

1 **MINUTES OF THE SPECIAL MEETING/BUDGET HEARING** of the City Council of the City of
2 Orange City, Florida, held on Tuesday, September 9, 2008 at 6:00 p.m. in Council Chambers, 201 N.
3 Holly Avenue, Orange City.

4
5 **CALL TO ORDER:** The meeting was called to order at 6:00 p.m. by Mayor Strickland and roll call
6 was taken.

7
8 **ROLL CALL**

9
10 **PRESENT:** Mayor Harley Strickland; Vice Mayor Jeff Allebach; Council Members; Tom Laputka,
11 Tom Abraham, Don Sherrill, Jim Mahoney (Late: arrived at 6:20); Acting City Manager
12 Chester Murray; City Attorney William Reischmann; City Clerk Deborah Renner

13
14 **ABSENT:** Council Member Donald Sandford

15
16 **1. MAYOR’S OPENING COMMENTS:**

17
18 Mayor Strickland read the following statement into the record: “The City of Orange City intends to
19 adopt a budget and millage rate for Fiscal Year 2008/2009. The proposed millage rate is 4.48 mills
20 which reflects a 5.71% decrease from the rollback rate of 4.7513 as provided by the Property Appraiser
21 of Volusia County and does not reflect an increase in ad valorem taxes.”

22
23 **2. PUBLIC HEARING – FIRST READING**

24
25 **A. ORDINANCE NO. 361:** An ordinance of the City of Orange City, Florida, certifying
26 the millage rate for fiscal year 2008-2009 on all taxable property located within the City
27 of Orange City, Volusia County, Florida; containing a repealer provision, a severability
28 clause and providing for an effective date.

29
30 **B. ORDINANCE NO 362:** An ordinance of the City of Orange City, Florida, adopting the
31 annual budget for the 2008-2009 fiscal year beginning October 1, 2008, and ending
32 September 30, 2009; authorizing subsequent amendments by resolution; repealing all
33 inconsistent ordinances or parts thereof; and providing for an effective date.

34
35 Vice Mayor Allebach read the titles of Ordinances 361 and 362 into the record.

36
37 **C. STAFF PRESENTATIONS**

38
39 Chester Murray, Acting City Manager came forward and provided a presentation on the proposed
40 budget. He noted that as directed by Council at the last meeting, there are direct reductions in the line
41 items for the City Manager’s salary and travel/training, which were the recommendations identified as
42 “Option E.”

43
44 Council Member Abraham suggested that there are still other areas of the budget which could be cut.
45 He specifically referenced “Legal Expenses.” Christine Davis, Finance Director, responded that the
46 City does not pay a retainer for legal expenses, only the charges for actual billable hours are paid. She
47 discussed in detail some of the charges that make up this line item.

48

1 Vice Mayor Allebach noted that the proposed changes lower the millage rate to 4.48.

2
3 **D. PUBLIC HEARING**
4

5 Mayor Strickland opened the public hearing. Mr. Reischmann clarified that the public hearing would
6 include both the millage and budget ordinances at this time.
7

8 Michelle Polgar, 585 Montclair, came forward and stated that she had reviewed the budget figures for
9 the past several years and had done an analysis with an eye toward trends. She noted that Council's
10 travel and training line item was budgeted at \$17,500 when not nearly that much was spent last year.
11 She questioned how that figure was arrived at. The City Clerk stated that she had developed the budget
12 figures based upon all Council Members attending events like the Florida League of Cities conference.
13 However, once the year is underway, not everyone chooses to go, leaving excess in the budget. Mayor
14 Strickland elaborated that when the budget was reviewed with an eye toward cuts in spending, this was
15 an area that it was felt could be reduced. The Mayor advised that three people were attending the
16 Institute for Elected Municipal Officials. Ms. Polgar noted a number of line items which showed a
17 spending history of only a couple of hundred dollars or less, but were budgeted at sums of \$1,000 or
18 more in the proposed budget. She insisted that this made no sense and questioned why these sums were
19 budgeted. Vice Mayor Allebach referenced the "Repairs and Maintenance" line item and stated that it
20 can't be predicted when equipment will break down, therefore, it is necessary to have money available
21 in the event that it is needed. In response to Ms. Polgar's question regarding several line items in the
22 Fire Department, Mayor Strickland said that projected budgets were adjusted based on the anticipation
23 of additional funding requirements associated with the return to ALS service levels. In regard to the
24 Police Department, Mr. Murray noted that several police cars are getting older and repair expenses will
25 probably increase.
26

27 Council Member Mahoney suggested that money for reserves should be budgeted and stated, "You
28 don't just, each year, year after year after year, set a budget that produces additional monies into a fund
29 balance. At some point, when do you say is it enough or when is it too much?" He stressed that
30 maintaining a fund balance for emergencies is necessary, but it must be established how much is needed
31 and that the budget should not consistently result in additions to the fund balance.
32

33 Further discussion continued regarding setting appropriate budgeted amounts. Ms. Polgar reiterated her
34 opinion that budget figures should be based on past spending. Ms. Davis discussed the basis for several
35 items in the Development Services Department. Council Member Mahoney asked whether the budget
36 figures for the smaller line items were based on formulas or on actual anticipated expenditures. Mr.
37 Murray responded that the figures are based on anticipated expenditures. He advised that if the actual
38 amounts vary from what was anticipated, they are adjusted in a budget amendment. Ms. Davis advised
39 that \$97,000 was returned to the fund balance at the end of last year. Mr. Murray noted that revenues
40 are sometimes higher than predicted which also contributes to growth in the fund balance.
41

42 In conclusion, Ms. Polgar reiterated her contention that budgeted amounts should be based on actual
43 previous year's spending.
44

45 *(Note: due to technical problems with the recording system, the comments from the following two speakers have*
46 *been abbreviated in the minutes.)*
47

1 Al Blue, 447 N. Oak came forward and questioned whether the City was subsidizing solid waste
2 collection fees in the amount of \$45,000 again this year. Ms. Davis responded in the affirmative.

3
4 Hugh Strickland, 420 May Street, came forward and thanked Council and staff for the reduction in the
5 millage rate and for producing a good budget. He suggested that the City consider budgeting for
6 reserves.

7
8 **E. FORMAL ACTION BY COUNCIL**

9
10 (1) Millage Ordinance is voted on

11
12 **Council Member Sherrill moved to adopt Ordinance No. 361 on first**
13 **reading, seconded by Council Member Laputka and passed by 5/1 roll**
14 **call vote with Council Member Mahoney voting “no.”**

15
16 (2) Budget Ordinance is voted on

17
18 **Vice Mayor Allebach moved to adopt Ordinance No. 362 on first**
19 **reading, seconded by Council Member Laputka and passed by 6/0 roll**
20 **call vote.**

21
22 **F. ANNOUNCEMENT OF PROPOSED MILLAGE RATE.**

23
24 Vice Mayor Allebach read the following statement into the record: “The proposed millage rate for the
25 City of Orange City for Fiscal Year 2008-2009 is 4.48 mills which reflects a 5.71% decrease from the
26 rollback rate of 4.7513 as provided by the Property Appraiser of Volusia County and does not reflect an
27 increase in ad valorem taxes.”

28
29 **H. ANNOUNCEMENT OF THE DAY, DATE, TIME AND PLACE OF SECOND**
30 **PUBLIC HEARING AND FINAL ADOPTION OF ABOVE ORDINANCES**

31
32 Vice Mayor Allebach read the following statement into the record: “Second Reading and Public
33 Hearings for Ordinance No.’s 361 and 362 will be held during the second regular City Council
34 Meeting for the month of September 2008 on Tuesday, September 23, 2008 at 7:00 p.m. in Council
35 Chambers at 201 N. Holly Avenue, Orange City, Florida.”

36
37 **3. ADJOURN**

38
39 The meeting was adjourned at 6:45 p.m.

40
41 Respectfully Submitted:

Approved on:

42
43
44 Deborah J. Renner, CMC
45 City Clerk

September 23, 2008