

CITY OF BROOKSVILLE
201 HOWELL AVENUE
BROOKSVILLE, FL 34601
BUDGET WORKSHOP

MINUTES

August 26, 2014

6:30 P.M.

Brooksville City Council met in workshop session with Mayor Kevin Hohn, Vice-Mayor Frankie Burnett, Council Members, Joe Bernardini, Lara Bradburn and Joseph E. Johnston, III present. Also present were Cliff Taylor, City Attorney; T. Jennene Norman-Vacha, City Manager; Janice L. Peters, City Clerk; Jim Delach, Assistant 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.

FY2015 BUDGET REVIEW

Review and discussion of unfinished business for the FY2015 Budget.

City Manager Norman-Vacha advised this is the final budget workshop for the FY2015 budget. She quoted Winston Churchill, "Continuous effort, not strength or intelligence, is the key to unlocking our potential".

The budget is a strategic one and she stressed the need to balance optimism and stay focused as we see signs of economic improvement. While other governments are proposing an increase in ad valorem tax millage rate, this budget is balanced in a neutral position using the City's rollback rate of 6.6962 mills. We will be collecting the same number of ad valorem tax money as fiscal year 2014. She believes this stability is critical to continue and encourage investment by businesses and residents.

Employee Health/Medical Coverage, Dental Coverage, and Workers' Compensation Premiums

Shawn Fleming and Greg McKenzie of the Gehring Group were in attendance.

Mr. Fleming went over a presentation discussing health care reform and the City's options for renewal. He pointed out two key changes that are new requirements. All costs on medical plans have to count toward the out-of-pocket maximum now. In the past this amount may not have included the deductible or co-pays. Also, there is now an insurer fee. This is a fee on all fully insured plans which is on top of the premium. The fee does not apply towards any self funded plans. The fee will be 3.5% to 4% this year. He advised the three major fees affecting the budget are the Patient Centered Outcomes Research Institute PCORI Fee, the Transitional Reinsurance Program and the Health Insurance Industry Fee.

Mr. Fleming reviewed the current plan and noted that we have an individual stop loss limit of \$110,000. This means that any amount exceeding \$110,000 in an individual's claim would be thrown out. He reviewed the schedule of benefits and advised that everything except pharmacy co-pays applies to the out-of-pocket maximum. We will not see a major impact in this area during renewal. He went over a four year history of our claims per employee, per month. He stated that it is going up consistently, but our costs are within the market trend. It doesn't mean people are using more medical services; it means that the insurance company is paying more for the services than they were in the past.

Mr. Fleming, referring to the presentation, discussed the history of premium and claim costs with Blue Cross for the past six and a half years. The noted loss ratio takes into account the payments made towards claims compared to the premiums collected. As they reviewed this year's RFP they looked at options that would allow us to continue having excess. Independent projections have indicated a renewal increase of about 15.8%. 3% is fees for the Affordable Care Act, 2% is due to the pharmacy costs having to be applied towards out-of-pocket maximum and 11% for medical inflation.

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He pointed out that some insurance companies have expanded which provides additional options other than Blue Cross. Five of the six major insurance carriers responded to our RFP because of the stronger network offering in this area. He narrowed it down to the proposals submitted by Blue Cross Blue Shield of Florida and Cigna. Referring to his presentation, he discussed the comparisons between Florida Blue and Cigna. The only change with the Florida Blue proposal is that everything will go towards the out-of-pocket maximum as required by Health Care Reform.

Cigna matched the benefit but could not match the in-patient and out-patient hospital costs. He pointed Cigna's \$30,000 individual stop loss coverage which could be significant. He explained that they bill for claims as they are incurred and on a monthly basis. There is potential for savings since the City would accrue interest on the unused money in its accounts. Cigna offers financial protection since the monthly and yearly cap prevents costs from exceeding what is budgeted. Looking at claims for the past twenty four months, there is \$230,000 that would not have been paid out if under the Cigna plan. That would have been a 13% savings to the City. Mr. Fleming advised that they reviewed a listing of the top 50 providers used by everyone through Blue Cross. All of these providers are in the Cigna network.

Focusing on cost control, Mr. Fleming feels that transitioning the medical insurance to Cigna is the best option for the City's goals with minimum disruption to the employees. He added that life and disability is already with Cigna and there is no increase proposed. There would also be a 7.4% savings with Cigna's dental and \$9,000 savings built in when both medical and dental are utilized.

Council Member Bradburn asked if the three local hospitals, Tampa General and Moffitt are considered in-network providers. Mr. Fleming stated that they are in-network. He also introduced Jason Szarek from Cigna who confirmed his statement. Mr. Fleming added that the list of providers ranks based on number of services and dollars spent. Council Member Bradburn asked about Quest Labs. Mr. Fleming stated that with Cigna you can use both Quest Labs and LabCorp.

Council Member Bradburn asked City Manager Norman-Vacha if she knew of any cons related to the self insured program based on her experience. City Manager Norman-Vacha believes the out-of-pocket costs are the bottom line which is staying the same. Adequate provider coverage for employees is a large consideration. She is excited about the potential savings and long term stability available with self insurance.

Council Member Bradburn, referring to her meeting the Florida League of Cities, discussed options to offer employees related to wellness.

Council Member Bradburn asked if there will be an operational or financial end that needs to be managed in-house due to it being self insured. Mr. Fleming stated that it is a simple program and the only difference is that there will be two bills each month. No additional management is needed.

Council Member Johnston asked if the provider list included dental. Mr. Fleming advised that dental is separate and a report was unavailable due to our group size. He pointed out that more dentists are choosing to not participate in any network. Council Member Johnston asked if there was a cost for termination with their current Blue Cross plan. Mr. Fleming advised no and stated that the only loss with Blue Cross is the 35% payout. The initial projection shows that it would not be a significant amount of money. City Manager Norman-Vacha offered that in-network and out-of-network dental benefits are the same.

Discussion continued about the stability of the doctors and groups participating with the insurance plans.

Council consensus was to go with the staff recommendation.

Vice-Mayor Burnett asked for confirmation that the HRA is included in the budget. City Manager Norman-Vacha said it was funded at 100% per Council's request.

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City Manager Norman-Vacha stated that they will be back on September 15th at regular Council meeting with the recommendation to move to Cigna.

Workman's Compensation

City Manager Norman-Vacha advised the numbers have been recalculated and the premium increase was at 9.5%. Initially it was 10% so it has been reduced.

Fee Waiver Policy

City Manager Norman-Vacha reviewed the policy adopted by Council and advised \$10,000 is currently budgeted. There is \$20,000 in the budget as a separate marketing line item for the Blueberry Festival. She believes the budgeted amount is the minimum necessary to bring activities to the City. She pointed out that Inverness has a budget of approximately \$110,000 a year for community outreach and activities. She asked for Council's direction on how they would like to adjust the existing policy.

Mayor Hohn agreed that \$10,000 should be the minimum budgeted for fee waivers. He stated that the money needs to be managed. Council should announce a deadline for waiver requests so they can review the activity information and estimated waiver amount. They can then rank the requests or provide percentages for them.

Council Member Johnston stated the current policy and fees for use of the Jerome Brown Center should be reviewed first. He will not vote in favor of any waiver until Council goes through the existing policy and the fees charged for use of Jerome Brown Center and parks. Mayor Hohn asked what adjustments he would like to see to the policy. Council Member Johnston thought an application fee of \$50 and refundable \$100 clean-up deposit would be reasonable for Jerome Brown Center. It is not excessive and would be fair to everyone. He also wants to investigate alternatives to City police for events that those applying should need to address before requesting a fee waiver. These are some of the things that need to be addressed in order for the policy to work properly.

Council Member Bradburn agreed but felt leeway needs to be given for out of the ordinary events. She believes Council should support events that promote our economy. She reviewed some of the City's promotional spending history. She is in favor of the deadline for waiver submission and the application fee. She does not believe an event organizer should pay for on duty officers already assigned to that shift. If the event involves both the City and County, the Chief and Sheriff should choose an officer/deputy that will be assigned as a commander for that event. She would like to hear more about the off-duty rates in comparison to the overtime rates. She requested input about how to add information to the application about the selection of Jerome Brown Center versus another local venue.

Mayor Hohn expressed concern about life events that might remove police from a parade site. He felt volunteers are not feasible for liability purposes and should not be making arrests. Sworn staff should be available aside from the officers' on-duty. Parade activity is a separate responsibility.

Council Member Bernardini agreed with Council Member Johnston and will not vote for the \$10,000 or support \$20,000 for the Blueberry Festival. It is not the City's responsibility to offset costs for these events. The events make money and should not be further supported by the tax payers. He also feels that the City should not be paying more than what an organization would if they hired their own off-duty person because of the fees being waved. Council Member Johnston suggested including only the average pay in a fee waiver with the difference of any time and a half being paid by the event organizer. Council Member Bernardini liked the idea of the application and clean-up fee at the Jerome Brown Center. He pointed out that liability insurance would be an extra required cost. He doesn't have a problem with waiving those types of fees but doesn't want to take money out of the City's budget to pay someone else.

Vice-Mayor Burnett felt anything that benefits the City and brings families together should be considered. He referenced the Blueberry Festival speaking about long term benefits to the City. He pointed out that

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the waivers amount to less than 0.01% of the budget. He feels the events that were granted waivers meant something and had an impact on the city. He reminded Council about discussions of wanting things to happen downtown and for the City to be on the map. He thinks Council is sending mixed messages about what they want. He will always vote to waive fees for events that highlight the City and bring people together.

Mayor Hohn recommended an agenda item. Council Member Johnston felt a workshop is needed to discuss the details. Discussion continued about a possible date.

City Manager Norman-Vacha asked what staff can provide to help Council come to a consensus. Council Member Bradburn asked for Council Member Johnston to bring back specific ideas about the application fee for Jerome Brown Center. She also asked if the Chief could write down his thoughts on a policy for how law enforcement is handled for these things. Council Member Johnston asked for a history of Jerome Brown Center and Tom Varn Park fee waiver requests, the amounts and a description of the fee being waived.

Council consensus was to have a workshop on September 9th at 6:00 p.m.

Future Land Use Map Pricing/Discussion

City Manager Norman-Vacha reviewed cost estimates for reviewing and updating the City's Future Land Use Map. The University of Florida provided an estimate for \$22,500. The Withlacoochee Regional Planning Council provided an estimate of \$15,000 to 20,000. City Manager Norman-Vacha recommended allowing staff to continue to review and update the FLUM using the regular process scheduled to begin early in Fiscal Year 2015. The conclusion would be mid-term of Fiscal Year 2016. She advised there are no monies budgeted for additional consultant work in the Fiscal Year 2015 budget.

Council Member Bradburn reviewed some of the steps required to update the FLUM and the importance of its accuracy for City growth. She advised that it is the only document which indicates what activity is going to take place and where. Historical residential neighborhoods are spliced by heavy commercial and industrial zoning designations. There is no clear defining of residential, commercial or mixed use land. She stated that Council has been forced to approve inappropriate development requests because of fear of lawsuit based on information in the current FLUM. She listed several sources that have stated it needs to be updated. Referring to staff's concern about violating property rights, she discussed other ways to update the map. She stated that the City Attorney agreed that most property owners would agree to a zoning change if it is discussed with them. She suggested in exchange the City could provide temporary or partial tax abatement to downgraded properties. She mentioned in 2002 the Hernando County Planners submitted a ten page document outlining reasons why the City's FLUM should be updated. DOT also sent a letter requesting the update because the City's transportation goals are not appropriately reflected. Citing the City Planner's lack of support in updating the FLUM, she believes an outside, unbiased perspective from someone knowledgeable in the latest planning techniques is needed. She pointed out that Council's two tasks required by law are to approve the budget and make sure documents comply with state law.

Council Member Hohn asked if the University of Florida or Withlacoochee Regional Planning Council gave a timeline for when the update would be completed. City Manager Norman-Vacha advised that no timeline was provided.

Mayor Hohn asked Council Member Bradburn about reference made to a \$60,000 project related to the FLUM that was not completed. Council Member Bradburn stated it was an assessment of the FLUM that only addressed the EAR components. It did not alter the map. She believes part of it was done by the Withlacoochee Planning Council. Mayor Hohn pointed out that \$60,000 was paid for an assessment that was ignored, but a detailed update is costing \$15,000- \$20,000 per the discussed quotes. Council Member Bradburn stated that the \$60,000 was to update the Comprehensive Plan which includes the EAR process. It was supposed to include the FLUM but did not.

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Mayor Hohn, commenting on the management of staff and programs, advised that the City Planner has no authority to make decisions related to the City. He provides a work product to Director Geiger, who then communicates with the City Manager, who then brings it to Council for discussion and approval. If anyone believes that work product is insufficient, it needs to be stated immediately.

Director Geiger, referencing the report completed in 2002, said assistance was acquired by the Withlacoochee Planning Council. He believes their fee was \$30,000. It was for an evaluation and appraisal of the Comprehensive Plan to ensure that it's meeting all of the City's statutory requirements. All required changes were made. It was approved by the City and the State. He further stated that changes to the FLUM would need to be made on a case by case basis with property owner agreement. For this evaluation and appraisal process, he suggested making sure the City's policies and goals align with agencies like TBARTA. He pointed out the University of Florida indicated in their report that the City has a relatively efficient land use pattern. They did indicate that the City may need to address topics of mixed use and higher densities in policy to foster development. Mayor Hohn asked if the upcoming assessment would include these items. Director Geiger confirmed it will be included and they will be referring back to the University of Florida report done in 2009, as well as the Brooksville Vision Plan. Council Member Bradburn asked Director Geiger if they will also be changing the map. He stated that all parcels within the FLUM will be evaluated but changes will be based on the findings. Council Member Bradburn asked if parcels within the Joint Planning Agreement will be assessed. He stated that will need to be a coordinated effort with Hernando County.

Vice Mayor Burnett, referencing South Brooksville re-development projects, believes staff can accomplish the recommendations. Council can consider outsourcing if problems arise. He questioned why Council would pay other agencies to tell them what staff can provide. Discussion continued about the City Planner. Council Member Bradburn advised that video and audio of the Growth Management Workshop is available for review.

Council Member Johnston was in favor of giving staff the chance to review prior to bringing in an outside consultant. Council Member Bernardini concurred.

City Manager Norman-Vacha confirmed that staff will be doing the review and update of the FLUM.

Impact of Business Development Division

City Manager Norman-Vacha advised this expense has only been in the budget for a couple of years. She reviewed the purpose of the Division stating the goal is to create a thriving economy in a small city. Through the creation of the Business Development Division with Dr. Wilfong, Michael Heard and several fellow Brooksville Vision leaders and other community leaders, they have begun planning and preparing for the future. Outreach programs have been developed for existing businesses. Welcome bags are distributed and annual recognition is given to new businesses in the City. Referencing the Sears Outlet, she pointed out that support and aid is provided for new business relocation. She stated that staff is working to re-design the City's website to highlight the City of Brooksville. Government information can still be accessed but it will not be the focus. There will also be a separate business page that would provide information, list incentives and show available commercial sites and details for business owners. She feels that these efforts are the only thing allowing the City to have a viable economy. She stated that they will go live with the changes to the website in Fiscal Year 2015.

Council Member Johnston requested a quarterly report of accomplishments, ongoing projects and business communications. He would like a personal appearance before Council at least twice a year.

Council Member Bradburn offered use of photos she has taken of available commercial properties.

Council Member Bernardini agrees that Council should receive written feedback about Division activity.

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Council Member Bradburn, referencing Hernando County's success, asked for consideration to hire a lobbyist in the future.

Vice Mayor Burnett pointed out that the economy has limited the ability to do everything Council has wanted over the last several years. Staff has done their best to make sure the City continued its services and employees stayed working.

Fire Department – 12-Hour Shifts with County Service Delivery

City Manager Norman-Vacha reviewed Council's request that staff speak to Hernando County Fire Rescue about covering a 12-hour shift in evenings to free existing personnel for day service. Staff spoke to Hernando County Fire Chief, Scott Hechler, who advised he would need two or three additional staff members to cover the evening shift. Chief Hechler would have to hire new people or utilize existing personnel at an overtime rate. City Manager Norman-Vacha discussed the County and City pay rates and options. Staff does not recommend pursuing this arrangement due to cost. She also pointed out the possible loss of existing staff that would seek employment elsewhere if their hours were cut to 12-hour shifts.

Mayor Hohn asked Chief Mossgrove why there is currently a 12-hour shift. Chief Mossgrove stated it's necessary so the City does not have to pay four 12-hour shifts like the Police Department. Mayor Hohn, referring to the University of Florida study, asked if Chief Mossgrove believes his firefighters are more effective after a twenty-four hour shift. Chief Mossgrove explained the study is related to medical staff and medical calls which is why fire departments with a heavy transport only work 12-hour shifts. He stated the City's shifts are cost effective and the firefighters' schedules allow for rest and breaks while at a constant state of readiness. Mayor Hohn stated that he thinks twenty-four hour shifts are wrong.

Council Member Bradburn does not believe twenty-four shifts are more cost effective. She thinks that 12-hour shifts would allow completion of more tasks because it would not include the sleeping time. She thinks 12-hour shifts would enable the City to complete more building inspections and hydrant maintenance. She would like a 12-hour shift to be considered. Mayor Hohn stated it's a management decision and Council only determines the appropriate level of funding.

City Manager Norman-Vacha confirmed that there will not be any changes to staffing levels in the budget.

Part-time Mowing Employee Cost/Discussion

City Manager Norman-Vacha reviewed the possibility of creating an additional part-time position for mowing. The initial cost would be \$39,200 for the first year which includes a truck, trailer, mover, weed eater and safety equipment. Wages were estimated with limited to no benefits. Director Radacky and Director Walker agree that current staffing levels combined with the mowing contracts are working well. They are concerned about assigning a part-time position alone to mow some of the remote areas and sloped terrains. They recommend keeping the current arrangement. Funds for a part-time position have not been included in the proposed budget.

Vice Mayor Burnett commented on the cost effectiveness of outsourcing the services. He expressed concern about the safety of an individual doing the task alone should something happen with the equipment. He believes a minimum of two people would be needed if it should be considered.

Council Member Bradburn showed pictures of areas with culverts that are the City's responsibility. She stated that the overgrowth and silted areas become a drainage concern. She pointed out photos where there is no room for movement of water. She advised a lot of money is being spent to deal with complaining areas of flooding but not the source.

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Mayor Hohn asked Director Radacky how much of the problem may be related to the rain season and inability to use equipment. Director Radacky confirmed that is a significant issue. Many areas also fall under Swiftmud and an Environmental Resources Permit is needed to conduct maintenance. Referring to the bank stability, Director Radacky further explained that the growth is good in that it keeps the soil from eroding into the creeks.

Vice Mayor Burnett, referencing his experience on the School Board, recommended staff get with the School Board Maintenance Department to discuss the company they use for mowing and weed control.

Council Member Bernardini suggested looking into hiring another inmate crew. He also stressed the importance of taking care of downhill water using Croom Road as an example.

Crescent Resources Bankruptcy Settlement Monies

City Manager Norman-Vacha stated that on April 21, 2014 the Hogan Law Firm presented a check to City Council in the amount of \$3,537,938.00 resulting from claims related to bankruptcy and attorney fees. The City's claim indicated that it would still not be left whole with this settlement. Documents presented to the courts noted that coverage would be lacking in the capacity of our wastewater treatment plant and reuse plant. She reminded Council that the bankruptcy monies received were half of the damage claimed. There will need to be more money accumulated to increase the capacity for planned development and future growth. She is currently projecting that the City has approximately ten years before it is faced with capacity concern. She suggested the money be set aside and Council should begin adding to it.

Mayor Hohn asked the Attorney Taylor how the court would respond if the money was used for something other than what it was designated. Attorney Taylor does not think the court would remain involved. He advised that the monies use was sworn to under oath by the City Manager.

Council Member Bradburn stated that Council submitted details about the monies use to the court for the first two settlements. That obligation has been fulfilled. She advised that Mr. Hogan has said this last installment is unencumbered and does not have to be used for anything specific. She agrees the City needs to be prepared for upgrades to the utility system, but does not believe they should be entirely born by today's taxpayers. She believes that the cost should be shared over time by those who benefit from the improvements. She reviewed current and future population and capacity information. She advised the City is committed to providing 2.575 million per the connection fee agreement. If that amount is set aside from the settlement funds, it will leave \$962,000 of unencumbered money.

Mayor Hohn requested that Attorney Taylor obtain a letter from Mr. Hogan reaffirming his position from April 21, 2014, that these funds are unencumbered. Attorney Taylor stated that Mr. Hogan used the term unencumbered from the court because the court did not tell the City it had to be used a particular way. The settlement was approved based upon the affidavits from the City detailing the damages. The courts will not weigh in on the spending of the money but someone else can under a third party beneficiary situation. There is a public record about what the City will spend and how it will spend it. Future and present developers, or anyone in that capacity, can bring a claim against the city. If they are successful with the court, the funds will then be encumbered.

Council Member Bradburn presented a list of potential uses for the money. Referring to the Hillsborough County 3-tier approach to building inspections, she discussed new fire inspection software at a possible cost of \$14,000. She also reviewed a Code Enforcement Abatement Program which would address nuisance properties around the City and suggested using \$40,000 as seed money. Three houses could be selected for clean-up and the cost would be reimbursed to the City as a lien. The reimbursed money could then be returned to the program for the same use.

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Referring to the Code Enforcement program, Mayor Hohn expressed concern that the lien is not paid unless the house is sold. Mayor Hohn agrees about the importance of Code Enforcement and is pleased that there is \$15,000 budgeted for that use. He does not support using money from a lawsuit for any purpose other than what was reported to the courts. Mayor Hohn asked for Council to be allowed time to decide if they would be willing to spend the settlement money on these projects before moving forward.

Council Member Bradburn continued her presentation and reviewed the Council Technology Update. She spent seventeen hours working on the Pennies for Progress in the Council's office. She feels the time would have been cut in half if the computer was upgraded. Since Council is elected by the people to research issues and present ideas, she stated they should have the resources necessary to do the job.

Council Member Bernardini commented on the School Board and how those members receive some type of computer. He suggested finding out if they have one that can be used in the Council office. Council Member Bradburn stated that all Council members should have one.

Council Member Bradburn continued with discussion on mowing services. She believes the City could get a zero turn mower, bush hog and weed eater under \$10,000. She then reviewed history of the Jerome Brown Center and stated that it needs to be cleaned. She thinks a specialized crew should be hired for a deep cleaning. Referring to the upgrade of roads, she discussed the money allotted for Pavement Management. She does not believe new money is being set aside as Council had discussed. She believes \$100,000 of the unencumbered money should be used towards Pavement Management so more can be done.

Council Member Bernardini agreed that Council should obtain a letter from Mr. Hogan confirming the money can be freely used. Referring to the Pennies for Progress meeting, he wants to make sure that the City spends money on how it was originally intended to be used.

Vice-Mayor Burnett agreed with the list of things needing to be done but not with encumbered bankruptcy settlement monies. He expressed concern about third party lawsuits. He is basing his opinion on personal case experience.

Council Member Johnston advised that while the courts cannot dictate how to spend the money, he does agree that a third party may raise questions. He questioned the ten-year analysis presented in Attachment 5 of the staff report related to city growth. He asked about developers holding sewer impact fee credits and is it anticipated over the next ten years with the units being added or is it based on what we have now. City Manager Norman-Vacha confirmed it is an adjustment of typical credits issued as opposed to cash. She advised that cash will be needed to build plants. Utilities Superintendent, Will Smith, reviewed the report in detail. Discussion continued about growth and assumptions. Council Member Johnston expressed concern that the growth figures may be too high and the money may not be needed that soon. If that is the case, he thinks it needs to be determined how soon will it be needed and what will be done with the funds in the meantime.

City Manager Norman-Vacha pointed out these are water and sewer funds. This is not on the backs of the taxpayers. These are bonds and the lawsuit was specific in showing what was bonded and where the City was made whole through the settlement on the other bonds. She pointed out that it would be a separate matter if Council borrowed from this account and it was paid back from the General Fund. It would also be a separate matter if you borrowed within yourself and paid it back through the utility customers. She does not believe that Debt Service and Utility Enterprise Fund are not at a level where continued debt can be supported. She stressed that they will seek other funding when it is available. She stated that the money needed to build will come from our water and sewer customers, not the taxpayers.

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Council Member Bradburn believes it will come from the taxpayers when you don't take unencumbered money to use for today's necessities. She reiterated that the attorney handling the bankruptcy matter stated that the money was unencumbered and can be used for Pavement Management and the FLUM. She made her presentation based on that assumption.

Council consensus was to speak to Mr. Hogan. The City Manager wanted to say on the record that she is very uncomfortable if Council changes direction having signed documents that stated how the funds were to be used. She stated that the budget will remain unchanged until Mr. Hogan can answer any questions at the next meeting.

Tree Plan

City Manager Norman-Vacha reviewed monies previously held within the Tree and Streetscaping Fund. The monies are now within the Development Department's budget under a specific line item. She has not heard consensus on a spending plan. She asked for direction on how Council would like to proceed.

Council Member Bradburn asked for an explanation of the \$30,000 that has been carried over on budgets, as well as the \$87,000 figure that she has seen. She wanted to know if the \$30,000 is included in the other figure. City Manager Norman-Vacha advised that the budget reflects all available money and there is no additional \$30,000. It also includes money needed to remove and maintain trees. She pointed out that tree permitting money has been placed into the same fund over the last few years. Council Member Bradburn stated that she is waiting to speak to Mr. Stewart about suitable placement of trees.

Council Member Johnston confirmed that the determination of how the money is spent can be done during the Fiscal Year. He suggested leaving it as a line item at this time.

City Manager Norman-Vacha stated that they will leave it the budget as prepared with the single line item within the Development Department's budget.

Vehicle Replacement Fund Review

City Manager Norman-Vacha discussed Council's decision to end the continuing contribution to the Vehicle Replacement Fund in Fiscal Year 2011. The Utilities Division and Sanitation Division have continued to pay into the fund. Council changed the year expectancy of a vehicle from seven to ten years, as well as extended the life of some other large equipment. She advised the current balance of the fund is \$1,261,526.00 with a breakdown as follows: \$413,829 General Fund monies; \$130,978 in Utility Funds and \$716,719 in Sanitation Funds. She further explained the accrual of the funds contributed. She reviewed several choices available to Council.

Mayor Hohn asked about the fire truck on the list of scheduled vehicles to be replaced this year. She stated that no new vehicles have been added to the list. It is a target of the life expectancy of the vehicle for funding so it can be purchased within a certain period of time. She advised it is not always purchased during the target year.

Council Member Johnston confirmed that in the interim funds are being used to purchase new vehicles. City Manager Norman-Vacha advised yes and that the Utilities Department, Sanitation Department and Police Department have used it. She stated that the replacement of the fire truck will be a large expense.

Council Member Johnston believed the money should remain in the Vehicle Replacement Fund rather than the General Fund so it is not spent for other things. He thinks it's a good program although the City is not able to fund it at this time. He questioned if those funds are only available to certain vehicles and if Council could take action to direct the funds to be used for something else as long as it's a vehicle replacement. City Manager Norman-Vacha believes it would take Council action as they have historically kept to what vehicle it funded.

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Mayor Hohn asked about the status of the Dodge Ram Truck. He pointed out that it is the only one that is non-funded other than the Fire Trucks. City Manager Norman-Vacha believes it was traded to purchase a more fuel efficient vehicle and will look up the details. She corrected her earlier statement and advised life expectancy went from five years to seven years on regular vehicles and seven to ten on the larger vehicles.

Council Member Bradburn wants to ensure that the enterprise funds investments are preserved if any changes are made. Mayor Hohn stated that they have to be preserved. The General Fund is the only issue.

Council Member Johnston asked if there was a written policy for the Vehicle Replacement Fund so it can be reviewed and adjusted if needed. City Manager Norman-Vacha believes there is a policy and will locate the information for Council. Council Member Johnston stated that he is good to leave the fund as it is for this budget session until questions can be addressed.

Council consensus was to add this topic to the Financial Workshop in February.

City Manager Norman-Vacha pointed out other attachments that include updates to the preliminary budgets with requested changes, employee turnover and Impact Fee accounts. The only fund of concern is Roads. Staff is suggesting additional funding this year to be committed to Providence, as well as Main Street PD&E. She advised that if the Pennies for Progress were approved by the voters, the monies would not pay for the suggested projects.

Council Member Bradburn reviewed past reserve amounts and is concerned that the current 3.86% is too low. City Manager Norman-Vacha advised that Council set a 3% policy.

Council Member Bradburn, referring to the technology contract with the County, asked if we are getting additional equipment or service for the increase in prices. City Manager Norman-Vacha stated it's two-fold. As we add equipment, we are charged by equipment piece, so it's by devices connected to the network as opposed to paying network and helpdesk charges. She discussed the Bright House connection that increased the bill. She reviewed the costs associated with changing providers and believes this is still the best deal for the City for the level of service received.

Council Member Bradburn stated that funds were included in the last budget to provide proper recognition of volunteers but someone made a decision to go a different direction. She asked why it was changed. City Manager Norman-Vacha advised that Council did not come to a consensus and it was not presented to Council again in time for the event this year. She stated that it will be brought for discussion earlier this year so Council can provide direction.

Council Member Bradburn referred to a 2011 memo that speaks about upgrades to the filtration system at Cobb Road so fluent can stop being delivered to the mines. She pointed out that upgrades have been completed but we're still delivering fluent to the mines. City Manager Norman-Vacha stated we are but it has lessened. She advised that the amount of rain makes it difficult to deliver the amount of water from the reuse plant needed to lessen fluent going to the mines. Staff is aggressively pursuing a new contract.

Council Member Bernardini stated that the issue is paying the mine to take in the fluent.

Council Member Bradburn called for the elimination of fluoridation for the health of the citizens. She reiterated that not one City resident has asked for it. Council Member Bernardini pointed out that many people have asked for the red light cameras to be removed but they remain in place.

Council Member Bernardini, referring to Fund 109 within the Police Department, thinks the money we get from people who defile the City should then be used to enhance our City. He does not have a problem with that money being used to offset costs for special events. He suggested taking that \$10,000 out of the General Fund and moving it for fee waivers.

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Council Member Bernardini stated that he had the City Manager break out the public safety part of the City's millage. He commented that the Police Department is 2.56 mills and Fire Department is 1.11 mills with a total of 1.84 adding the assessment. He wanted to point out that public safety is taking 3.5 of the City's 6 mills.

Council Member Bernardini discussed including language in the fee waiver for the Jerome Brown Center asking for volunteer time if fees are waived.

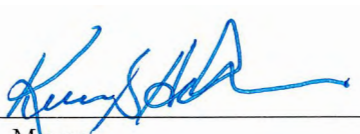
Council Member Bernardini thinks the red light referendum should be discussed before the next meeting on September 15th prior to the printing of the ballots. He expressed concern about the court ruling against the City and not having enough time to put it on ballot. Mayor Hohn advised that would not be our fault.

Mayor Hohn extended an invitation for comments.

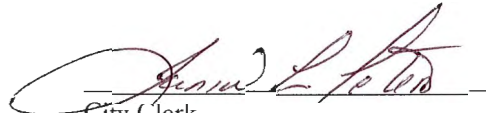
Natalie Kahler felt the fee waiver policy needs to be less vague in order to stay within the budget.

ADJOURNMENT

There being no further business to bring before Council, the meeting adjourned at 10:55 p.m.

Attest: 

Mayor



City Clerk