

**CITY OF BROOKSVILLE  
SPECIAL MEETING  
FIRST PUBLIC HEARING  
FISCAL YEAR 2008/09 BUDGET**

**MINUTES**

SEPTEMBER 3, 2008

7:00 P.M.

Brooksville City Council met in special session with Mayor David Pugh, Vice Mayor Frankie Burnett and Council Members Joe Bernardini, Lara Bradburn and Richard E. Lewis. Also present were George Angeliadis, City Attorney; T. Jennene Norman-Vacha, City Manager; Karen M. Phillips, City Clerk; Janice L. Peters, Deputy City Clerk; Steve Baumgartner, Finance Director; Jim Delach, Assistant Finance Director; Mike Walker, Parks and Recreation Director; Bill Geiger, Community Development Director; Emory Pierce, Director of Public Works; George Turner, Police Chief and Tim Mossgrove, Fire Chief. A member of the St. Pete Times was present.

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

**PUBLIC HEARING - PRESENTATION OF PROPOSED BUDGET FOR FISCAL YEAR STARTING OCTOBER 1, 2008**

Public Announcement - Ad Valorem Tax Rate (TRIM Notice)

Pursuant to Section 200.069, F.S., "Notice of Proposed Property Taxes" (TRIM NOTICE) the proposed ad valorem rate for the Fiscal Year 2008/09 was advertised to be a maximum of 7.0000 mills. This millage rate would be a 6.3345% increase over the rolled back rate of 6.5830 mills. After reviewing revenue projections and proposed expenditure levels for the 2008/09 Fiscal Year, the General Fund budget is balanced at a proposed rate of 6.3230 mills, which is 3.9496% less than the current year's rolled-back rate.

Mayor Pugh read the Public Announcement listed above.

Council Member Bernardini requested the discussion on fluoride be heard since representatives from the Health Department were present to speak on the issue. Council consensus was to allow it.

Dr. Linda Berry, President of the Hernando County Dental Association, spoke in favor of leaving fluoride in the water, stating the optimum level added to water is safe, helps reduce tooth decay and no toxicity has been reported. She indicated fluoridation is supported by The Florida Dental Association, The American Dental Association, The American Medical Association, The World Health Organization, CBC and the Surgeon General, as well as many other groups and is cost effective in that for every \$1 spent on fluoridation \$38 in dental costs is saved. She added that the Hernando County Dental Association is committed to patient safety and the life-long dental health of Brooksville residents.

Elizabeth Callahan, Health Department Administrator, reiterated the sentiments of Dr. Berry and indicated that nationally 60% of the U.S. population on public water systems has received fluoridated water since 1990 and it is estimated that \$25.7 billion dollars have been saved in dental care in the last decade. She urged Council to not go backwards. She introduced Debbie Trotter, who works as a dental assistant for the Health Department, who spoke in favor of fluoridation as well.

APPROVED BY BROOKSVILLE

CITY COUNCIL

ON

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INITIALS

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## FIRST CITY COUNCIL BUDGET HEARING - SEPTEMBER 3, 2008

Dr. Berry presented Council with additional letters in favor of fluoridation.

Council Member Bradburn thanked the ones who came out in support of the issue. She then presented a video of testimony given before the U.S. Senate on the subject of fluoridation of public water supplies. The testimony was presented by the union that represents EPA staff, lawyers, scientists and others who analyze hazard exposure and economic data and advises management on how to use it for public health protection and protects EPA workers from unethical pressure by EPA managers. He indicated that in 1997 they voted to oppose fluoridation and their opposition has grown stronger as more adverse data on the practice has come in. The union urged Congress to order independent studies using dental fluorosis as an index of exposure to determine the extent of other toxic effects, especially on the brain and bone, in the population that are attributable to fluoride.

Council Member Bradburn further presented a case for removing fluoride from the City's water, referring to many independent organizations that emphasize the potential health risks of fluoridation. She pointed out that even toothpaste carries warnings against the use of it for small children and felt the money could be better spent upgrading outreach programs to children via the schools teaching good oral hygiene. Further, she urged Council to stand firm in its consensus to remove fluoride from the water system.

Council Member Lewis, having read through all the information supplied, pro and con, had a different view, which was for keeping fluoride in the water system. He reiterated that the presentation before Congress was not given by the EPA but by the labor union representing the workers of the EPA. He stated his belief that the money is well spent and does supply a benefit to the community. Further, he indicated the Surgeon General has not stated that fluoridation poses a national health risk, nor had any citizens contacted him with concerns against the issue.

Council Member Bradburn responded by saying that the union presenting to Congress is a union of Scientists for EPA who go out and expose health hazards such as asbestos. She indicated the EPA, based on their own research, has taken away the endorsement for fluoridation as have all the other organizations mentioned.

Pierre Desjardins stated his belief that fluoride should not be added to the water if there is even a remote possibility that it poses a risk.

Mayor Pugh was in favor of suspending the practice for the sake of cutting the budget but pending investigation into possible funding to cover the cost, which Council Member Bernardini concurred with.

Vice Mayor Burnett felt he needed more time to review the issue before making a decision.

### Motion:

Motion was made Council Member Bradburn to suspend water fluoridation, which was seconded by Council Member Bernardini for discussion.

Vice Mayor Burnett asked for consideration of postponing the vote pending further review.

After further discussion Council Member Bradburn withdrew her motion pending further review. The issue will be discussed at the final budget hearing.

## FIRST CITY COUNCIL BUDGET HEARING - SEPTEMBER 3, 2008

### Proposed Budget

Review proposed budget and points of discussion.

City Manager Norman-Vacha reviewed the changes to the budget, which included corrections to retirement to include the administrative fee that goes to the Florida Retirement System. Additionally, overtime in the PD has been reduced and other concerns expressed by Council have been addressed, which she indicated the Finance Department has diligently worked on. She asked for direction from Council concerning specific areas referenced in her memo based on requests from Council at the workshop.

### Fleet Maintenance

City Manager Norman-Vacha reviewed the analysis of fleet maintenance operations and the reduction of one position. Director Pierce indicated that for optimum operations he prefers three employees but he is open to trying the reduction to two.

Council Member Bernardini asked, under department vehicles, about the 11 vehicles listed under Parks and Building. Director of Parks & Recreation, Mike Walker, advised that the number includes tractors and backhoes.

Discussion continued of Fleet Maintenance processes and scheduling. Mayor Pugh indicated DOT District Maintenance outsources the maintenance of their fleet and felt that if they can do it we should look at doing the same. Director Pierce will look into the matter.

Discussion turned to City Manager Norman-Vacha's memo to Council regarding other concerns brought up by Council.

Mayor Pugh pointed out that at 6.32 mills, the budget is balanced. With the additional information brought forward by the City Manager, if Council decides to go that route, the millage could be lowered to a rate of 6.069.

### Waiver of Fees

Council discussed the waivers of fees for various events. Mayor Pugh suggested the allocation of \$7,000 toward waiver of fees. Discussion continued. Council consensus was to allocate \$7,000.

### Advisory Boards

City Manager Norman-Vacha recommended the item be brought back at a regular Council Meeting to adopt policy. Majority of Council did not support term limitations but were interested in end-of-year expirations with staggered years of expiration.

For the record Council Member Bradburn stated she strongly supports term limits and the staggered year expirations. Council Member Bernardini indicated he is not opposed to term limits as long as a clause is included that if no one else applies the current expiring member is not excluded from reapplying. Discussion continued.

Council consensus was to discuss term limits at a future meeting.

### Medical Insurance

The specifics of the current plan and the possibility of becoming a tobacco-free workplace were discussed, as well as the option of eliminating the funding of the Health Reimbursement Account (HRA). Staff recommended the \$22,850 saved by eliminating the funding of the HRA be earmarked for funding in support of the City's Capital Improvement Plan.

## FIRST CITY COUNCIL BUDGET HEARING - SEPTEMBER 3, 2008

City Manager Norman-Vacha indicated that currently the HRA has been reduced from \$1,000 to \$500 per employee due to the reduction of the plan deductible to \$750. She further elaborated on the options of funding the HRA. Her recommendation to Council, because of the City's ability to provide a better optioned plan with a lower deductible and co-payments, was to eliminate the HRA. Discussion followed.

### Motion:

Motion was made by Council Member Bernardini and seconded by Council Member Lewis to accept staff recommendation of the Blue Options 1553 Plan and eliminate the funding of the HRA, which was seconded by Council Member Lewis.

Mayor Pugh asked for public input.

Pierre Desjardins recommended Council consider the obesity issue as well.

Motion passed 4-1 with Council Member Bradburn voting in opposition, based on total elimination of the HRA.

Council Member Bernardini indicated he is not ready to agree to the allocation of the \$22,850 savings to the Capital Improvement Plan at this time. Council Member Bradburn supported the move. Discussion continued.

Concerning employee medical, Council Member Lewis brought up the issue of employees who decline the City's medical insurance. City Manager Norman-Vacha explained that there are employees that have group benefits outside the City via a spouse and decline coverage. She asked if Council was considering reimbursing those employees up to the amount the City would pay to cover them. Council Member Lewis felt the only way an employee would be able to receive the stipend is to supply proof of coverage along with their insurance card on a yearly basis. Discussion followed.

City Manager Norman-Vacha will research whether other entities have this benefit.

Pierre Desjardins wondered if giving the stipend would encourage other employees to opt out.

The item will be added to the September 17 Final Budget Hearing.

### Utility Rates

Council Member Bernardini asked why the rates were not included in the budget. City Manager Norman-Vacha indicated staff wanted to ask for Council direction first.

Council Member Bradburn indicated she did not want to see the rates increase. Director Pierce advised he would like to see the CPI applied to the sanitation or garbage collection side. He felt the residential rates are high enough and recommended the rates for FY2008/09 remain unchanged and the automatic CPI keep going on for utilities and commercial rate.

Council Member Bradburn advised the problem she sees with using the CPI is that they are Enterprise Funds that are supposed to be self-sufficient and balanced, meaning you do not collect more than you are going to need. When a CPI rate is adopted you lock in automatic increases whether they are needed or not. She would like to see the CPI eliminated.

Director Pierce recommended modifying the resolution and freezing the residential rate for at least a year.

FIRST CITY COUNCIL BUDGET HEARING - SEPTEMBER 3, 2008

Motion:

Motion was made by Council Member Bernardini and seconded by Council Member Lewis to accept staff recommendation on the residential rates and to cap the CPI at 3%.

Mayor Pugh asked for public input; there was none.

Motion carried 5-0.

For recap, City Manager Norman-Vacha confirmed that Council is in agreement to continue the CPI inflator but cap it at 3% max for any year. Council Member Bradburn stated that is for commercial. Council consensus was for the whole CPI to be capped at 3%, which Council Member Bradburn indicated she is not in favor of. For residential garbage, staff would look again at the rates and how they are formulated per the resolution but would maintain its current rate and the commercial garbage would increase per the CPI.

City Manager Norman-Vacha indicated Council Member Bradburn could vote against the CPI for residential when staff brings the issue back during regular session for Council to review and adopt.

Council Member Bradburn asked for clarification that she could not change her vote to nay in that Council Member Bernardini's motion was unclear to her. Mayor Pugh answered affirmatively.

She asked that the minutes reflect her request to vote "nay" after the motion and her request was denied, advising that she will vote nay in the future because she does not support the CPI because it diminishes Council's authority.

Reserves for Contingencies

For clarification, Mayor Pugh stated that at 6.069 mills there will be a reduction of \$144,000 and still at that millage rate the city can allocate \$121,000 toward Capital Improvement Projects. City Manager Norman-Vacha advised yes, if Council reduces the reserves to \$907,527, which is 12% of operating revenue.

Motion:

Motion was made by Vice Mayor Burnett and seconded by Council Member Lewis to accept staff recommendation that the Reserves to Contingencies be funded at 12%, reduction of the millage rate to 6.069 mills and to allocate the \$121,660 toward the funding of Capital Improvement projects to be determined by Council.

Council Member Bernardini asked for the numbers on a 2% across the board raise for employees as it would impact the General Fund. Jim Delach, Assistance Finance Director, indicated the amount would be around \$103,442.

Mayor Pugh asked for public input.

Pierre Desjardins felt it would be nice for everyone to get a 2% raise but felt the money could be used for the community as a whole.

Council Member Bradburn advised she prefers merit increases as opposed to cost of living increases because she believes those who work the hardest should be rewarded for their hard work. Council Member Bernardini clarified that his recommendation would be for a 2% merit increase if warranted.

## FIRST CITY COUNCIL BUDGET HEARING - SEPTEMBER 3, 2008

Council Member Bradburn clarified that in order to support a cost of living and/or merit increase she would have to oppose the motion on the floor. Mayor Pugh answered affirmatively.

Motion carried 3-2, with Council Member Bradburn and Council Member Bernardini voting in opposition.

Mayor Pugh expounded on the state of the economy in relation to the proposed 2% employee increase.

### Utility Tax

Council Member Bernardini advised Progress Energy is proposing a \$41 increase of which the City will get 10% for a utility tax.

Mayor Pugh stated he is opposed to the utility tax and elaborated on the proposed increase. He indicated he would like to see the projected \$120,000 the City will receive reduced from 10% to maybe 7.5% in an effort to get it down to 5%. The tax is in addition to the millage rate and he felt it to be a burden on the elderly and underprivileged.

Council Member Lewis advised that the City Manager has been working with Director Geiger and Director Baumgartner on the issue and it's been in the excess of \$120,000 per year. He reviewed the issue which led to the findings that Progress Energy had not been collecting the tax consistently, which is to be submitted to the City. He indicated he is working with the City Manager to reach a resolution and settlement with Progress Energy which will be more beneficial to the City of Brooksville. City Manager Norman-Vacha will be bringing the issue forward.

Director Baumgartner indicated the adjustment of the public service tax rate would not be immediate. There is a 3-month parlay in which the State has to be notified and thought January 1<sup>st</sup> to be the earliest the tax could be lowered.

Mayor Pugh thanked Council Member Lewis for bringing the issue forward and advised the tax also includes taxes on fuel and propane, in addition to electric.

City Manager Norman-Vacha recommended considering 1-year at a time when considering the lowering of the tax. Council Member Lewis suggested a lower millage rate rather than lowering the utility tax. Discussion of lowering the millage rate versus lowering the utility tax continued.

City Manager Norman-Vacha recapped that it will not be touched this budget but will be reconsidered at the time adequate information is provided for revenue purposes.

### Community Redevelopment Agency (CRA) Debt

City Manager Norman-Vacha indicated that during the workshops there were questions and discussions concerning the amount of fees that come back to the General Fund from the CRA.

Director Geiger reviewed the history of the CRA funding, including the Main Street Project, indicating the total debt service through 2005 came to \$214,702. The City and the CRA had entered into an agreement wherein the CRA paid the City back for that amount. He noted that in 2003 the City and the County had several issues on different topics. The County had paid their TIF funds that were billed to them in three prior years but this year they took issue with making payment as it relates to the Statute, which requires the City to obligate the funds it collects from the different taxing agencies. The funds were obligated, but not formally through any documentation other than the City's budget itself. At that

FIRST CITY COUNCIL BUDGET HEARING - SEPTEMBER 3, 2008

time the City generated Interlocal Agreements and resolutions that formally obligated the CRA to pay back the City for this allocated amount. The County ended up paying the TIF funds and every year thereafter. If the City were to do something different from the CRA/City perspective where the City de-obligated repayment of the funds from the CRA the CRA would still have to do something to obligate the use of the funds. This would not be a problem in that there are a lot of projects CRA is planning to do with the funds generated within the TIF district.

Director Geiger reviewed the 15-year 0% interest debt payback. City Manager Norman-Vacha asked when the City actually budgeted the match to the CDBG funds if it was budgeted through the General Fund as a match to receive that grant. Director Geiger confirmed and indicated it was 2-years prior to the adoption of the resolutions for the CRA.

City Manager Norman-Vacha reviewed the issue of whether the CRA should continue to pay back the debt or could Council forgive the debt or make a change to the resolutions. Director Geiger indicated the City, as a taxing district, is obligated to pay funds to the CRA but the City is also providing services to the CRA that the CRA is not otherwise paying for unless the obligation is there.

Motion:

Motion was made by Council Member Bradburn and seconded by Vice Mayor Burnett to take whatever action is necessary to the resolutions to make sure the original use of the CRA and TIF is regained and acceptance of the forgiveness of the current CRA debt.

After further discussion, motion carried 3-2 with Council Member Lewis & Mayor Pugh voting in opposition. Mayor Pugh voted against the issue due to the fact that money had been taken out of the General Fund for the CRA, which he felt should be repaid and allow the CRA to generate the tax it is supposed to. The City would have the option of funding future projects. The issue will be formally adopted within the final budget.

Realignment of Utilities Customer Service Positions

Motion:

Motion was made by Council Member Bernardini and seconded by Vice Mayor Burnett for approval of the realignment. Motion carried 5-0.

Ad Valorem Tax Rate for Fiscal Year 2008/09

Consideration of establishing ad valorem tax rate.

Motion:

Motion was made by Vice Mayor Burnett and seconded by Council Member Bernardini for adoption of the 6.069 ad valorem tax rate.

Council Member Bernardini indicated he would have liked to see a little higher rate with employees getting a 2% raise. Council Member Bradburn agreed.

Mayor Pugh indicated the millage rate will be set at 6.069 which is a decrease of 7.8080% from the roll-back rate, which is 6.5830 mills.

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

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

FIRST CITY COUNCIL BUDGET HEARING - SEPTEMBER 3, 2008

Ordinance No. 769 - Recommended Budget for Fiscal Year 2008/09

Consideration of first reading of proposed budget ordinance effective October 1, 2008.

**Motion:**

Motion was made by Vice Mayor Burnett and seconded by Council Member Lewis for approval of Ordinance 769 with aforementioned considerations.

Council Member Bradburn reiterated that she would support a cost-of-living and/or merit-based salary increase for employees of 2% as well as an HRA reimbursement and decrease of fluoridation.

Mayor Pugh asked for public input; there was none.

City Clerk Phillips read Ordinance No. 769 by title, as follows:

**AN ORDINANCE APPROPRIATING CERTAIN MONIES FOR THE GENERAL OPERATIONS OF THE CITY OF BROOKSVILLE, FLORIDA, FROM ITS SEVERAL FUNDS FOR THE TWELVE MONTH PERIOD BEGINNING OCTOBER 1, 2008 AND ENDING SEPTEMBER 30, 2009.**

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

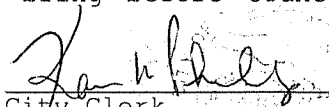
Council Member Bradburn	AYE
Council Member Lewis	AYE
Council Member Bernardini	AYE
Vice Mayor Burnett	AYE
Mayor Pugh	AYE

Council Member Bernardini indicated he voted in favor but reiterated that he felt the millage could have been increased to allow for a 2% raise for employees.

Council Member Bernardini also indicated that the owners in the Colonial area requested it be relayed to Progress Energy during discussions that their lights go out every time the wind blows.

**ADJOURNMENT**

There being no further business to bring before Council, the meeting adjourned at 10:57 p.m.

  
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City Clerk

Attest: