

4/2/12

**CITY OF BROOKSVILLE
BUDGET WORKSHOP
MINUTES**

August 23, 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, Lara Bradburn and Kevin Hohn present. Also present were Thomas S. Hogan, Jr. and Jennifer C. Jennifer Rey, City Attorneys; 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, 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 REVIEW

Review and discussion of Budget for FY2011/12.

City Manager Norman-Vacha reviewed the items submitted to Council as follows:

1. Cost of full-time in-house attorney versus a contractual attorney: City Manager Norman-Vacha outlined a brief analysis of wages/cost based on the Tampa Bay/Metropolitan Service Area and felt the numbers to be accurate, but stated Council could adjust accordingly for an in-house attorney with a paralegal. Additionally included was the existing legal services contract with the Hogan Law Firm and hour details of retainer.

Vice Mayor Johnston stated his request was not intended for this year's budget but for Council to study for the future. He felt the wages are high for this area and the cost would be lower than estimated.

2. Listing of Special Events with Council approved fee waivers for last two (2) years.

Vice Mayor Johnston recommended cutting Council salaries 10% to fund, which would generate \$6,600.

Council Member Bradburn felt the list should be prioritized for economic impact and the actual costs should be reviewed. She announced her prioritization list:

- Christmas Parade
- Homecoming Parade
- Art in the Park
- Cycling Classic
- Blueberry Festival
- Veteran's Parade
- Operation Backpack

Council Member Bernardini recommended removing the option from the budget. Council Member Hohn agreed.

Mayor Burnett felt the City should be able to give something back to the citizens and favored the Veteran's Parade regardless. Council Member Hohn committed to pay the fees for the Veteran's Parade if it comes to that.

APPROVED BY BROOKSVILLE
CITY COUNCIL
ON 4/2/12 INITIALS JP

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3. Building Division

City Manager Norman-Vacha advised \$304.68 is the annual cost for square footage for office space to the City.

4. Fire Department Shift Staffing

Fire Chief Mossgrove reviewed possible shift schedules from twenty-four (24) to forty-eight (48) to a ten (10) or twelve (12) hour shift. The current staffing level is twenty-five (25) personnel, including the Fire Chief, an Administrative Assistant, seven (7) reserve personnel and the other sixteen (16) are full-time staff who work three (3) shifts. The United States Fire Administration in Maryland provides a resource to Fire Departments across the nation to research this information. The Executive Fire Officer Program has over three thousand (3,000) alumni personnel that address economical fiscal year challenges for fire departments across the nation. He summarized his findings as follows: models that are commonly used are 24/48, 24/24, 10/14 and sometimes 12/12. There must be twenty-four (24) hour staffing provided; 24/48 hour shift consists of a three (3) platoon system with three (3) shifts that work 24 hours on and 48 hours off working every third day; 10/14 and 12/12 hour shifts are similar with a four (4) platoon system and typically utilized for departments with a high call volume and provide an EMS transport service.

After extensive research, he felt the current staffing practice used by the Brooksville Fire Department is the most cost effective and productive. He stated the Fair Labor Standard Act (FLSA) encourages employees to not use any leave within a 28-day cycle. There are regulations for staffing models and he explained the "2-in/2-out rule" under Florida Statutes 633. Florida Administrative Code 69(a) has adopted certain portions of OSHA 29 CFR.134 for compliance in an Immediate Dangers to Life and Health (IDLH) atmosphere. The department's Emergency Operation Plan (EOP) addresses this in an emergency response.

Council Member Hohn asked if the staffing models are impacted by the shared resources agreement with the County. Chief Mossgrove explained the Insurance Services Organization (ISO) grades departments with at least four (4) respondents, which both the City and the County qualifies. The County is contracted with the City to provide Advanced Life Support Services. Hernando County Station 24 is located at the Brooksville Fire Department which gives additional staffing during multiple calls.

Council Member Bradburn thanked the Chief for his research thus far but is looking more for academic studies with imperial data. She asked that he continue his research and bring back his findings in the spring.

Vice Mayor Johnston requested Chief Mossgrove compare to communities similar in size and look at more updated references. He asked that similar size cities with volunteer departments be looked at and what they do about Emergency Medical Services.

Fire Chief Mossgrove stated staff will be reevaluating options to lower the City's ISO rating next year under current practices.

Council concurred to move to Item #11 next.

11. Current expenditures for road inventory/pavement management/discussions.

Director of Public Works Richard Radacky introduced Civil Tech Consulting Engineers employees Bob Titterington, Larry Boone and Alan Garman.

Vice President Titterington advised an inventory of each road would be taken, establishing a PCI index number which sets the level of its current condition but advised keeping it simple. He also advised sidewalks could be added as well as drainage, street lights, etc. Pavement Management System results in preventative maintenance to eliminate deterioration. They will make recommendations based on findings

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and go forward on an established level.

Larry Boone advised background information is essential, as well as inventory in Pavement Management.

Council Member Bernardini asked if road usage would be considered. Mr. Titterington indicated "usage" would not be a part of this program, only condition of the road. He explained the \$82,000 cost does not include sidewalks and would require different criteria at an additional cost of between 10% and 12%.

Council Member Bradburn stated the topic of roads has been discussed at great lengths. There needs to be an analytical tool to determine priorities. There is no budget for vast road improvements this year but she does not want to rely on crisis management. A simple road problem can escalate in cost in a short time span. There are at least ten (10) roads throughout the City that are in serious condition. She felt roads in better condition should be maintained with a small budget. She does not support previous city methodology that applies a thin overlay as road paving. She asked if this project would require Request for Proposals. She stated there cannot be a dedicated source of funding without a list of streets from an analysis.

Council Member Bernardini stated any analysis should include the brick streets. Mr. Titterington assumed it would.

City Attorney Rey indicated the City piggybacks on the County's Engineering Services Contract which could be utilized instead of Request for Proposals to provide methodology.

Mr. Titterington explained the process of establishing a PCI index for distress on each of the roads using software to capture the data and cost for each option.

Mayor Burnett supported establishing a corrective and preventative maintenance program at a cost of \$82,000 in Capital Outlay.

Vice Mayor Johnston stated lack of funds is a major issue in starting and continuing a road and sidewalk program.

Council Member Bernardini asked how hard it is to upkeep. Mr. Titterington indicated city employees could update the survey program on a regular basis.

City Manager Norman-Vacha referenced page 34 of 77 and indicated there is \$391,000 budgeted in Fund 308 for FY 2011/2012 for the street pavement program and she recommended moving forward with it.

Council Member Hohn asked for a completion timeline. Mr. Titterington advised six (6) to nine (9) months.

Council Member Bradburn felt \$82,000 to be too high and suggested the process could go out for bids to see what the City would get. Mayor Burnett felt it to be a fair price.

City Manager Norman-Vacha stated the cost has been estimated based on the engineering contract hourly rate.

Council Member Hohn asked would it be possible to bring additional costs forward for sidewalks. Mr. Titterington advised evaluating current budgeted funds to determine future budgeting costs.

Council consensus was for staff to move forward with the program.

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5. Retirement/Pension Plans

City Attorney Rey reviewed the City's Pension and Retirement Plans in regards to problems which may arise in the near future and their options.

There are two (2) types of pension and retirement plans, Defined Benefit Plan and Defined Contribution Plan. The Defined Benefit Plan is an established plan that guarantees employee participants a defined retirement benefit when they retire in the future. The Defined Contribution Plan has a committed annual funding contribution.

The City participates in three (3) types of pension plans; Florida Retirement System with two (2) options of a pension plan and an investment plan, and two (2) Chapter Plans; Firefighter Retirement Trust Fund and Police Officer Retirement Trust Fund as defined benefit plans.

The Florida Retirement System has plan rules and benefits that are set by Florida Statute in which City Council does not have any local control over the benefits. The City has opted into the Florida Retirement System and participation will continue until such time election is revoked.

As of July 1, 2011, there was legislative activity related to the Florida Retirement System. The current annual contributions obligated by the City for eligible participants are as follows: Regular Class is 4.91%, Special Risk is 14.1%, Senior Management is 6.27%, Elected Officials is 11.14% and DROP participants are 4.42%. Employees began contributing 3% effective July 1, 2011.

There is a statutory process should the City elect to revoke its participation in the Florida Retirement System including adopting resolutions, holding public hearings, providing public notice, Collective Bargaining Units would be allowed to provide input and correspondence with the Division of Retirement Services for the full procedural step and there must be an optional alternative plan in place.

Council Member Hohn confirmed with City Attorney Rey these rates are mandated under the Florida Retirement System with no other options whatsoever.

The Firefighter Retirement Trust Fund is a Chapter Plan (Chapter 175 of Florida Statutes) that the City has established by Ordinance. City Council appoints the Board of Trustees that has responsibility for administration, management and investment of the fund. The Board can recommend changes to the Ordinance but cannot obligate the City for certain provisions without Council approval. She stated, pursuant to Florida Statute 112, the liability for any funding of the plan rests with the entity that created it which is the City not the Board of Trustees who was given the responsibility to manage it. An appointed Board of Trustees has fiduciary duties therefore they have some liability for negligence of management of assets. The City would be liable for poor performing series of years and responsible for funding any actuarial deficits based on the benefits that have to be paid out.

Contributions are statutorily funded by the State to municipalities and counties at 13.63% based on October 2010 valuation of the two (2) plans produced by an independent actuary Foster and Foster. The City contributes 26.96% of payroll (\$196,222) and employees contribute 3.29%. Plan Benefits and contribution levels can be changed, subject to the minimum benefit standards in Chapter 175. The changes would defer to the Board of Trustees to consider modifications or changes to propose to City Council for possible adoption. The City has the option to terminate the plan. However, the City remains liable to financially support the plan until all approved benefits are paid. Terminating the plan will cease any increase in future ongoing liability accruals under the plan.

The Police Officer's Retirement Trust Fund is created under Chapter 185 of Florida Statutes and established by Ordinance of City Council which appoints the Board of Trustees to manage funds. Any changes, to contributions or benefits, are subject to minimum standards of Chapter 185 and approved or denied by City Council. The Actuarial sets up a plan as an obligation of the City as the entity that created the plan.

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Contribution from the State is about 13%, the City is about 25.5% and employee contribution is 1%. However, \$245,080 does not reflect in the budget because there is a credit balance of \$1,156,000 that has been funding the contribution. That balance will be depleted in the year 2016 and the City will have to budget approximately \$250,000 in contributions to the fund dependent upon fluctuation of benefits in the next four (4) years. She suggested the City begin to fund 1% to 5% now to extend the life of the credit balance. Foster and Foster has projected contributions of 1% over the next four (4) years then the balance in the year 2016 would be \$60,000; with 5% over the next four (4) years the depletion date would be 2017 and the budget impact would be \$100,000.

Council Member Bernardini asked why employee contribution differs between the two (2) Chapter Plans. City Attorney Rey explained the boards run independently with separate plan documents using Statute as a minimum standard. Council could ask the Police Officer's Retirement Trust Fund board to consider increasing employee contribution to 3% but it is not required to be equal to the Firefighter's Retirement Trust Fund. This is a Chapter Plan and there are certain procedures for changing benefits and contributions and similar options to terminate or cease funding the benefit obligations under those plans.

She advised there are extensive plan documents with exceptions and rules and explained that her charts are merely a briefing of the details to give a comparison of the three (3) types of plans.

Full-time and part-time employees, after six (6) months of employment, are eligible to participate in the Florida Retirement System. With the Police Officer's Retirement Trust Fund an employee hired full-time after January 1, 1996, is eligible to participate in the plan. Full-time Firefighters and volunteers are eligible to participate in the plan.

Service years are credited toward the vesting schedule and eligibility of benefits. Both full and partial months are counted under the Florida Retirement System, whereas years and partial years are counted under the Chapter Plans.

Salary for the Florida Retirement System is considered gross earnings; wages, overtime, vacation time, vacation time payouts, sick time but not sick time payouts at resignation and any tax deferred dollars and subject to gross earning limitations of \$150,000.

The Police Officer's Retirement Trust Fund; salary is based on W-2 earnings, tax deferred, tax sheltered and tax exempt income and overtime compensation in excess of three hundred (300) hours with an amendment to the plan coming forward to address this issue.

The Firefighters' Retirement Trust Fund; salary is based on W-2 earnings including overtime, tax deferred, tax sheltered and tax exempt income.

As for average final compensation to calculate retirement benefit under the Florida Retirement is the average salary of the best five (5) years over any year of accredited service. However, in the two (2) Chapter Plans it is over ten (10) years preceding retirement.

As of July 1, 2011, vesting for the Florida Retirement System increased from six (6) to eight (8) years. Prior to 2001 anyone entering into the plan had a tiered vesting schedule depending on class.

Police Officers are 100% vested after six (6) years and Firefighters are 100% vested after ten (10) years.

Retirement age is a tiered system; vested at age sixty-two (62), thirty-two (32) years of accredited service regardless of age or vested at age sixty-five (65) prior to July 1, 2011.

The two (2) Chapter Plans have a vested retirement age of fifty-five (55) and six (6) years of accredited service or twenty (20) years of accredited service regardless of age.

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Early retirement under the Florida Retirement System is once the employee is vested whereas the Chapter Plans do have age and years of service requirements.

The calculator to determine benefits under the Florida Retirement System is a tier system based on a lot of different factors; years of accredited service times a percentage value based on type of service, class, etc. and average final compensation. The multiplier for the two (2) Chapter Plans; Police is 4% and Fire is 3.1%.

Employees are entitled to their accrued benefit but it is discounted based on 5% per year for the Florida Retirement System and 3% per year under the Police Retirement System and Fire Retirement System. There are no matching State contributions under the Florida Retirement System and therefore the City is not responsible for actuarial deficits unlike the two (2) Chapter Plans. The State contributes 13% under Police and 13.63% under Fire. The Florida Retirement System contributions range from 4.42% to 14.10%. The two (2) Chapter Plans the calculation is the balance remaining due to properly fund once employee and State contributions have been applied. This plan year ending October 2010, the City's contribution was 25.5% but that could change depending on employee and State contribution funds. The City's contribution to the Firefighter's Retirement Trust Fund 26.96% but not less than 5% of payroll per Statute depending on employee and State contribution funds.

She suggested options including continue as is with no changes, seek changes to benefits or contribution of the existing Chapter Plans or consider terminating participation in any of the plans and creating an alternative opportunity.

Council Member Hohn and Vice Mayor Johnston asked for copies of City Attorney Rey's slide presentation.

Council Member Bernardini asked if the Police contributed 2% would that prolong the years that the City would have to start funding the plan. City Attorney Rey advised any additional contribution would extend the life of the credit balance.

Vice Mayor Johnston asked where the credit balance came from. City Attorney Rey stated there have been no retirees drawing on the plan since its inception. Finance Director Baumgartner further stated there has been a lot of turnover over the years in the Police Department resulting in no employees being vested when they resigned.

Finance Director Baumgartner also reviewed the City's obligation to the Florida Retirement System that has increased on a regular basis in the past five (5) years. The Firefighter's Pension expense over five (5) years has also gradually increased and the actuary indicates it will be 31.21% in FY 2011/2012. The recent stock market decline will not be healthy for any of the plans.

Back to the question of the Building Department space, Finance Director Baumgartner indicated the cost for the Building Department space is \$7.82 per square foot plus utilities, which would total approximately \$2,213 per year.

City Manager Norman-Vacha reviewed the pension rates for this projected budget. Council Member Bradburn recommended Council consider adding Police and Fire retirement plans to the Florida Retirement System, which she felt has been more stable with fewer risks and more fiscally responsible to taxpayers. City Attorney Rey indicated the change cannot be retroactive and would have to be for all current participants or cease entry into the current plan for new participants.

Council Member Bernardini recalled the City created the two (2) Chapter Plans for Special Risk because there was no control over State mandates. He did not agree that the Florida Retirement System is one of the best funded plans countrywide. Council consensus was for staff to bring back the numbers associated with converting any of the pensions.

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Vice Mayor Johnston recommended setting aside \$50,000 towards the Police Pension deficit of 2016 beginning now. Mayor Burnett agreed.

Chief Mossgrrove indicated there are seven (7) reserve firefighters that equate to one (1) full-time employee who works two hundred eighty-eight (288) hours per year plus additional hours for special events. They are participants in the Firefighters' Pension Trust Fund by Ordinance of the pension board adopted by City Council. Council Member Bradburn suggested the Ordinance be reviewed by City Council. She also felt reserve firefighters should be eliminated from the budget. She asked for a total summary cost of salary and pension for reserve firefighters. Vice Mayor Johnston felt it was an incentive to apply for the position and this would deter applicants. He briefly summarized the cost of benefits is approximately \$8,600 per one (1) full-time employee.

6. Shared Staff Summary Information

City Manager Norman-Vacha stated there has been redistribution of staffing levels within certain cost centers in conjunction with their functions. As requested by City Council, she summarized this reallocation in a spreadsheet and briefly reviewed it.

7. Utility Services Enterprise funds

City Manager Norman-Vacha stated bonded water and sewer project funds are separate from the General Fund due to a requirement of General Accepted Accounting Principles since specific revenue sources are committed to pay for the improvements.

Vice Mayor Johnston stated future City Council may want to find alternate ways of funding the bond once it is paid out to remove the restriction of "Debt backed solely by fees and charges".

City Attorney Rey stated the specific terms of bond covenants determine what percentage of reserves has to be allocated in order to pledge revenues. The rate of reserves set aside is governed by specific covenants in the bond obligation.

8. Impact Fees Status

City Manager Norman-Vacha stated staff completed review of impact fees. There is a seven (7) year period of time to spend funds as collected in each area of impact fees.

9. Tree Replacement Plan

City Manager Norman-Vacha indicated the information will be provided in November or December.

10. Brick Street Maintenance

City Manager Norman-Vacha indicated the information will also be provided in November or December.

12. Millage Options.

City Manager Norman-Vacha presented different millage rate options from the current millage in the budget of 6.37 to millage at 7.5 as indicated on the spreadsheet.

Council Member Bernardini felt it is not an option to adopt the current millage of 6.37 causing a \$24,640 deficit on September 30, 2012. City Manager Norman-Vacha suggested cutting expenditures.

Council Member Bernardini asked which millage rate would cover the budget as presented. City Manager Norman-Vacha recommended Reserves for Contingency should be five percent (5%) to ten percent (10%) of overall expenditures in the General Fund which would be millage rate at 7.48 without any

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adjustment to expenditures.

Vice Mayor Johnston suggested raising the millage rate enough to fund the \$50,000 towards future Police Pension fund.

City Manager Norman-Vacha inquired if Council would like numbers with millage rate at 7.48 to present for the first public hearing on September 14, 2011 to balance the budget. Council Member Bernardini confirmed that was his suggestion.

Council Member Hohn indicated he would look at budget cuts before considering raising the millage rate over a point and felt increasing the rate would deter people from locating in the City.

Vice Mayor Johnston stated he would consider starting at a millage rate of 7.1055 if Council chooses to start funding \$50,000 towards the Police Pension now.

Mayor Burnett was in favor of a millage rate of 6.999% with budget cuts.

Council Member Bradburn suggested setting aside \$50,000 in a separate investment fund. City Manager Norman-Vacha recommended it be set aside in the General Fund under a separate line item.

Finance Director Baumgartner explained the City has pooled investments with SBA and Certificates of Deposit in Florida League of Cities FMIVT. He agreed with putting the funds under a separate line item in the budget "Future Police Pension Cost" and felt it does not need to be in a separate bank account. The only money not pooled is the Chapter Plans.

City Manager Norman-Vacha asked for clarification from Council on which millage rate to present at the first public hearing on September 14, 2011. Finance Director Baumgartner explained there are different advertisements if millage is set above or below the roll back rate of 7.1055.

Council Member Bradburn asked for clarity on the budget numbers. City Manager Norman-Vacha stated the current budget document was presented with a millage rate of 6.37 utilizing only the revenues that would be derived without a change to the current millage rate.

Council Member Bernardini stated that at the last budget workshop Council knew there was a deficit and there was discussion of a minimal budget cut of \$7,000 in Waiver of Fees.

City Manager Norman-Vacha stated, with the roll back rate at 7.1055, reserves would be \$197,875 by adding \$50,000 into a reserve line item for the Police Pension without further cuts. She did not recommend having reserves that low and suggested no less than \$350,000 as good accounting practices.

Council consensus was to proceed with a projected millage rate of 7.1055.

13. Employee Group Medical Options

City Manager Norman-Vacha reviewed the projections provided by the Gehring Group. It reflects a decrease in premiums. She asked Council to consider alternate #1 which offers \$14,694 in savings. She stated 98.4% of employees claims are In Network and would benefit from Alternate #1. Specialty doctors' claims are 92.7% In Network. There were no claims for Hospital Services that were not In Network. Employees who use a non-traditional network cannot be balance billed. There would be \$10,600 in savings to the General Fund; overall budgeted would be a savings of \$14,694.

She recommended the Health Reimbursement Account (HRA) be eliminated due to a lower deductible and a decrease in out of pocket costs for employees. This would be a total savings in the General Fund of \$34,000.

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Council Member Hohn recommended the City require employees to pay 20% of their health insurance, which would reduce the cost to the City by \$101,490.

Council Member Bradburn commended City Manager Norman-Vacha for negotiating a premium decrease in health insurance rates. However, she felt the choice between In Network and Out of Network is a matter of life and death because In Network restricts doctors. Employees are utilizing the Health Reimbursement Account and supported the lesser impact be chosen. She agreed with Council Member Hohn that employees should pay for part of their insurance benefit but not in this budget cycle. She also felt they should have the greatest benefit of the insurance by not having to settle for low quality In Network doctors. She supported retaining the Health Reimbursement Account benefit at \$500 to cover additional expenses for Out of Network doctors.

City Manager Norman-Vacha explained \$250 is budgeted with a \$500 benefit because there is approximately 50% utilization. Finance Director Baumgartner stated there is a carry-over allowed in the plan and that is the reason for the reserve.

Council Member Hohn asked to have an option of two (2) plans available such as the revised renewal and alternate #1. City Manager Norman-Vacha stated the City currently offers one (1) plan because there is a small group. She indicated offering two (2) plans would result in healthy employees on one plan and unhealthy employees on the other plan, which then becomes non-fundable. She would not recommend offering two (2) different plans.

Vice Mayor Johnston was in favor of employees paying for a portion of their healthcare, however, in these hard economic times employees have not received pay increases in over four (4) years. This benefit has been traditionally offered to employees to offset lack of pay increases. He disagreed with Council Member Bradburn and felt In Network Specialty doctors have given him excellent care. He supported alternate #1 and encouraged employees to stay In Network for less out of pocket expenses.

Council Member Bernardini agreed with Vice Mayor Johnston and to maintain the Health Reimbursement Account with non-utilized funds in reserves.

Mayor Burnett asked if this plan has been discussed with employees. City Manager Norman-Vacha indicated that is not typically done and pointed out there is an increase in benefits for 93% of employees under alternate #1. There has been one (1) claim Out of Network for a primary care specialist doctor out of four hundred forty nine (449) total claims. There has been a total of one thousand one hundred twenty-seven (1,127) Specialty area claims and twenty-nine (29) claims have been Out of Network; and thirteen (13) of those claims have been with a non-traditional provider. There have been six hundred thirty-one (631) hospital claims all In Network. She reviewed improvement in benefits for Out of Network doctors.

Council Member Bradburn asked for a list of hospitals In Network and Out of Network. City Manager Norman-Vacha stated the network has not changed at all from the previous plan.

Council Member Hohn felt Council should require employees bear the burden and pay a percentage of the insurance premium since they are increasing the millage rate on taxpayers.

Council Member Bernardini stated the millage rate increase does not increase tax bills since property value has decreased per the Property Appraiser's Office.

Council Members each suggested the following:

Council Member Hohn

Alternate #1 without the Health Reimbursement Account and 20% employee contribution.

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Council Member Bernardini

Alternate #1 with the Health Reimbursement Account and no employee contribution.

Vice Mayor Johnston

Alternate #1 with the Health Reimbursement Account and no employee contribution.

Council Member Bradburn

Alternate #1 with the Health Reimbursement Account and no employee contribution.

Mayor Burnett

Alternate #1 with the Health Reimbursement Account and no employee contribution.

Council consensus was to proceed with Alternate #1, to keep the Health Reimbursement Account benefit of \$500 and continue budgeting 50% or \$250 per employee.

Mayor Burnett felt corporate organizations have higher wages so fringe benefits have been traditionally offered to employees to offset lack of pay increases.

14. Take Home Vehicles

At the request of Council Member Bernardini, City Manager Norman-Vacha reviewed the existing Take Home Vehicle Policy with specific regard to the Police Department.

Council Member Hohn asked if there is a Memorandum of Understanding with Citrus County to respond to calls there for two (2) police officers who take home their vehicles. Chief Turner indicated there is a Memorandum of Understanding with Hernando County and agreements with Citrus County. They do not respond to calls but do offer assistance to troubled officers. Citrus County bomb squad has responded to Hernando County and they do training for Brooksville Police Department. The City has a mutual aid agreement with Hernando County to respond to major incidents in either Hernando or Citrus County.

Council Member Bernardini reviewed initial discussions on the policy. He did not agree that employees living outside Hernando County be allowed to take home City vehicles because there is no benefit to City taxpayers to have the vehicles located in another county. He indicated he has seen Public Works vehicles in Pasco County on Saturdays and Sundays. City Manager Norman-Vacha stated it was a Parks vehicle going for training in Pasco County on a Saturday.

Council Member Bernardini felt lower vehicle maintenance cost is lower because the fleet has been recently updated, not because of the vehicles being taken home. He calculated an additional \$13,914 in fuel costs for additional miles driven by commuting officers between 08/09 and 09/10.

Police Chief Turner stated one (1) of the vehicles is a detective with twenty-three (23) years of service who has been taking home a vehicle since 2006, prior to the policy being in effect. The other officer who lives in Citrus County is closer than other officers who live in Hernando County. There are other officers who live out of the County and are further away that are not authorized to take home a vehicle. The City receives an additional thirty (30) minutes of officer coverage while they are commuting to and from work as they respond to calls when needed. The City Manager has been given leeway on this issue when the policy went into effect in 2008 and it has not been abused. He pointed out assigned vehicles are taken better care of by the officers because they take pride in its condition, which results in less maintenance. They also keep personal property and their firearms inside the vehicle.

Vice Mayor Johnston felt the policy in place has not been abused. Mayor Burnett agreed.

City Manager Norman-Vacha asked for any other suggestions from Council.

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Mayor Burnett asked if it is possible to call a meeting or workshop on the Wednesday after Labor Day for further discussion on these items and directions.

Council Member Bradburn stated she did not feel a full workshop is warranted but would like to allot some time during the next Council Meeting for further discussion.

City Manager Norman-Vacha reminded Council that TRIM has been advertised and the next Public Hearing is at 6:00 p.m. on September 14th. The next regular session of Council is set for September 19th but would not include budget discussions. The final budget hearing has been established for September 28th at 6:00 p.m.

Vice Mayor Johnston stated the first budget hearing Council can begin to make motions and if further discussion is needed then that could be done at the Council Meeting between the first and second budget hearings.

Council Member Bradburn suggested further discussion as an agenda item on the red light cameras to educate Council Member Hohn and allow him to ask questions. Police Chief Turner stated he could have the item prepared by then. Mayor Burnett did not support further discussion on the red light cameras issue.

City Manager Norman-Vacha clarified it would be an agenda item on the September 19th meeting to enable Council to take regular action.

Vice Mayor Johnston suggested it as an agenda item on the budget hearing to be discussed since it is related as a budget item. City Manager Norman-Vacha agreed it relates to revenues.

Finance Director Baumgartner indicated it just cannot be at the beginning of the agenda.

City Manager Norman-Vacha stated there is a set scenario but it could be at the end of the first budget hearing on September 14th and if at that point Council desires to move forward or implement a program it would have to come back during a regular agenda in October for Council to act.

Council Member Bernardini mentioned he would prefer October since he will not be in attendance on September 19th.

Mayor Burnett stated he would also like to have it on the September 14th budget hearing for discussion. He would also like to include discussion regarding the City Attorney retainer proposal. Vice Mayor Johnston suggested that be discussed after the red light cameras during the budget hearing and if action is needed that can be done at the regular Council meeting.

Council Member Bradburn stated as part of dismantling of the growth management laws the City is no longer required to have an EAR process in the same sense. There is a scheduled EAR update budgeted but it may not be as expensive as first thought. But, there is legislation being proposed that would require all cities and counties do a calibration analysis on every single intersection. It is being fought by the Florida League of Cities and other entities. She did not support it as it would be another possible expense in the coming years.

City Manager Norman-Vacha reviewed Council direction on the items for a clear understanding.

She indicated on the 14th as scheduled at 6:00 p.m. is the first public budget hearing. At this time Council will have to adopt a budget going into your final public hearing; a specific millage will have to be adopted to advertise an increase, decrease, or staying the same for the General Fund.

That evening, Council would also like a presentation on Red Light Camera program, as well as some further information from the Hogan Law Firm.

BUDGET WORKSHOP MINUTES AUGUST 23, 2011

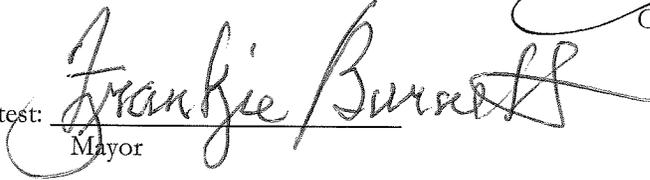
Secondly, Council did direct staff to begin moving forward with alternate #1 for group medical coverage. That information will be provided to Council prior to the meeting and will return on September 19th for formal approval. Lastly, there was consensus from Council to add \$50,000 in a reserve line item for the Police Pension.

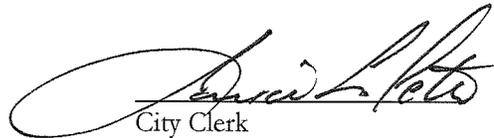
Mayor Burnett stated he appreciated all the time and effort staff has put into the budget workshop and asked that they not get discouraged by requests of Council. He assured Council is just trying to do a little more with less and they really do appreciate the role of each staff member in putting together a budget.

ADJOURNMENT

There being no further business to bring before Council, the meeting adjourned at 10:35 p.m.

Attest:


Mayor


City Clerk