

MINUTES OF THE MEETING OF THE BOARD OF COUNTY COMMISSIONERS
BREVARD COUNTY, FLORIDA

5:00 PM

The Board of County Commissioners of Brevard County, Florida, met in regular session on October 1, 2015 at 5:04 PM in the Government Center Commission Room, Building C, 2725 Judge Fran Jamieson Way, Viera, Florida.

CALL TO ORDER

Attendee Name	Title	Status	Arrived
Robin Fisher	Chairman/Commissioner District 1	Present	
Jim Barfield	Vice Chairman/Commissioner District 2	Present	
Trudie Infantini	Commissioner District 3	Present	
Curt Smith	Commissioner District 4	Present	
Andy Anderson	Commissioner District 5	Absent	

ZONING STATEMENT

The Board of County Commissioners acts as a Quasi-Judicial body when it hears requests for rezonings and Conditional Use Permits. Applicants must provide competent substantial evidence establishing facts, or expert witness testimony showing that the request meets the Zoning Code and the Comprehensive Plan criteria. Opponents must also testify as to facts, or provide expert testimony; whether they like, or dislike, a request is not competent evidence. The Board must then decide whether the evidence demonstrates consistency and compatibility with the Comprehensive Plan and the existing rules in the Zoning Ordinance, property adjacent to the property to be rezoned, and the actual development of the surrounding area. The Board cannot consider speculation, non-expert opinion testimony, or poll the audience by asking those in favor or opposed to stand up or raise their hands. If a Commissioner has had communications regarding a rezoning or Conditional Use Permit request before the Board, the Commissioner must disclose the subject of the communication and the identity of the person, group, or entity, with whom the communication took place before the Board takes action on the request. Likewise, if a Commissioner has made a site visit, inspections, or investigation, the Commissioner must disclose that fact before the Board takes action on the request. Each applicant is allowed a total of 15 minutes to present their request unless the time is extended by a majority vote of the Board. The applicant may reserve any portion of the 15 minutes of rebuttal. Other speakers are allowed five minutes to speak. Speakers may not pass their time to someone else in order to give that person more time to speak.

INVOCATION

The invocation was given by Reverend Vernon Clay, Antioch Christian Fellowship Baptist Church, Titusville.

PLEDGE OF ALLEGIANCE

Commissioner Infantini led the assembly in the Pledge of Allegiance.

PUBLIC HEARINGS

Chairman Fisher called for a public hearing to consider Planning and Zoning Board recommendations of September 21, 2015 and Port St. John Recommendations of September 9, 2015.

III.B.1. (15PZ00048) - DILESH ENTERPRISES, LLC - (JOSE RIPOLL) - REQUESTS A CUP FOR ALCOHOLIC BEVERAGES (FULL LIQUOR) FOR ON-PREMISES CONSUMPTION WITH A RESTAURANT IN A TU-1 (20) ZONING CLASSIFICATION ON 1.3 ACRES, LOCATED ON THE WEST SIDE OF HWY A1A, BETWEEN NORTH COURT AND SOUTH COURT (2910 N. HWY A1A, INDIALANTIC)

Cynthia Fox, Planning and Zoning Manager, stated that this is request is for a Conditional Use Permit (CUP) to add liquor to an existing beer and wine service in conjunction with an existing restaurant in a TU-1 Zoning classification; this existing restaurant is also increasing their seating from 51 seats to 71 seats, by adding an outdoor patio area; and this restaurant is existing and was granted a CUP for beer and wine in 2002; and Planning and Zoning has recommended approval of this request.

There being no comments or objections, the Board approved a request from Dilesh Enterprises, LLC for a Conditional Use Permit for Alcoholic Beverages (Full-Liquor) for On-Premises Consumption in Conjunction with a Restaurant in a TU-1(20) Zoning Classification on 1.3 acres, located on the west side of Highway A1A, between North Court and South Court.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Trudie Infantini, Commissioner District 3
SECONDER:	Curt Smith, Commissioner District 4
AYES:	Robin Fisher, Jim Barfield, Trudie Infantini, Curt Smith

III.B.2., (15PZ00046) - SOUTHEASTERN METRO SAVINGS, LLC - (RICHARD MANNING) - REQUESTS REMOVAL OF AN EXISTING BDP IN BU-1, BU-2, AND AU ZONING CLASSIFICATIONS, ON 14.76 ACRES, LOCATED ON THE SOUTH SIDE OF SR 520, APPROX. 500 FT. WEST OF LAKE POINSETT RD. (5115 SR 520, COCOA)

Cynthia Fox, Planning and Zoning Manager, stated that this is a request for removal of a Binding Development Plan (BDP) in the BU-2, BU-1, and AU zoning classifications; this existing BDP limited the use of the site to office and warehouse uses, and provided some large buffer areas to the south and east; the new tenants of the building are requesting the removal of the BDP because they are planning to use the site for electronics assembly and manufacturing; and this request was considered by the Planning and Zoning Board on September 21, and after concerns from the neighboring properties with the removal of the buffer areas, this was tabled to the Local Planning Agency meeting on September 28. She went on to say that Planning and Zoning has amended the BDP rather than a removal, the Planning and Zoning Board has recommended that the amended BDP be limited to manufacturing, compounding, processing, packaging, storage, treatment, or assembly of electronics; professional scientific, photographic and optical instruments; technical and scientific products and materials; and retaining existing buffers as established in the recorded BDP as it had existed when it was originally approved in 2001.

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Chairman Fisher inquired if the buffering would stay in place with the BDP. Ms. Fox responded that the BDP keeps the buffers in place.

Susan Frank stated that her home is adjacent to the subject property; she concurred with the changes that have been made, and thanked the Planning and Zoning Board and its staff with their assistance; and she also thanked the Board of County Commissioners for its consideration of this matter.

Commissioner Barfield stated for clarification that this is an amended BDP.

There being no further comments or objections, the Board approved a request from Southeastern Metro Savings, LLC with an amended BDP limited to manufacturing, compounding, processing, packaging, storage, treatment, or assembly of electronics; professional, scientific, photographic and optical instruments; technical and scientific products and materials; and retaining existing buffers established by BDP recorded in ORB 4502, Pages 2171 - 2176, of the Public Records of Brevard County.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Curt Smith, Commissioner District 4
SECONDER:	Trudie Infantini, Commissioner District 3
AYES:	Robin Fisher, Jim Barfield, Trudie Infantini, Curt Smith

III.B.3. (15PZ00047) - ROTATION HOLDINGS, LLC - REQUESTS A CHANGE OF CLASSIFICATION FROM BU-1 TO BU-2, ON 1.38 ACRES, LOCATED ON THE EAST SIDE OF US HWY 1, APPROX. 0.18 MILE NORTH OF CIDCO ROAD

Cynthia Fox, Planning and Zoning Manager, stated that this request is for a change from BU-1 to BU-2 zoning for the purpose of developing the property as boat, trailer, and RV storage at the rear, and using the front portion of the property as retail motorcycle part business; the Planning and Zoning Board tabled this item and then subsequently approved this request with the Binding Development Plan (BDP) offered by the applicant; those stipulations are prohibiting motorcycle repairs on the property, providing an eight-foot tall concrete wall on the east property line, and limiting the usage of the eastern 241 feet of the property for long-term secured recreational vehicles, boats, trailers, vehicles storage parking lot; and the Planning and Zoning Board and Local Planning Agency recommended approval of the BDP.

There being no comments or objections, the Board approved a request from Rotation Holdings, LLC with a BDP prohibiting motorcycle repairs on the property, providing an eight-foot tall concrete wall along the east (rear) property line; and limiting usage of the eastern 241 feet. of the property for long-term secured recreation vehicles, boats, trailers, vehicles storage parking lot.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Curt Smith, Commissioner District 4
SECONDER:	Jim Barfield, Vice Chairman/Commissioner District 2
AYES:	Robin Fisher, Jim Barfield, Trudie Infantini, Curt Smith

III.B.4. (15PZ00033) - GARY K. AND CAROL LYNN BARTLETT, TRUSTEES – (ANGELA ABBOTT) - REQUESTS A SMALL SCALE PLAN AMENDMENT (15S.08) TO CHANGE THE FUTURE LAND USE FROM RESIDENTIAL 1 TO NC, AND A CHANGE OF CLASSIFICATION FROM RU-1-9 TO BU-1-A, ON 0.27 ACRE, LOCATED ON THE NORTHEAST CORNER OF FAY BLVD. AND SEVERNDALE ST. (3930 FAY BLVD., COCOA)

Cynthia Fox, Planning and Zoning Manager, stated this request for BU-1-A zoning is to remove the non-conforming status of an existing daycare and preschool; this request also included an Small Scale Plan Amendment (SSPA) request, however as this request, pursuant to Policy 2.14, is consider transitional, Planning and Zoning did not need the SSPA; and so this request is to approve the BU-1-A zoning classification change with a Binding Development Plan limited to childcare facility and a pre-kindergarten school, and to deny the SSPA.

There being no further comments or objections, the Board approved the BU-1-A Zoning Classification Change with a BDP limited to a childcare facility and a pre-kindergarten school; and denied the Small Scale Plan Amendment with finding that zoning is a transitional use pursuant to Policy 2.14 of the Future Land Use Element.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Trudie Infantini, Commissioner District 3
SECONDER:	Curt Smith, Commissioner District 4
AYES:	Robin Fisher, Jim Barfield, Trudie Infantini, Curt Smith

V.A., CITIZEN REQUEST BY PETER FUSSCAS, RE: CITIZEN BUDGET REVIEW COMMITTEE MEMBER REPORT

Peter Fusscas stated that the Budget Review Committee reached no consensus, nor made any recommendations to raise taxes, or cut, or eliminate programs; based on each member's professional experience and expertise, and based on the information that the County was gracious enough to share, each member was asked to suggest public policy choices for the Board of County Commissioners to consider for future budgets. He went on to say that the Budget Committee's work is not done, and has until December, and he believes it is going to continue to be active, and actually what it is looking for is a set of priorities for next year. He added that all large and complex enterprises need clear and specific priorities to guide operation and budget planning, along with appropriate measures to verify achievement or any shortfall of results; he recommended that the Board create procedures for the development, maintenance, annual update, and public reporting of a long range strategic plan; the plan should address near term and long range needs for all aspects of County operations, taking into consideration demographics, infrastructure, history and trends, productivity improvements, and forecasts of county revenues and economic trends; and each year a report should be published to the public and to the County Manager, specifying and ranking the priorities for all departments of government and the associated spending priorities. He stated this report will provide guidance for each succeeding budget year; and each year a report shall be published summarizing the results of county government performance to the plan, and particularly addressing the specified budget and operational priorities of the last annual plan. He continued by stating that there is no formal plan that is visible to the public and the employees and

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management of the county government that addresses long range plans and results. He added that another recommendation is Zero Based Budgeting A Pilot Program, government by its nature is a service organization, uniquely positioned to apply zero based budgeting methods for the vast majority of its operating expenses, the recommendation is to select an agency or department within an agency and run a pilot program to introduce, train, test, and evaluate zero based budgeting; at the conclusion of the pilot program there should be a full report made to the Board on the results of the zero based experience; and it is recommended that Martin Adams, Harris Corporation retired executive, conduct this program, he is professionally qualified by education and experience to run such a program. He went on to state that in the last ten years \$44 million from the General Fund was spent funding the Community Redevelopment Agencies (CRA's) and, recently, the Economic Development Zone (EDZ); since inception in 2002, \$52 million has been spent; in 2015 \$6,751,000 was spent on 23 CRA's and one Economic Development Zone; General Fund expenditures on CRA's went from \$1.07 million in 2002 to \$6.75 million in 2015; and CRA expenditures peaked in 2009 at \$5.39 million and declined because of the downturn of the economy in 2013, but it reversed itself as the economy does, as it goes up and down. He advised the Tax Increment Financing (TIF) revenues increased by \$242,000, it is in a recovery right now, that is County data; he took the basic fundamental formulas and projected what the CRA's are going to cost the County in 10-20 years; it is looking at \$81 million in ten years; \$122 million in 15 years; \$203 million in 20 years; and the assumptions are pretty constraint, 2.5 percent growth, no additions in the number of CRA's or EDZ's, no expansions of existing special districts, and that is not going to happen; and they know that CRA's expand dramatically. He suggested that if it is legal, the Board could pull out of some of the CRA's and EDZ's, re-allocate the resources, or increase the number and expand them, if that is the public policy of the Board. He addressed the critical needs in Brevard County, which the Board has to balance the funding of CRA's with the alternative uses of those allocation of those resources, and, employees' wages and salaries; containing healthcare costs; road repair and maintenance, the County needs \$18.2 million over 15 years; and economic development, growing our tax base, if the tax base is not increasing, there will not be resources in which to run the government. He added that there will be no long term effect, in his opinion, the municipality will still have 30-60 years to end blighted conditions; a CRA Trust Fund receives about 40 percent of its funds from the County and 60 percent from the municipalities, so if 40 percent of the funds are lost, there is still 60 percent left, and it does not mean that the projects cannot be done, it just means it is going to take longer; and projects will take 12 months; if the municipalities dissolve their CRA's, they will have better flexibility in the use of their resources, because the Statute defines CRA funding can be used, and without a CRA funds can be used for anything. He explained that with regards to the North Brevard Economic Development Zone (NBEDZ), it probably costs about \$96 million in 20-30 years; Economic Development is a County priority; he suggested the model that Commissioner Fisher put together should be considered being used in the other four districts; and over time that will level the playing field economically and expand economic development throughout the entire County. He suggested that another alternative would be to dissolve NBEDZ and fund the EDC by a like amount; the EDC is countywide, has competent staff, facilities, experienced leadership, and a successful track record already in place. He shared comments that he received from other people; CRA's are slush funds, municipalities use CRA's to offset municipal operation expenditures, and so on and so forth. He added that he really had trouble getting information on CRA's, and suggested that it all needs to be in one place and there needs to be a standard reporting model; he added that there needs to be someone responsible to consolidate the records, the filings, confirm that they are in conformance with the law, maintain a copy of capital plans, expenditures, debt documentation, maintain the minutes, ensure that the Financial Reports follow a uniform chart of accounts, and keep a record of CRA distribution. He went on to suggest that there is a critical need to identify potential reductions in healthcare costs; and in summary, McGladrey, ten-year expenditure analysis, County's health plan expenses (including employer and employee contributions) have increased 56.4 percent over the ten year period; costs-per-member have increased 70 percent; he added that Back House Consulting, says basically the same thing,

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their figures are: total healthcare cost in 2015 is estimated at \$12,855 per individual, cost in 2020 \$18,976 excluding the Cadillac Tax; and as to the Cadillac Tax, his understanding is that Hillary Clinton has come out for the repeal of the Cadillac Tax, and his confidence in her in winning the election, he does not think the Cadillac Tax will be a problem for Brevard County in the future. He summarized by saying he provided the Board with a list of resources available for re-allocation based on a re-alignment of priorities; those are the priorities that the Board should be setting the guidelines for; \$203 million on CRA's, 600 retirees removed from the county health insurance, healthcare models should be looked at; he does not care who does it as long as they are independent, competent, and outside the network; healthcare models would save \$180-\$300 million over 20 years; so the County is looking at \$600-\$700 million over 20 years. He read aloud a quote by Confucius, "When it is obvious that the goals cannot be reached, don't adjust the goals, adjust your actions".

Commissioner Barfield stated the he knows this is after the budget has been done, and would hope for the next budget cycle; and what was said in the Resolution was that prior to setting a millage, prior to the first budget reading, prior the second budget reading, the Budget Review Committee would give the Board a report, and if it can use that information as they are developing a budget, and as they are approving a budget, it is invaluable.

The Board acknowledged a Citizen Budget Review Committee Member Report by Peter Fusscas, and took no formal action.

V.B., CITIZEN REQUEST BY DAVE PASLEY, RE: CITIZEN BUDGET REVIEW COMMITTEE MEMBER REPORT

Dave Pasley stated that this has been an interesting experience, clarified that the Budget Review Committee is not recommending a half-cent sales tax increase, and a six cents a gallon gas tax increase; a consensus was not met; however, the Budget Review Committee, as Mr. Fusscus mentioned, did agree that each of us would make some statements. He went on to state that the Budget Review Committee did not make up any numbers; they got them either from outside sources or from the Comprehensive Annual Financial Report (CAFR), whether or not the numbers are correct, he cannot say, but added that if anybody wants to sit down and spend the time with that CAFR and go through it, he has a copy. He added that his comments were on looking at the IT Department, and in fact there is an IT Department for the County, the School Board, and the Clerk of Courts has an IT Department. He added that he cannot comment on it entirely, that there are some studies that need to take place to look and see if, somehow or another, some of the activities can be combined, and if some can be outsourced. He added that his biggest concern is the fact that, at least from the Clerks office and the County's office, it looks like some old software, outdated software is being used, and there is a lot of maintenance on it, and where spending a lot of time and resources; and he understands that it costs money to upgrade, but again, if it were outsourced, perhaps the outsourcing company would bring that in and it would help the County out. He went on to say the Board's first budgeting responsibility is disciplined budgeting, setting priorities and establishing goals and objectives, and that is one of the times the Budget Review Committee sits in on Commission meetings and watches where money is being spent, and there does not seem to be a concise direction. He added that the next group of folks that comes up with orange t-shirts or purple t-shirts, seem to get the attention of the Commission, but going back to say, that is nice but this is how the money is being spent; he stated that one of the things that money is not being spent on is roads, and there is money in the budget, there is enough money coming into the County that the County can afford to pay for roads, but the priorities are wrong. He went on the say that what is necessary, needs to be established and the priorities need to be reset. He compared the situation to the analogy of a water bill that is too high, explaining that every faucet is leaking, the toilet is running, and the yard is being watered every day, and as a solution,

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should he go to his boss and ask him for more money because he does not have enough money to pay the water bill; and he asked, why not fix some of the leaks. He stated that he mentioned previously that the Budget Review Committee did not find a pot of gold, but there are a lot of diamonds and lot of gold nuggets out there. He added that from a 10,000 foot fly over, and that is basically what had to be done, is take a look at it the best they could, they can see a lot; but what really needs to happen is the County needs to dig down into the departments, and in talking with some of the department managers, they are in agreement; they want sit down and take a look at this and see if there is a way to save a dollar or two. He concluded by stating that the taxes do not need to be raised, the priorities need to be set straight.

Dale Young stated that the Budget Review Committee is not about setting the budget or helping set the budget, it is looking into the budget and seeing how the process can be improved. He pointed out the government being involved is a creation of the government to provide the needed services such as common security, sanitation regulation, economics, and they provided a logical system to fund those services based on the community population, and property values; it is a really simple, workable formula, and that is where the Board should start with the budget, it is how much money is there to spend, that is the way a common household would do it; the founders of America had over 700 years of planning, they did not just sit down, this thing was developed over seven centuries as to how to run a government, and they knew that they had a problem when the king said that it all belongs to him and he will do what he feels like; and that is how America was created, that system kind of broke down, and so we need to retain the system that we started with. He went on to add this all seems kind of far removed from the budget, well it really is not; it is what the budget is about. He noted the Board just heard some comments here about a big need for road maintenance, and right now there is a consideration for a half-cent sales tax in Melbourne and Palm Bay; there is a consideration on an independent taxing district in Palm Bay for roads; the County has over \$18 million coming in every year for roads; he mentioned there is \$154 million in bonding, but another \$180 million over the last 10 years, that is half a billion dollars; and that is the money available to fix roads. He stated that the Board needs to, as has been stated, apply the priorities where it needs to be; if it had the figure that has been mentioned, \$280 million, and this was kind of sloughed off, it does not matter what the percentage of the total is for 20 years, the fact is it should have never been done; and \$280 million is being taken out of the General Fund, that pays everybody's pensions and salaries, so this money belongs somewhere else, it is not discretionary revenue. He suggested taking a strong look a Community Redevelopment Agencies (CRA's). He added that he does not care if the cities continue the CRA's, just that the County taxes are taken out of it; CRA's do not need 40 percent for the projects that they want to do, if it is important to them, let them fund it on their own; and he is going to make that suggestion to the Charter Committee as well, he believes it is something that needs to be done. He concluded by stating that hopefully the Board did get a copy of his report, if not he will make sure that they do get it, there are some other things in it that he believes the Board needs to see.

The Board acknowledged Citizen Budget Review Committee Member Reports by Dave Pasley and Dale Young, and took no formal action.

V.C., CITIZEN REQUEST BY MICHAEL SLOTKIN, PHD, RE: CITIZEN BUDGET REVIEW COMMITTEE MEMBER REPORT

Michael Slotkin stated that he served on the blue ribbon panel for transportation a year and a half ago, and presented culminating slides of the report that was put together, which basically detailed a need of approaching \$600 million for road and bridges; the silos in the middle, additional recurring funding requirement of \$6.2 million annually, it means if the Board has a sustainable program and is actually redoing, or repaving, the 55 miles of road that it needs to do each year, it would need an additional \$6.2 million; and currently, approximately eight miles

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of those 55 are being resurfaced. He explained to the Board the silos next to it, where it says deferred maintenance legacy costs, is basically a remediation issue, because it has not been sustainable in a long period of time; these are roads that are now in some state of disrepair, but do not need complete reconstruction, and that cost is significant here, that cost probably amounts to about \$12 million per year; and, of course, the very last silo is the identified capacity needs, these would be the expansion in the roadways in the area, and that identified need, according to the report to that point in time, was about \$443 million. He stated this is a significant amount of money, in fact, and he knows the Board puts out the budget and people read the newspapers, but when there is a budget of over a billion dollars, the new revenues are not a billion dollars; and the new revenues are about \$500 and \$5,500 and \$60 million, so in effect the amount of the ask up there, amounts to all the revenues accrued in one fiscal year. He advised he came into this process understanding that, and there is another aspect that he understood, and was kind of curious as he talked to different Council and Commission members, whether he would get verification of this as theory, which is basically to put the Ad Valorem receipts in the numerator and the amount of personal income that is garnered in Brevard County each year, which would be net earnings, dividends, interest, and rent and transfer payments in the denominator, and actually see where we are in the context of this cycle; the last figure he can provide to the Board is 2013, because the 2014 income figures are not available, until they are released in November by the Census Bureau, but the Board is probably right now are at about a 30 year low at this, so this really is a time where it has a very tight situation with respect to the budget from something that is really outside roads and bridges, because in his opinion, there never was a plan for roads and bridges; and \$600 million in needs is not accumulated with having a financial plan for this, so the idea that somehow we are going to find some pot of gold in a budget that is at historic lows fiscally in terms of Ad Valorem receipts, is just fooling one's self. He pointed out there is an issue with these roads that is just going to accumulate over time, and if he can give the Board a parable for his job, his full-time job, it is like watching these kids that start off a college semester and they get to week six and week eight and then they realize they are hopelessly behind, and the semester can get away from you real quick, and he is afraid this issue is getting away from the Board real quick; that is the end game, he explained to the Board why he is so pessimistic on this ratio regenerating itself; so, to remind the Board, the numerator is the Brevard Ad Valorem receipts, and these are the actual receipts, he has included 2016, that was the proposed budget that the Board has right here; and, here is the actual Brevard Personal Income, and just to note, Brevard Personal Income is not the personal income of an individual, it is the entire County and that includes net earnings, what accountants refer as unearned income, dividends, interest and rent, and transfer payments. He stated these would be payments that come to some of our retirees, unemployment compensation; the Federal government had a huge amount of transfer payments that came in during the great recession to this area; now, these payments are unadjusted for inflation, as the ad valorem receipts are unadjusted for inflation, so as these things rise, this is a proxy for demand because cost of living increases means the cost of your goods and services are going to go up; and Brevard personal income also goes up, because the population goes up as well, demands of goods and services goes up, but Brevard personal income also goes up, because per capita income goes up, adjusted for inflation. He advised he has the per capita income up there in blue, and he has the adjusted per capita income, adjusted for inflation, it is all calibrated to year 2013 dollars, and while the Board sees the angulations associated with recessions up there, the trend overall is upward; personal income adjusted for inflation goes up, it has been doing this for a long time when income goes up, and the demand for goods and services goes up; and just to take a particular department, if the County brings the IT guy up here he is going to tell it that the citizens demand for services from them, in terms of what they want interactively, have changed through the years in the demands increase, that is logical, as income goes up, demand increases. He noted what he has up here for the Board is going back through the years from '95, the percentage change from personal income, in blue, and the percentage change in ad valorem receipts, basically, with the bust getting into 2007 the ad valorem receipts are lower than the blue line, and it sees the pick up recently, but the reason he is not very optimistic, is

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that pick up is not all that substantial, it is about on order of magnitude of three percent in years '14 and '16, and he understanding is '15 was something of an aberrational year, because there was a power plant that came on line and that would add to construction base there, there will not be a power plant coming online every year; he is talking about probably increases that are approximating at three percent, maybe four percent; he pulled up the change in personal income and change in jobs, and is looking for the blue line to be going up by about three percent, as ad valorem has; and he asked the Board to take a look at its 2014, because this is the number that he is wondering what is going to happen with personal income; the increase in the jobs is two percent, so the budget is going to get tighter, and from that tight budget, with all these other departments, somehow he is expected to believe that the Board is going to come up with \$600 million for these roads, it is not; and the Board is going to kick the can down the road until somebody else asks if something is going to be done about now, or the Board can pass it off to next County Commission and let them worry about it at some point. He added that it is thought that it helps for people to move back personally, and show how an issue impacts them, so he will be the first one to claim this; he shared his property taxes with the Board. He stated that he built his house in 2001, his property taxes with the adjustment of the house come online in 2002, and that the blue line are the total property tax payments; the blue line is lower than it was in 2002, but that is not the big issue up there, this figure has to be adjusted for inflation; the amount of dollars he paid in 2002 were worth more than they are in 2013, dollars devalue over time; and the red line actually shows the inflation adjusted figure. He went on to say to pick somebody else, to pick somebody like a former County Commissioner; he showed the figure for somebody that goes all the way back to 1995; here is the problem, since 1995 inflation been 55 percent, so if that initial blue figure in 1995, that is about \$1,780, was adjusted for inflation, like many peoples social security payments, or benefits are adjusted for inflation, that last blue line would be were the red line is. He added here is what it looks like adjusted for inflation; now, this is somebody that did not move, because they understand that when a person moves there is going to be a reset to the property value, but if a person stayed in the same house, and has been there since 1995, they are paying lower property taxes adjusted for inflation; he does not see how that system holds; that tells a lot, because there was pretty much stability until 2002, 2003, and then there is a regime change; he does not know enough history to know that, but that cannot hold; he drew the attention of the Board to a dip in the graph in 2008, 2009; and that was because of Save Our Homes, peoples values were so low in relation to market value, that when market value started crashing the taxable value that they pay was still going up, because there was such a discrepancy between market value and assessed value at that point in time. He went on to say it took about three years to phase out, but the correction downward can be seen. He added that he does not have 2015 and 2016 up there, but he has gotten his property tax bill, it is a community rate, figures are lower for '15 and '16. He went on to state that he does not see how the Board is going to solve this issue if this is what is being seen for longtime residents. He asked what is the first step; put an anchor down and try to solve one problem, start with the roads; that means anything else that comes in, in terms of organic increases in revenue, the Board can use for the other purposes; he added that this is not going to change; and the Board is going to be in a tighter and tighter budget with each successive year.

Commissioner Smith thanked Mr. Slotkin, and added that he and Commissioner Barfield are very much aware of that; and that is why, everybody here has probably heard him say that the roads have got to be fixed and the Board has got to come up with some solutions; and it may not be pretty, what it is going to have to do; and it is not going to go away. He added that he stated several weeks ago, there is no cavalry coming over the hill with a big pile of money to fix the problems, it is up to the Board, and it is going to have to make those tough decisions, but he thinks it is up to it.

Commissioner Barfield stated that it is not just roads; it is the future; there is a lot to do, there are a lot of things, because the Board is behind in a lot of other areas too, it is aware of that.

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The Board acknowledged a Citizen Budget Review Committee Member Report by Michael Slotkin, PhD, and took no formal action.

VI. PUBLIC COMMENTS

Tim Ford, Planner with the City of Titusville, provided the Board with a presentation regarding redevelopment in Titusville.

Commissioner Smith stated that there could be a CRA of just Titusville, it would take longer, because it would not be getting 40 percent from the County; and being that the CRA's are a drain on the County finances, and that there are no surpluses in the County; and the County could use those 40 percent figures. He went on to state the Board cannot change the CRA's now, because it is contracts, so if a City has a CRA, it is going to keep that CRA; he added that he wanted to go on the record as saying that in the future, he thinks this Commission, and other ones, need to look at CRA's and the effect they have; and they just do not seem to go away. He went on the state that it would seem to him, it would behoove future County Commissions if in its wisdom they determine that there has to be or should be a CRA, there is a blighted area that really needs some help, to restrict that to ten years; most of these projects that he has been looking at have made tremendous progress in the first three to five years, so it could be wrapped up in ten years; and a sunset would also enable the future Commission an opportunity to say, okay, it has done a great job, it still has more work to do, and to renew it for another ten years, or just let it go away. He added that right now there are CRA's that have been in effect for 20, 30 years, and he has seen several cases where the County keeps using the money for things that were not part of the original blight; it just keeps putting it in other projects, which is commendable, except for the fact that there is no pay back to the County; it would be like if he went to a bank, and he had a house that he wanted to remodel, and the bank is willing to give him money each year to remodel, and he never finishes; and he inquired where is the pay back. He stated the bank is not going to stand for that; and the County is the bank in this particular scenario. He added that he is not beating up on CRA's, he is just making statements and what CRA's have done here is commendable, it is terrific; but, he wants to set the record straight, that from his point of view CRA's can be out of control.

Mr. Ford responded that many of the newer CRA's do have sunset provisions, and when they are created those limitations can be put in place and negotiated.

Commissioner Infantini stated that she had two questions; and she asked Mr. Ford if he could tell her which of those projects were completed after 2010.

Mr. Ford responded, off of the top of his head, no.

Commissioner Infantini stated that she thought she had seen those same projects in the original presentation; the Board had a CRA workshop, and she thought she remembered, when Courtney Barker was head of the Titusville CRA, most of those items, and was very impressed by all the things Titusville had done with its CRA; she had wondered when is the end game; and she asked Mr. Ford how long do he thinks that the Titusville CRA should last.

Mr. Ford stated that is not a question for him to answer; that is a policy question.

Commissioner Inantini stated that she understands it is not for him to make the determination; and asked if he thinks that a CRA should have an end time, or if they should go on forever.

Mr. Ford replied that it is up to the community to do that, to set what time limit they need; typically it's 30 years, and he believes that State Statute, for some of them, allows them to go

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another 30 years, and then that is it; and then there are others that are later, that are others that are later and only have a 40 year time limit; and he added that it is something that can be negotiated between the County and the Cities.

Commissioner Infantini commended Mr. Ford on his response.

Chairman Fisher stated that he believes one of the current projects is the downtown welcome center, and a lot of times CRA's have to wait for the pot of money to grow before they can do projects; and sometimes it takes three to five years of revenue sources before one thing can be done; and it is not like the money comes right there every year, at a huge amount, some projects cost more than the revenue.

Marty Adams stated that as a citizen he considers himself to be part of government, he is not in government, but he pays taxes and fees, and enjoys the services and protections of government; and he believes that citizens should feedback and constructively support government and its ongoing goals to become more transparent, efficient, and competent. He added that he was surprised because he was the one who brought forward the citizen recommendation urging the Commission to approve a pilot to take a look at zero based budgeting; and he agrees with most of the criticisms of zero based budgeting, because its failures are due to being misapplied, and put in the situation the wrong way by the wrong people with the wrong motivations, and so if it is set up to fail, it will. He advised that he is not here to convince people of his point of view, but he still believes there is an appropriate way. He went on to state that he really did like hearing about the program process approach, that it works; and he would like to learn more about it and possible make some contributions to it. He added that he wondered what is missing and what is wrong, that an individual such as Mr. Slotkin has to go to all this effort to put focus on something that has been getting neglected for such a long time; he recalled that Howard Tipton wrote an article in *Florida Today*, in which he lamented the lack of attention to infrastructure. He added that he sees the Commission as a Board of Directors, and the County employees, the County managers, the CEO serves at the pleasure of the Board. He went on to state that when he thinks of a strategic plan, and maybe it exists but he has not seen it, to think about; and what it is, is for this Commission, for representing himself and other citizens of Brevard, to lay out, each year, what it thinks the key priorities are and make sure that in the budget process, that the budgets are put in place to support those priorities.

Dr. Stephany Eley, President of the Space Coast League of Cities, City of West Melbourne, presented comments favoring and outlining the benefits of the CRA in West Melbourne.

Lisa Frazier, Director for the Merritt Island Redevelopment Agency (MIRA), provided the Board with a presentation outlining the benefits of MIRA.

Commissioner Infantini asked Dr. Eley to go back to the slide on the septic, and stated that this is one of the biggest reasons why she is against CRA's; she added that this is such a positive, feel good thing, and it is great; and she is glad, in one way, she could argue on both sides on this one, on one way she is glad the CRA is using funds for this, however, she knows of a property owner that has to pay for it out of his own pocket. She went on to state that the fact that businesses cannot expand and change the way they do business, what they can offer at the certain property; they got that piece of property at a lower price, so now, General Fund dollars are being used to make those improvements with the septic tank, converting it to the sewer system; and all of the profits will go to that property owner, they are not going back to the County. She stated when that person sells their property, all of those profits are going to go back to the property owner; she added that when her father had to convert from the septic system to the sewer system in Miami Dade County, he was given ten years to pay it off, and they converted him; he paid for that, and he reaped the benefits of the profits; in this case, property owners are buying property at a low value, the County converting them over to the

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sewer system to increase the capacity; Wawa in West Melbourne bought that property at a lower price, now, they are being converted on a sewer system; and now they can sell that property at a higher price. She pointed out it is not fair, some people are getting the benefit of the CRA; and she added that everybody knows that she is opposed to CRA's.

Commissioner Barfield stated that there is one other aspect of this, Cone Road; North of Merritt Island Airport, there is an area with industry and it is very limited what can be done to be redeveloped, because it is all on septic tank; part of the major work that is going to be done on Cone Road is to put drainage out to a regional lake, a regional discharge, and also put sewer in. He added that all at one time, money is being leveraged and MIRA would pay for the sewer; what that does is now these companies who what to expand, who cannot do anything because they have septic tanks; now they can expand, they would be limited to what they can do, and once that happens they expand, more business grows, and it brings in more business; that is the impact here, it is on small businesses; and this is what CRA's do, they help small businesses, which run this country. He concluded by stating that he sees where the advantages are.

Ms. Frazier stated that there is the spin off effect; and she understands what Commissioner Infantini stated regarding the property owner being able to sell for a greater value; then that property is valued higher and a business is able to come in; and it is the other ways to measure redevelopment, with employment, retail sales, tax dollars from other venues. She added that by replacing the septic tanks, they are having a detrimental effect on the Indian River Lagoon, and cleaning up the water quality of the Indian River Lagoon is an economic benefit to Brevard County.

Commissioner Infantini questioned that if it is a benefit, and it is a good plan; why not offer a grant program to convert everybody in Brevard County who is on septic. She suggested that if this is good for the County and good for the Lagoon, to put that as a County priority, and use grant money, all the money that is going to CRA's, to change over from septic to sewer.

Commissioner Smith stated that he likes that MIRA wants to clean up the Indian River Lagoon, but it is not part of the CRA. He asked Ms. Frazier what the original goal of the CRA was, and what was the Original blighted area that needed to be redeveloped.

Ms. Frazier responded by stating that in 1989 the first CRA was established in order to assist the properties along State Road 520, and then later it was expanded.

Commissioner Smith pointed out that the assistance with those properties was completed within ten years; and he has had a number of people from the MIRA come to his office, complaining that if MIRA goes away, that tax money has to go back to the County if cannot be used for their little area anymore. He exclaimed that the money is supposed to go to the County; at some point in time, it has got to go to the County, because it is the County's money, it is the purpose. He added that he is not arguing that CRA's do not have a purpose, he understands the concept, he is suggesting that in the future CRA's be restricted to ten years; and if there is another area that needs to be redeveloped, to come up with another plan for a second ten years. He added that when these things come to an end, they need to end; and if there are more blighted areas that need to be redeveloped, to show it to the Board and it will be considered. He stated that he is not anti-CRA, and he is not anti-redevelopment, but, he is anti-irresponsible continuation and add-ons, the plan never goes away; more areas to put money can always be found; and he asked, when the County will get its money back.

Ms. Frazier responded by stating that she understands Commissioner Smith's concerns; however, the original MIRA area was established in 1989 for a 30-year program and has been expanded ever since, the last expansion in 2013, which was approved by the Board, was for an

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additional 20 years; so that area will go away in 20 years. She added that there is always a sunset for a CRA, and what she finds disturbing is that it is continually positioned that CRA's are not County dollars, CRA's are using County dollars for County projects, it may be in a particular area, but then that relieves the general funds to be utilized in the other areas. She added that CRA dollars are a part of the Board budget, MIRA is under the Board's umbrella, the Board sees MIRA's budget, they report to the Board, the Board has approved MIRA's plan, and MIRA is working in conjunction with the Board.

Commissioner Smith responded by stating that the money stays where MIRA wants to make it go; and the Board does not get paid back, that is the bottom line; the blighted area that MIRA originally applied for has been redeveloped, and MIRA has taken the money and moved it elsewhere; the folks from MIRA that were in his office said the Board cannot close down MIRA, because then it will have to compete for the dollars, that if it keeps it, it can just keep spending it as it wishes; and he added that, that is not the way CRA's are designed to work, but that is one of the downfalls of a CRA.

Courtney Barker, City Manager of the City of Satellite Beach and Board member for the Florida Redevelopment Association, provided the Board with her comments regarding CRA's.

Commissioner Smith stated that he does not question the successes and the benefits of CRA's, he understands the concept. He added that what he also understands is that there is no oversight. He asked Ms. Barker if it was correct that Satellite Beach wants to pare down to get out of its CRA, and why would that be.

Ms. Barker responded that Commissioner Smith is correct, and Satellite Beach is actually pairing down its CRA in five years because they are almost done; the projects have been identified that it wants to do; however, she added, there are areas that cannot say the same, and she does not think that Satellite Beach should be used as the benchmark, but it is a good example of a Community knowing when they have finished.

Commissioner Smith responded that the Satellite Beach CRA should be commended for that; and he asked if she thought a CRA can be restrictive, because the CRA could be spending its money, its revenues that are coming in, could be spent on other areas, and the CRA restricts that from being done; so, it benefits, in certain cases, to let that CRA go away.

Ms. Barker explained that she believes that restrictions are contingent on the subject area.

Commissioner Barfield clarified that the CRA has to do the plan, the plan is approved, and it works to the plan, when the plan is complete the CRA is done.

Commissioner Smith commented that is his point; MIRA completed their initial plan a long time ago and they are still using the money.

Ms. Barker explained that the economy and the structure of the CRA and the problems that are there, matter a lot in what decisions are made in terms of what projects, and when they can leave and when they can extend; and it is very specific to the community.

Commissioner Infantini stated that Ms. Barker mentioned that this CRA was no longer needed, but that its general fund was needed; she added that the Board's General Fund is needed also. She pointed out that by eliminating this CRA, which will increase Satellite Beach's general fund; by eliminating all of the CRA's, that will increase the Board's General Fund, and if its general fund goes up they do not have to increase property taxes. She added that it was the businesses that came that really rejuvenated downtown Melbourne, it was not the CRA; and the CRA put in a pretty pavers and the cool looking signs, but it was not the CRA that changed it.

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Ms. Barker responded that businesses do make all the difference, however, CRA's pave the way; it is the CRA's that make areas attractive to the businesses, so they will want to come and establish themselves in these areas. She added that when the Board talks about getting rid of a CRA, that is getting rid of a commitment that it made, and this line of thinking will not get the Board anywhere in terms of the partnerships with the cities that are currently in place.

Chairman Fisher stated that people that live in these cities, they pay County taxes; and, he lives in the City of Titusville and he pays City of Titusville taxes, but, he also pays for other things as a city resident, but on his tax bill, it says Brevard County, so there is portion of his taxes going to the County; and he can argue what service he gets from the County, but, he uses County Parks and those types of things, and County roads. He added that in Merritt Island, that is all unincorporated, they do not have a city that they are collecting taxes on; so, the revenue, if some of the MIRA dollars were taken away, they would just be taking more of a General Fund revenue, because they are unincorporated, they do not have a city helping them on a lot of things.

Carol McCormack, Mayor of Palm Shores, provided the Board with a presentation regarding the results and benefits of the Palm Shores Redevelopment Agency.

Commissioner Smith commented that he lives right next to the Town of Palm Shores, and everything that Ms. McCormack presented is true; the place looks terrific compared to what it did 12-14 years ago.

Scott Morgan, City Manager of the City of West Melbourne, provided the Board with a presentation regarding the results and benefits of the City of West Melbourne CRA.

Commissioner Smith commended Mr. Morgan, because all of the work that has been done so far, and he is unsure of what is planned, but it has made a big improvement; and he was in business in West Melbourne for 27 years, and he can see the improvement.

John Titkanich, City Manager of Cocoa, provided the Board with his comments regarding the results and benefits CRA's.

Commissioner Infantini stated that Mr. Titkanich has made the most compelling argument for CRA's; but, that does not mean she is in favor of all of them. She added that the CBRC members that have done the presentations they are volunteers; they are not paid, they did as much research as possible; they have come to her office, they have been to other offices; and, considering that it is a free job, she just wanted to give them recognition because they are working for free.

Mr. Titkanich responded that he commends what those gentlemen do, however, had they made a phone call to his staff, he would have presented the facts before the CBRC.

Commissioner Infantini stated that she believes that the things that the CBRC members were talking about is, for example, Mr. Titkanich mentioned that the City of Cocoa's financial statements are audited, so are Satellite Beach's; and she believes it actually took, a resident to expose the fact that they were paying personal city bills out of their CRA; so, being audited that will help, but it only goes so far, they do not detect all mistakes. She added that some of the slush things they were talking about were not necessarily Cocoa's; she believes when she highlighted and exposed the \$5,000 palm trees that went in on 520, that was one of the things that garnered a lot of attention.

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Mr. Titkanich responded that one cannot plant a small tree and expect it to change the appearance of the road, a more mature tree has to be planted; and in addition to purchasing trees, others that would otherwise have been cut down, were successfully relocated.

Commissioner Infantini stated that she does understand, and wants to compliment Mr. Titkanich, because he did a very good job on explaining why CRA's add so much value; she thinks that there should be an end date, because for some of them, she thinks they have already met their useful lives; and they may not have been 25 years, but she thinks they have already served their purpose.

Commissioner Smith thanked Mr. Titkanich for his presentation. He added that if an area becomes a slum, it did not happen overnight; if an area has become blighted, it did not happen overnight; and it happened because people did not do what they were supposed to do and maintain it. He added that the County is in the same position now with its roads and its infrastructure, it has not been maintained for a lot of different reasons; many of them, the economy had a lot to do with it, the County did not have any control over that. He asked where is the County's CRA.

Mr. Titkanich replied that all of the City CRA's are also the County's CRA's; they are all partners. Commissioner Smith then asked how the Board will then finance the roads. Mr. Titkanich replied that on the same token, he is the City Manager and during the budget process he knows that he has to write that check to the CRA, and he looks at the revenues coming in; but he knows that if he does not write that check that it will cost three to ten times that amount in the future to keep and rebuild the community.

Commissioner Smith stated that, that is where the County is, because there is about 450 miles of roads that need repaving right now, and Brevard has 1,100 County roads; not State roads, not City roads, 1,100 miles of roads that the County is responsible for; and if the roads do not get repaved, and the deterioration gets down to the base they will have to be rebuilt, and it costs six to seven times more to rebuild them than it does to repave them. He added that maintenance is the key; if an area is allowed to become blighted, somebody has dropped the ball along the way and now it has to be fixed.

Mr. Titkanich responded by explaining that he understands the importance of maintenance.

Doug Dombroski, City of Melbourne, provided the Board with his comments regarding the benefits of CRA's

Melissa Byron, CRA Director for the City of Cocoa Beach, provided the Board with her comments regarding the results and benefits of CRA's.

Commissioner Smith stated that he would like to commend all of the CRA representatives; they are very passionate, they are very caring about their areas, and the people in their areas should be very proud that they have leaders that care that much about their properties. He added that, to set the record straight, he is not anti-CRA, he is anti-perpetual CRA; CRA's that just does not go away, CRA's where they last 20 years, 25 years, 30 years, and then they come back and they ask for an extension; and he has not been here when a CRA was established or extended. He added that he is suggesting that the criteria that he will use in the future, is he will want to know exactly what the blighted area is and what the goal of that CRA is; he wants to know exactly what the purpose is, what the approximated time frame is going to be on that purpose.

Commissioner Infantini stated that her problem is, when all those votes took place, regardless of the need, and one of the CRA's that got expanded, it expanded on County-owned property that it said was blighted. She questioned how the County has property that is blighted; she believes

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there is a problem there; the County should not have property that blighted; she suggested that the County mow its lawns, but that went into the CRA, and that is part of the expansion. She added that it is going to take more than two votes to make some changes. She thanked the speakers who came out, and stated that there have been great improvements, fundamentally, however, she disagrees with how CRA's are funded and how those improvements are achieved, and it is a philosophical difference.

Chairman Fisher commented, regarding talk about kicking the can down the road, it can be determined whether CRA's have value, whether parks have values, whether libraries have values; there are a lot of things, everything the Board does has a value. He added that Dr. Slotkin is probably one of the most credible people the Board has representing them, from a standpoint of FIT professor, Economist, he came and told the Board what its problem was; that as a County that has 25,000 more people in it, and then at the same time Brevard wants to compete around its surrounding counties, and you does not want to do what its surrounding counties do, and charge the taxes that it could be charging, on gas tax or on sales tax or on public service tax, those are three things that every surrounding county has a higher rate than Brevard. He added that Brevard has ignored it because a selected few citizens keep crying, they do not want to pay more taxes; Mr. Slotkin is a great example of, he is not paying more taxes; but Brevard has 25 more thousand people in this County and its costs are continuing to climb at a two or three percent rate every year, but everybody is going down. He added that at some point in time the Board is going to have to face the music, and it is going to have to make some tough decisions because everything around us is going up every day. He added that there is not one place in the budget that cannot show that this Commission has not made the necessary cuts, and have made cuts every year they have been in office; and revenue is down, people are down, and the Board has done all the hard stuff. It's time to realize more is needed, it is simple, more revenue is needed; and the Board talks about running like a business, if they went into their office every day and asked staff, what can be cut today, and never talk about how to grow the business, it is going to go out of business.

Commissioner Infantini commented that Brevard's population has not doubled in the last 20 years, but the budget has, and the tax revenue has more than doubled in the last 20 years, she believes that those are the numbers. She added that the Board had somebody came up, who showed a whole analysis, showing the change in population from 2001 to 2009 when everybody raised the property tax rates for the first time; and the change in population was incredibly disproportionate to the property revenue increase. She added that with regards to overspending, the Board has been over spending, and has completely changed the priority and the direction of what government was intended to do, and because of that, now there is no money; it is a spending problem.

Commissioner Smith stated that as a businessman, he gets a little frustrated, because if this is sitting in his place of business and he needs a roof, he just starts putting an extra ten bucks on every invoice, and let the customers pay for the roof; that is his decision, it is his business and he runs the risk of driving customers away; but if his average ticket is a thousand to 1,200 bucks, ten bucks is not going to dissuade anybody from getting their car painted; and they are faced with that same situation here. He added that he believes that the Board has talked to a bunch of people that think that they have some money that can be found, a nugget here, a nugget there, and he would be willing to look at that. He added that the other option would be a gas tax, and he mentioned that one time on a radio show, that if the average person in this County drives 12,000 miles a year, which is considered average, at 20 miles to the gallon, that is 600 gallons of gas a year; if the tax is raised to six cents on every gallon, that is \$36, it is not a tremendous amount of money, but it would yield about \$7 million a year in extra income; he added that people reached out to him after making that statement and told him to think of the ripple effect; he acknowledged that there would be a ripple effect, but if there is \$50 million in road repairs, he suggested that, that' is a bigger ripple effect, and that \$7 million would make a

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big dent in the roads that need to be repaired; and at the same time there are three CRA's that, he understands, have expired back in 2012, and the Board is still trying to figure out how to get those expired. He pointed out Scott Knox, County Attorney, and his staff are working on that; but that would yield \$1 million. He suggested that if the Board were to go down that road, to put a ten-year sunset, or some kind of sunset on CRA's, that would give the County \$7.5 million, the CRA's that are expiring would yield another \$1 million, that would be \$8.5 million; and if \$3 million could be found somewhere in the budget, he believes that might be the formula to get started on this road of recovery to fix the roads.

Commissioner Barfield commented in regards to adding a six cent gas tax, which is assuming that six cents is added per gallon, and that is not the case, a person probably would not even notice a difference.

Commissioner Smith responded that he agrees, and has done those studies too, and the fact is, that is absolutely correct; other Counties have raised it six or nine or ten cents, and it typically gets balanced out.

VII.A., STOCKTON WHITTEN, COUNTY MANAGER

Stockton Whitten, County Manager stated the he is beginning his presentation with an Information Technology (IT) report, due to one of the recommendations being to outsource IT and consolidate with the School Board; he is not recommending exploring consolidation with the School Board. He stated that there is an IT strategic plan in 2015 that was developed by the internal auditors, that is an operational guide for himself and the rest of staff; he added that strategic plans are great, but are dust collectors if not funded. In the Fiscal Year (FY) 2015-2016 Budget there is an increase of \$837,000 in the General Fund for IT, the outsourcing of email to the cloud, SAP Support, database administration, and software development for new applications has also been approved. He stated that contracts for Systems Administration were extended on August 4, 2015; on September 3, 2015, the Board hired Critical Technical position at a competitive market rate above the current internal salary range, and the Board approved a Request for Proposal (RFP) for outsourced senior level technical personnel on September 15, 2015.

Chairman Fisher stated that based on the School Board's current IT issues; he would not suggest that the Board follow that situation.

Mr. Whitten stated that he will be discussing the Employee Benefits Insurance Advisory Committee (EBIAC) Commitment, current program status, prior year program deficit, plan modifications, January 2015 Board direction, 2016 innovative plan initiatives, and 2015 RFP negotiated administrative cost reductions; he believes that the EBIAC has been an exceptional steward for the Group Health Insurance program to assure its financial integrity in a fiscally responsible manner by protecting both plan participant and taxpayer interests in a manner consistent with the direction provided by the Board. He added that staff endeavors to always make certain that the Board is fully-informed about its group health insurance program that viable and reasonable options are presented, and that Board direction is carefully followed. On May 27, 2015, Frank Abbate, Assistant County Manager, and Gerard Visco, Human Resources Director, made a presentation to the Citizens Budget Review Committee (CBRC), and answered questions related to the program; important information that Human Resources provided was not included in the CBRC Chairman's presentation; and it is critically important for the Board to have a complete and accurate record of actions taken. He stated during the FY 2013-2014, the expenses for the Group Health Insurance program exceeded the revenues, resulting in a cash deficit of \$5.52

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million, because this deficit was projected early in the year, staff was able to work with the EBIAC to recommend program modifications to eliminate this deficit in future years. He went on to explain said modifications. He added that during a Group Health Insurance workshop in January 2015, the Board provided six points of direction to staff; the points being Medicare Supplement Plans; Medicare Advantage Plans; Comprehensive Pharmacy Plans; Adherence Base Incentive Model over a five-year period; RFP for fully-insured, self-funded fully-integrated single vendor, multi-vendor competitive model options, and innovation options; and to explore partnership opportunities with Brevard School Board. He added that the 2016 innovative plan initiatives includes two tiered hospital co-insurance structure; favorable preferred urgent care facility rates, including a near site clinic for the Board and School Board; and a five year adherence based model using best practices. He explained the 2015 RFP negotiated administrative cost reductions. He went on to state that the whole point of this is that all of the recommendations that were suggested by the CBRC Chairman have actually been implemented. He concluded by stating that he was going to have Tom Rosenberg, Budget Director, address some of the items, with regards to Community Redevelopment Agencies (CRA) and zero based budgeting, in order to correct the facts.

Tom Rosenberg, Budget Director, stated that zero based budgeting is not universally perceived as a cure-all, as there are disadvantages. Mr. Rosenberg cited information obtained from Investopedia, which explains what zero based budgeting (ZBB) is; an analysis from Deloitte, a consulting firm, that highlights the disadvantages of ZBB in the public sector, those disadvantages being that the ZBB process is costly, complex and time consuming; implementing ZBB at all can be a major challenge for public sector organizations with limited funding, and can constitute a major risk when potential cost is high and savings are uncertain; government agencies may face extreme constraints in relation to their ability to complete ZBB within a budget cycle; and a prioritization process may be problematic for departments with intangible outputs. He added that the Commonwealth of Massachusetts looked at ZBB, and after reviewing current practices, research from other state's experiences, showed that comprehensive ZBB approach for budget development was not a desirable, feasible or sustainable course of action; adopting ZBB often proved ineffective and generally was unsustainable; and it was recommended that a program-based approach, combined with realistic and appropriate performance measures, has improved budget decision making, as well as transparency and public accountability. He added that the Government Finance Officers Association also took a look at ZBB, it was found that out of a sample of 413, only two governments were using the textbook form of ZBB; it is more sustainable for smaller governments; there is a cost associated with implementing ZBB; it is driven by manager's perceptions and preferences; elected officials review detailed operational information as opposed to the bigger-picture strategic plan; and it does not directly address alternative service delivery options or the efficiency of services. He stated that Brevard County's methodology is a program based budgeting approach, in which managers review approved and prioritized services/projects to determine support required in the coming year; limited revenue availability provides operating constraints; program based budgets are prioritized within departments to most effectively utilize limited departmental resources; and department budgets are prioritized to most effectively utilize limited County resources.

Commissioner Barfield stated that he has actually used ZBB in his career in business; ZBB operates by starting at the budget at zero and then figuring what will be needed for that year. He added that when ZBB was implemented in the Federal Government, it failed miserably; it is intensive from a standpoint of paperwork and analysis, and the biggest flaw

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he sees in this is that it is not product based, it is based on starting over every time and there is no opportunity for a process. He added that it is very much an intensive program that does not make sense in government; but what the County Managers have implemented is a process based efficiency mechanism, by implementing a Lean Six Sigma, that has worked effectively in government and in business; what it does is it allows the people doing the work to look at how their operations are and come up with more efficient means to do that; and he added that nobody else is more qualified than the person doing that work, and he is totally against ZBB.

Mr. Whitten stated that the County is getting ready to enter into Lean Six Sigma training for senior management staff at a yellow belt level, and green belt training for certain staff members who will ultimately become a project team. He added that it is to have better tools to be self-correcting; the first area that he has selected is the permitting process, not that anything is wrong with that process, but staff is going to look at processes, and have engaged a consultant to map the processes; and at the end of that work product, staff is hopeful that there will be a process that is lean and quicker.

Commissioner Infantini stated that with regards to ZBB, she has set that up for two of her clients and she did not find it to be as timely and cumbersome; one client was successful with it and the other was not; and she suggested that one department use ZBB to see how it works.

Mr. Whitten stated that it is a difficult position for staff, because it is their job to provide the Board and the public with the accurate data; he added that staff has been as transparent as they have ever been.

Chairman Fisher explained that staff is very accessible to the public and to the Board.

Mr. Rosenberg presented information regarding CRA's to clarify information previously presented by CBRC members. He went on to explain and clarify information regarding a budget gap as it relates to grants, financing, and balances forward.

Mr. Whitten stated that it is difficult to staff the budget committee year round, and they are really discussing policy matters that are under the preview of the Board; his direction to staff is that they are not responsible for or in charge of policy development; and they implement the policy of the Board. He added that he has copies of the last two strategic plans, that the Board undertook, and program service reduction forms, where each department director was charged with identifying the repercussions of reducing each and every service that they provided; there is an abundance of information that is available for anyone to look at.

VII.D., CURT SMITH, DISTRICT 4 COMMISSIONER

Commissioner Smith stated that he would like to acknowledge that fact that Eau Gallie High School is now offering an aviation maintenance technology course; and he thinks this is extremely important, because they are going to take students that are good with their hands, that are not going to go to college, do not want to go to college, are not going to be computer geeks, and give them tools to go out and be successful in this world.

October 1, 2015

ADJOURN

Upon consensus of the Board, the meeting adjourned at 8:34 p.m.

ATTEST:

ROBIN FISHER, CHAIRMAN
BOARD OF COUNTY COMMISSIONERS
BREVARD COUNTY, FLORIDA

SCOTT ELLIS, CLERK