that any fund over 50% self supporting should be an Enterprise Fund.

Council Member Bradburn stated water and sewer are user based fees in the Enterprise Fund.

Internal Service and Maintenance Funds

City Manager Norman-Vacha pointed out a change in staffing levels, allocating half an employee's salary and wages from Fleet to Sanitation since his primary function is welding dumpsters.

Page 59 Council Member Bernardini referenced Other Contractual Services of \$3,000. City Manager Norman-Vacha stated she will have to get back to him with an answer on what that is but thought it may be diagnostic equipment that has an ongoing licensing contractual fee.

Mayor Burnett asked if there regularly scheduled fire drills performed according to State Statutes throughout the departments. City Manager Norman-Vacha said she will check into the requirement.

Page 62 Council Member Bernardini asked City Manager Norman-Vacha to report to him tomorrow on how many vehicles are being purchased.

Page 67 Council Member Bradburn asked which fund the projected interest goes into. City Manager Norman-Vacha stated the interest is allocated specifically to the funds where the money resides.

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Trust & Agency Fund

Page 70 Council Member Bradburn felt the green cemetery would not need a perpetual care fund. Mayor Burnett pointed out tree limbs are falling in the cemetery that needs removal.

Page 75 Council Member Bernardini asked if there is more information coming back to Council on Police Officers' and Firefighters' Retirement Funds. City Manager Norman-Vacha stated retirement pension planning allocations and cost will be discussed at the next budget workshop.

City Manager Norman-Vacha stated she will supply information to Council regarding what is Other Contractual Services of \$3,000 under Fleet and also how many vehicles are being purchased next year from all total budgets.

Next, she reviewed the items City Council requested further information on for preparation of the final budget workshop on August 23rd as follows:

- Summary information on staff sharing across funds
- Reasoning/requirements for separate funds for Utility Services; water, wastewater, sanitation
- Status of Impact Fee funds – including dates of collection and expenditure requirements
- Timeframe for a “tree replacement plan” for the City
- Timeframe for further discussion/solutions for brick street maintenance program
- Current expenditures for road inventory/pavement management methodology

Council Member Bradburn stated she will have an opportunity to share her concerns on some issues including the downtown post office proposed closing when Senator Bill Nelson comes to the area on August 22nd.

City Manager Norman-Vacha pointed out there will be a proposed resolution on the August 15th Agenda to consider regarding opposition of closing the post office.

Vice Mayor Johnston stated his opposition to closing the post office that is serving the central area of the City. He suggested Mail Boxes Etc. would be a good business to open downtown should the closing be successful.

ADJOURNMENT

There being no further business to bring before Council, the meeting adjourned at 7:55 p.m.

Attest: 
Mayor


City Clerk

