

1 **MINUTES OF THE REGULAR MEETING** of the City Council of the City of Orange City, Florida,
2 held on Wednesday, September 23, 2009 at 7:00 p.m. in Council Chambers, 201 N. Holly Avenue,
3 Orange City.

4

5 **CALL TO ORDER**

6

7 The Meeting was called to order at 7:00 p.m. by Mayor Strickland and roll call was taken.

8

9 **ROLL CALL**

10

11 PRESENT: Mayor Harley Strickland; Vice Mayor Jeff Allebach; Council Members Tom Laputka,
12 Tom Abraham, Don Sherrill, Paul Rasch; Jim Mahoney; City Attorney William Reischmann; Interim
13 City Manager Chester Murray, City Clerk Deborah Renner

14

15 **INVOCATION**

16

17 The Invocation was given by Pastor Barry Greening, Volusia County Baptist Church, followed by the
18 Pledge of Allegiance.

19

20 Mayor Strickland asked that the agenda be amended to add item 7B, Resolution No. 567-09. He said
21 that copies were provided to Council (a copy of which is attached and becomes a permanent part of
22 these minutes).

23

24 **Vice Mayor Allebach moved to add Resolution No. 567-09 to the agenda,**
25 **seconded by Council Member Laputka, and passed by a 7/0 voice vote of**
26 **Council.**

27

28 **I. SPECIAL PUBLIC HEARING AND ADOPTION OF THE BUDGET AND**
29 **MILLAGE RATE FOR FISCAL YEAR 2009/2010**

30

31 **MAYOR'S OPENING COMMENTS:**

32

33 Mayor Strickland read the following statement into the record. "The City of Orange City intends to
34 adopt a budget and millage rate for Fiscal Year 2009/2010. The proposed millage rate is 5.1953 mills
35 which represents the rolled back rate as provided by the Property Appraiser of Volusia County and does
36 not reflect an increase in ad valorem taxes."

37

38 **SPECIAL PUBLIC HEARING/SECOND READING**

39

40 **FINAL ADOPTION OF BUDGET AND MILLAGE RATE FOR FISCAL YEAR 2009/2010**

41

42 **(1) Ordinance No. 404 (Millage Ordinance) is voted on**

43

44 **A. ORDINANCE NO. 404:** An ordinance of the City of Orange City,
45 Florida, certifying the millage rate for fiscal year 2009-2010 on all
46 taxable property located within the City of Orange City, Volusia
47 County, Florida; containing a repealer provision; a severability clause
48 and providing for an effective date.

1 Vice Mayor Allebach read the title of Ordinance No. 404 into the record.

2
3 **Council Member Laputka moved to adopt Ordinance No. 404 on second**
4 **and final reading, seconded by Council Member Mahoney.**

5
6 Mr. Murray noted staff has no further presentation with regard to this agenda item and is available to
7 answer any questions.

8
9 Mayor Strickland opened the public hearing by asking if anyone wanted to speak for or against the
10 proposed ordinance, no one appeared. The mayor closed the public hearing.

11
12 **Motion passed by a 7/0 roll call vote of the Council.**

13
14 **(2) Ordinance No. 405 (Budget Ordinance) is voted on**

15
16 **B. ORDINANCE NO. 405:** An ordinance of the City of Orange City,
17 Florida, adopting the annual budget for the 2009-2010 fiscal year
18 beginning October 1, 2009, and ending September 30, 2010;
19 authorizing subsequent amendments by resolution; repealing all
20 inconsistent ordinances or parts thereof; and providing for an effective
21 date.

22
23 Vice Mayor Allebach read the title of Ordinance No. 405 into the record.

24
25 **Council Member Laputka moved to adopt Ordinance No. 405 on second**
26 **and final reading, seconded by Council Member Rasch.**

27
28 Council Member Abraham said that he questioned Paul Johnson, Public Works Director about the
29 reasons the City is drawing from its reserve fund. Mr. Johnson came forward and stated that he
30 misunderstood the question. He said he was discussing capital projects relating to the City's alternative
31 water fee. Council Member Abraham clarified that he was questioning the capital projects planned this
32 fiscal year. Mr. Johnson detailed the projects noting that it includes a number of road resurfacing
33 projects and sidewalk installations. Council Member Abraham noted that last year these projects were
34 done in phases. Mr. Johnson said that this current fiscal year capital projects were postponed. Council
35 Member Abraham said that is not a "good excuse" to take money from the City's reserves. He said that
36 is why he keeps asking, he said he asked the same questions to the City Manger. He said that he has
37 been involved in the budget process for some time and now that the City is proposing to use its
38 reserves, he would like to know what kinds of capital improvement projects are being planned, phase
39 by phase. He said that the millage rate was already approved which should fund the same level of
40 service as last year. He asked, "Over and above that why do we want to draw from the reserves?"

41
42 Mr. Murray said it is the stated goal of Council to maintain 25-30 percent of the total budget in a cash
43 reserve fund and the City is approaching 50 percent. Staff is proposing to use the cash reserves to fund
44 one-time capital expenses only, not personnel or ongoing expenses. He said that is the ongoing policy
45 of this Council. Council Member Abraham stated, "Well you are giving the same answer, which you
46 always give." Mr. Murray stated, "The answer is not going to change, that is the answer."
47

1 Council Member Abraham restated his concerns that the City plans to use its cash reserves during a
2 year of revenue shortfalls. He recalled that the City Council spent \$25,000 to have plans for a
3 government complex prepared by an architect and the project was set aside.

4
5 Mr. Murray provided a brief history of the government complex. He said the City owns property on
6 Harley Strickland Boulevard that could accommodate an additional 2800-foot public building. At the
7 time, there was a lot of controversy about whether the City would move its government center from
8 Graves Avenue to Harley Strickland Boulevard. The Council decided to keep the government center on
9 Graves Avenue and instead chose to restore town hall. Part of the overall plan was to come up with a
10 “master conceptual” plan for a government complex. The Council never formally adopted it as a
11 project, but it is available. Mr. Murray said it is no different from having a parks master plan; you
12 implement it when and if finances or needs dictate.

13
14 Council Member Abraham concluded by stating that at the time, the city manager told Council the
15 government buildings were overcrowded. He stated, “After doing all this work, I again hear the same
16 thing and I am wondering why it was put in the strategic plan.” Council Member Abraham observed
17 that the citizens of Orange City were told that the City is proceeding in that direction and now the City
18 is thinking about something else and plans to use its reserves. He stated, “It is not clear to me.”

19
20 Mayor Strickland stated, “Mr. Abraham, I would hope that the next time we do the strategic planning
21 sessions that you would come and participate and then maybe some of this would be clearer.” He noted
22 that what Mr. Abraham was discussing occurred in the past. He stated, “I just encourage you to come
23 and be involved in that.”

24
25 Council Member Abraham said that he has been participating in the City’s business since 2005. He
26 stated, “Your advice is well taken, but when you tell that openly it may appear that I am not
27 participating.” Council Member Abraham said that he is active. Mayor Strickland agreed, however, he
28 stated, “I just am concerned that you are looking at something that’s very old.” Council Member
29 Abraham said that he has heard several times, there needs to be continuity in government. He stated,
30 “Between the last manager and this manger, I don’t see any continuity.”

31
32 Vice Mayor Allebach remarked that the Council directed the city manager to look into building a city
33 complex. After consideration, Council decided that it would be more cost effective to move city
34 departments around to accommodate space needs. He detailed the changes noting that employees saved
35 taxpayers “tons” of money by fixing the spaces that they needed. Vice Mayor Allebach said instead of
36 building a government complex, the Council chose to use the funds for parks improvements that would
37 be used by the public. Vice Mayor Allebach stated, “The policy was set by the Council, it is not a
38 discrepancy or a problem on the manager’s work. I just wanted to make sure that is clear.”

39
40 Mayor Strickland commented that it has been important in working with the budget that the City keep
41 people employed and that Council recognize the kind of restraints that have been in place this past year.
42 He expressed concerns that health care costs are continuing to rise and that employees with less income
43 may be struck with more difficulties. Mayor Strickland stated, “I just would like to see and recognize
44 that there may be some things that we do that will change the budget as we go along this next year.”

45
46 An unidentified citizen came forward and questioned whether the millage rate was set at a higher rate to
47 fund salary increases for employees. Mr. Murray said “no”, there is no tax increase. The millage rate
48 went up, but the dollar amount of taxes the City is collecting is the same that it was this current year.

1 He reiterated there is no tax increase, with the exception of homeowners that are homesteaded with the
2 Save Our Homes program. Properties that are not homesteaded had a significant reduction in taxes.
3 Mr. Murray said he is recommending a 3% COLA and merit increases for those employees that qualify.
4 He said that originally, he presented a budget with a 5.93 millage rate and Council rejected it and
5 directed him to provide a budget at the rollback rate.
6

7 Henry Durica, 1310 East Lansdowne, came forward and read a “blog” from the Beacon (a copy of
8 which is attached and becomes a permanent part of these minutes) that discusses the proposed ad
9 valorem taxes for Orange City. According to the “blog”, residential taxpayers as a group had a tax
10 increase but commercial taxpayers had substantial reductions. The “blog” further stated that property
11 values are down again this year and as a result in order to generate the same amount of revenue as the
12 previous year, the rollback rate for next year will be higher. Mr. Durica questioned whether that is true.
13

14 Council Member Mahoney said the reduction is not limited to commercial properties. People who
15 purchased their homes in 2005 and are upside down on their mortgages are also seeing a reduction in
16 taxes. Council Member Mahoney said that it is true that by adopting the rollback rate, the revenue that
17 the City is collecting is the same as last year, excluding acquisitions and new construction. However,
18 the distribution of who pays has changed. Long time residents on the Save Our Homes program are
19 losing that subsidy and may be required to pay more in taxes while the homeowner who bought their
20 home in 2005 and were paying double the amount of taxes are paying substantially less this year. In
21 response to a question from Mr. Durica, Council Member Mahoney said that if the rate of the
22 depreciation of the property is greater than the tax increase that would produce less taxes.
23

24 Vice Mayor Allebach agreed, noting that is a function of the property appraiser. He said commercial
25 property owners were complaining about their property values going up in the last five years. He said
26 commercial properties in the City are paying their fair share of property taxes which is a large portion
27 of the ad valorem taxes to the City. A long discussion ensued. Mr. Durica expressed his concerns that
28 he and his neighbors taxes increased. He stated, “To say there is no tax increase, when there is a tax
29 increase, these are two different apples.” Mr. Murray reiterated there is a tax rate increase, not a tax
30 increase, he said an individual may pay additional taxes overall this year but the City is collecting the
31 same amount of ad valorem taxes that it did last year. Mr. Durica concluded by warning that people
32 who are on a fixed income and had their social security wages frozen for the next two years will
33 remember the vote this evening.
34

35 Tim England, 261 Friar Tuck came forward and questioned the difference between a tax increase and a
36 millage rate increase. Mr. Murray provided the following example: The City adopted a five mills
37 millage rate that generated \$100 in revenue. If the value of the properties went down next year, the
38 City would have to adopt a rate of six mills in order to generate the same amount of money that it did
39 last year. Mr. Murray said that, historically, the rollback rate has come down because property values
40 increased. However, there was such a plunge in the value of properties in Florida that the rollback rate
41 had to be increased to generate the same amount of revenue as it did the previous year.
42

43 Jackie Armstrong, 700 Leavitt Avenue came forward and said this is her first time before Council. She
44 asked how the budget process works. Ms. Armstrong said she works for Seminole County and many
45 positions have been cut, and salaries were frozen. She said it is the “nature of the time” right now and
46 to hear employees are being offered a 3% raise “is a little hard to swallow.” Mr. Murray explained the
47 budget process. He said this is the second public hearing for the budget and, if adopted, it will go into
48 effect October 1. Mr. Murray said that he has recommended a 3% COLA to employees and up to a 3%

1 merit increase. He said the total cost of the salary increases is \$135,000 and is being funded by the
2 savings the City gained by reducing the employees' medical benefits. Mr. Murray said the City was
3 very conservative this year. All spending was stopped due to the erratic nature of the revenues
4 received. Now that revenue has leveled off, the City is going to be fine. He said the discretionary
5 revenue received from the State amounts to 5.6% of the City's total budget and if the State were to cut
6 revenues completely, it would not affect this budget because the City has ample reserves to cover any
7 shortfall. Mr. Murray expressed his opinion that the employees deserve a raise.

8
9 Council Member Rasch agreed with Mr. Murray's comments. He noted that not everyone would get a
10 3% merit increase. Council Member Rasch said that the proposed COLA increase is part of the City's
11 step-pay plan and the City is locked into it. The total increase is probably not going to be 6%. Council
12 Member Rasch pointed out the City is doing well and he sees no reason to penalize the employees.

13
14 Vice Mayor Allebach said the City salaries are lower than most governments. Many employees have
15 left the City to work for larger municipalities where they can make more money. Vice Mayor Allebach
16 said the salary increases being offered to employees are not exorbitant.

17
18 Council Member Abraham said that Council should understand what the citizens are saying. They are
19 saying, "at least these people have a job."

20
21 Mayor Strickland noted that last Friday he was on the radio in Daytona Beach on WNDB and that he
22 was asked a question about City employees getting a raise that he would not answer because he did not
23 fully understand the change in the medical benefits and whether the employee has actually lost money.
24 He said he could not have explained it as well as it was discussed tonight. Mayor Strickland expressed
25 his concern that the community does not understand what the employees are losing and that the City
26 had to do this because health care costs are rising.

27
28 There being no further requests to speak, the Mayor closed the public hearing.

29
30 **Motion passed with a 5/2 roll call vote of the Council, with Council Member**
31 **Abraham and Mayor Strickland voting "no."**

32
33 **C. ANNOUNCEMENT OF PROPOSED MILLAGE RATE**

34
35 Mayor Strickland read the following statement into the record: The proposed millage rate for the City
36 of Orange City for Fiscal Year 2009-2010 is 5.1953 mills, which represents the rolled-back rate as
37 provided by the Property Appraiser of Volusia County and does not reflect an increase in ad valorem
38 taxes.

39
40 **1. ABSENCES:** None at this time.

41
42 **2. PRESENTATIONS** Proclamation – Opening of Rhode Island

43
44 Council Member Laputka read a proclamation into the record proclaiming the joint venture project
45 between the County of Volusia, Volusia County School Board, City of Orange City and Sparkman,
46 LLC a true West Volusia Partnership that resulted in new road construction to accommodate the newly
47 constructed high school.

48

1 Mayor Strickland invited everyone to attend a ribbon cutting ceremony for Rhode Island Avenue on
2 September 29 at 9:00 a.m.

3

4 **3. CITIZEN COMMENTS:**

5

6 Bob Storke, 1122 E. Wisconsin Ave came forward and thanked everyone who voted in the election. He
7 said the voter turnout was poor. Most people felt that it was a waste of their time to vote for just one
8 candidate and expressed concerns that City elections are not “in sync” with the rest of the County. He
9 asked Council to consider holding elections at the same time as other cities in the County.

10

11 Al Blue, 447 North Oak came forward and gave “kudos” to the Animal Control Department. He said
12 his property was overrun with cats and Animal Control was able to remove all but one. Mr. Blue said
13 that his was told that he owns the right way of his property and that his ownership extended to the
14 center of the street. He said he spoke with the property appraiser to clarify the boundaries of his
15 property. Mr. Blue stated, “I do not own the right of way, nor do I own the street.” He said he wanted
16 to clear up any misunderstanding. Mr. Blue noted that Chesapeake Utilities merged with Florida
17 Utilities. He said he hoped that the City would mandate that any utility company that must dig up the
18 right-of-way be required to return it to its original condition. Mr. Blue said there are eight vacant homes
19 within 1½ blocks of his house, all of which are paying a garbage assessment of \$259 for no service
20 rendered. He noted that prior to the garbage assessment being on the tax roll, the City received \$17,000
21 in franchise fees, and that since implementation of the assessment on the tax roll the cost to the City
22 was \$119,000 in 2008 and \$91,000 in 2009. He said these deficiencies were paid out the general fund
23 and vacant homes were charged the same as occupied homes. He suggested that the City attorney be
24 tasked to determine what action might be taken to rectify this flawed procedure and return to an
25 operation which is fair to the City, the garbage collector and to the homeowner.

26

27 Greg LeFils, 161 E. Rose Avenue., came forward and identified himself as a CPA and owner of a
28 practice located on Rose Avenue in Orange City. He noted that the City had recently issued an RFP for
29 auditing services. Mr. LeFils recalled that during the last RFP process, two responses were received by
30 the City and this time there were eleven. Mr. LeFils noted that the RFP process for auditing services is
31 “somewhat complicated,” and he offered his assistance in reviewing the responses and reducing the list
32 of respondents to be considered.

33

34 Mayor Strickland noted that he had asked Mr. LeFils to be present at the meeting because he was
35 feeling “totally overwhelmed” at the prospect of reviewing all of the proposals. He said that he didn’t
36 feel that he had the knowledge to be able to make a fair comparison of all of the responding companies.
37 The Mayor said that he also spoke with Donald Dempsey and Michael Wright, both CPA’s, and they
38 also offered their assistance in any way possible. Mayor Strickland asked the City Attorney if there
39 was any legal reason which would prevent a consultation with these individuals regarding the auditor
40 proposals.

41

42 Mr. Reischmann responded that the answer to whether it would be allowable to solicit input from these
43 three CPA’s is “yes, with conditions.” He noted that the Charter and Code provide that the City
44 Council acts as the Auditor Selection Committee. The RFP provides limitations on what the Council
45 can delegate. Further guidance can also be found in Chapter 286 of the Florida Statutes which defines
46 the limited parameters of an ad hoc committee.

47

1 Council Member Rasch asked Mr. LeFils why he did not submit a response to the RFP. Mr. LeFils
2 responded that governmental auditing is a very technical specialty, and the majority of his auditing
3 work is outside this specialty. Mr. LeFils noted that he used to do governmental auditing and worked
4 on and presented the City's audit "many years ago." Council Member Rasch said that he would
5 appreciate assistance from Mr. LeFils.

6
7 Council Member Abraham asked Mr. LeFils whether there were "ethics issues" involved in him
8 providing this service for the Council, specifically related to the Board of CPA's. Mr. LeFils
9 responded, "no sir." He stated that he has done this before for other governmental agencies. He
10 clarified that if the Council provides "very narrow, fact-finding instructions," the group can then
11 provide information as to whether the responding firms are qualified and have met the requirements of
12 the RFP. He suggested that this may provide more information than Council can discern by reviewing
13 the proposals themselves. Mr. LeFils said that because he works in the field, he has a first-hand
14 understanding of what is involved. He responded directly to Council Member Abraham's question by
15 stating, "I don't see that there is an ethical problem, no."

16
17 Council Member Abraham noted that some of the respondents have submitted their peer review with
18 their proposal and that Council can look at them and decide. He stated, "But when you recommend
19 anyone, you are going about the peer review, which they already received." Mr. LeFils advised that the
20 peer review process provides an independent look inside the internal workings of a CPA practice. He
21 said an outside firm reviews a firm for adherence to auditing standards and generally accepted
22 accounting standards and that there is sufficient evidential matter gathered to support the reviewer's
23 opinion. Mr. LeFils stated, "The peer reviewer ensures to the general public that the financial
24 statements are accurate." He explained that they have assisted other governments in evaluating RFP's
25 based on the criteria in the Request for Qualifications and to answer any technical questions that they
26 may have about the RFP. Council Member Abraham gave an example of the County appointing a
27 Medical Director for the Health Department and questioned whether they should ask another doctor for
28 an opinion. Mr. LeFils responded that, as a citizen, since none of the Council Members are doctors, he
29 would rather have them seek guidance from another medical professional before making a choice.

30
31 Vice Mayor Allebach stated his understanding that Council has been offered "substantial professional
32 expertise as consultants to this Council at no charge." Mayor Strickland responded, "That is correct."
33 He referred to it as "citizen participation and building relationships with people in the community."
34

35 **4. CONSENT AGENDA:**

36
37 **5. ORDINANCES – FIRST READING:** None at this time

38
39 **6. PUBLIC HEARING/ORDINANCES – SECOND & FINAL READING:**

40
41 **7. RESOLUTIONS:**

- 42
43 **A. RESOLUTION NO. 565-09:** A resolution of the City council of the City of
44 Orange City, Florida, providing notice to the Volusia County Supervisor of
45 Elections of Orange City's intent to hold a mail ballot referendum election on
46 January 19, 2010 for the purpose of allowing the property owners of the
47 Breezewood Village Condominiums to vote on annexing into the corporate

1 limits of the City of Orange City, repealing all resolutions in conflict herewith
2 and providing for an effective date.

3
4 Vice Mayor Allebach read the title of Resolution No. 565-09 into the record.

5
6 **Vice Mayor Allebach moved to approve Resolution No. 565-09,**
7 **seconded by Council Member Sherrill.**
8

9 Mr. Murray said that he was approached by board members of the Breezewood Condominium
10 Homeowners Association about the possibility of annexing into the City. Staff made an annexation
11 presentation to about 50 people who voted unanimously to petition to annex. Mr. Murray said there are
12 two ways to proceed with this type of annexation; by petition or mail-in ballots. Staff is recommending
13 a mail-in ballot which would require a 50% + 1 response from all condominium owners. Mr. Murray
14 indicated that a referendum could be completed by January 19, 2010 at a cost of \$1,500. This
15 resolution notifies the Supervisor of Elections of the City's intent to hold an annexation referendum.
16 Mr. Murray said a resolution and formal report would be provided at the next Council meeting.
17 Referring to a power point presentation of the Breezewood Condominiums (a copy of which is attached
18 and becomes a permanent part of these minutes) Mr. Murray pointed out that the property is a well
19 maintained complex of 11½ acres with a total assessed value of \$8,354,000. The taxable value is \$4.5
20 million and based on the current rollback rate would generate \$23,159.63 in ad valorem taxes. Mr.
21 Murray noted that annexing this property would continue to square off the City's borders. Mr.
22 Reischmann noted that usually annexations are voluntary and are handled by Ordinance, however,
23 because there are multiple property owners it requires this alternative process as set forth in Florida
24 Statute Chapter 171.

25
26 Mayor Strickland confirmed that this annexation would not create enclaves. Mr. Murray said that it
27 would not. He said that it would be a good addition to the City.

28
29 **Motion passed by a 7/0 roll call vote of the Council.**
30

31 **B. RESOLUTION NO. 567-09:** A resolution of the City Council of the City of
32 Orange City Florida, pursuant to section 4.12 of the City Charter canvassing
33 the votes and declaring the results of the General Election held in the City of
34 Orange City on September 22, 2009; repealing all resolutions in conflict
35 herewith and providing for an effective date.
36

37 Vice Mayor Allebach read the title of Resolution No. 567-09 into the record.

38
39 **Council Member Mahoney moved to approve Resolution No. 567-09,**
40 **seconded by Council Member Laputka.**
41

42 Vice Mayor Allebach said this resolution is certifying the results of the election held on September 22,
43 2009. He announced the results for the record.
44

45 Mayor Strickland noted this was the first time many of the council members served on a Canvassing
46 Board. He said it was good experience and well organized. He noted it is one of those parts of
47 government that many citizens do not see. He urged everyone to attend a canvassing board meeting, if
48 they have an opportunity. Mayor Strickland said that he sent a thank you note to the Supervisor of

1 Elections for the assistance that was provided. Vice Mayor Allebach thanked the City Clerk for all her
2 help.

3

4 **8. DISCUSSION AND ACTION:**

5

6 A. Short List Auditor Responses/Call for Special Meeting

7

8 Mayor Strickland opened the floor to Council comments on this matter. Council Member Mahoney
9 acknowledged that it is Council's responsibility to serve as the Auditor Selection Committee. He said
10 that Mr. LeFils is more qualified to review the RFP's than he, however, evaluation criteria is provided
11 and that he has reviewed the responses accordingly. Council Member Mahoney noted that the decision
12 tonight involves only selecting those firms to request interviews with rather than choosing an auditing
13 firm. He said that a number of the responding firms could easily be dismissed, while an interview
14 would be desirable with a number of other firms. He said that his evaluation was based on the firm's
15 ability to implement the audit, experience and cost. He said that he is prepared to discuss his findings.

16

17 Council Member Rasch and Council Member Laputka said that they were interested in Mr. Mahoney's
18 findings. Council Member Laputka said that he would like to explore Mr. LeFils' offer, but expressed
19 concerns about adhering to the timeline. The City Clerk distributed a copy of the timelines set forth in
20 the RFP. Mr. Reischmann said that the RFP anticipates in the proposed timeline that the Audit
21 Committee will short list the responses tonight. He said that if Council plans to delegate a portion of
22 their responsibilities, that delegation "would need to be narrow." Council Member Laputka said that if
23 there is time, he would like to have other opinions.

24

25 Vice Mayor Allebach said that the idea of having some professional consulting is appealing to him. He
26 said that he received his responses on Friday and has only had time to review two of them, therefore, he
27 is not prepared to short list the responses. He stressed the importance of making sure that the auditors
28 understand the scope that the City is looking for in regard to performing the audit. Vice Mayor
29 Allebach said that he would be more comfortable taking more time to make his decision and would
30 welcome input from consultants in the evaluation.

31

32 Council Member Laputka asked to discuss the "narrow parameters" mentioned by Mr. Reischmann in
33 determining the scope of the consultants in their role to provide feedback on the proposals. Mr.
34 Reischmann said that if a committee is formed, they would not be able to rank the proposals and could
35 not short list them. Mr. Reischmann read the following from an Attorney General Opinion, "The sole
36 function of the committee would be to gather information for the decision maker (the Council), rather
37 than to accept or reject applications." He reiterated that the Council does not want to do anything that
38 takes away their ability to review all of the proposals.

39

40 Council Member Rasch noted that the evaluation parameters are included in the packet. Mayor
41 Strickland said that he was not confident he could evaluate the proposals fairly because of his limited
42 understanding of the process and qualifications.

43

44 In response to a question from Council Member Laputka, Council Member Mahoney advised that he is
45 ready to rank the proposals tonight. He stated, "That's not to suggest that I don't value the input from
46 Mr. LeFils. I just want to make sure that that input is consistent with our obligations. That we are the
47 decision-making panel." He said that he spent eight hours reviewing the proposals. He said that he
48 envisioned that Mr. LeFils would be available to answer questions, not to make the decision for

1 Council. Council Member Mahoney discussed the qualities he desires in an auditing firm and other
2 factors that would influence his decision. Council Member Rasch agreed and reiterated that Mr. LeFils
3 did not in any way say that he would make the selection for Council.
4

5 Mr. Reischmann noted that the schedule in the RFP required that Council short-list the firms tonight
6 and interview those selected on October 6th. He advised that if Council wishes to maintain that
7 schedule, but was not prepared to short list the proposals tonight, an interim meeting must be
8 scheduled. Ms. Renner advised that September 30th was available for that purpose.
9

10 Mayor Strickland said that his concern is that he does not want to “do any disservice” to the City or to
11 the applicants. He said that he would welcome some training from people working in the profession on
12 how to evaluate the proposals.
13

14 Council Member Rasch spoke in support of advice from “experts” in the field. Council Member
15 Mahoney suggested that some “fundamental criteria” exists in the proposals which can be used to
16 eliminate some of them from further consideration. He said that experience within the firm is very
17 important to him. Council Member Mahoney said that he would value Mr. LeFils’ input during the
18 interview process.
19

20 Vice Mayor Allebach said that he is not prepared to short list the group tonight. He noted the numerous
21 factors that could influence the decision.
22

23 Council Member Abraham observed that there is a famous saying which exists even in courts of law
24 that says, “please have all the rules of the game ready before you start the game.” He stated, “You
25 don’t start making new rules after the game has started.” He observed that the RFP had been issued,
26 eleven responses were received and now it is time to choose three to five of the responses to invite for
27 an interview. He said that creating the short list and conducting the interviews is Council’s
28 responsibility. Council Member Abraham said that no one else can come between Council and the
29 professionals who have submitted proposals. He said that if he is understanding the City Attorney
30 correctly, there is an opportunity for an illegal, unethical issue in hiring a local consultant on a
31 voluntary basis to advise the Council. He cited the factors influencing the decision as price, experience
32 and number of hours committed to the project. He asked how many hours the auditor has spent in the
33 past. Council Member Abraham noted that failure to submit a peer review is a violation of the terms of
34 the RFP. He stated, “As educated Council Members, we should not bring any shame on us by hiring
35 somebody else.” He said that he understood Council Member Mahoney’s concerns and thanked him
36 for voicing them. Council Member Abraham said that he has concerns about hiring someone to advise
37 Council, and stated, “We don’t need that. It’s a very small City, \$14 million a year budget. We don’t
38 have any federal grant coming, no state money. It’s a simple auditing process.” Council Member
39 Mahoney noted that situation could change over the course of the contract, therefore, the cost of a
40 Federal Single Audit should not be ignored. He stated, “I might disagree with you somewhat from the
41 perspective that I value the input. I just want to make sure we utilize that input in an appropriate
42 manner.”
43

44 Council Member Sherrill suggested that the contract with the current auditor be renewed. Mayor
45 Strickland noted that Greene Dycus has been the city’s auditor since 1991. Council Member Sherrill
46 stated, “Don’t you think the previous Council didn’t have the same thing that we’re having here, that’s
47 why they were here that long. Another couple of years won’t hurt a thing.” Council Member Sherrill
48 said that he is not prepared to rank the proposals tonight.

1
2 In response to a question from Council Member Laputka, the City Clerk advised that a special meeting
3 could be held on Wednesday, September 30th.

4
5 Council Member Mahoney asked for clarification regarding that meeting and asked whether Mr. LeFils
6 would be there to answer questions. He stated, "I want to hear the structure of that meeting." Mayor
7 Strickland said that a structure has not been proposed as yet. He said that he did not object to meeting
8 with Mr. LeFils or Mr. Dempsey independently so that he can understand the proposals better. The
9 Mayor stated, "I just wanted to find out if anyone is as confused as I am about how to do this." He
10 asked for suggestions from the Council as to how to proceed.

11
12 Council Member Laputka said that he felt the same as the Mayor. Council Member Rasch concurred
13 and observed that it is "pretty clear that four of us can't fill this form out right now." He spoke in favor
14 of obtaining some "expert advice and understanding." Council Member Laputka said that he needs
15 more time with or without the help of Mr. LeFils and/or Mr. Dempsey.

16
17 Mayor Strickland noted that the charter allows sixty days after the start of the fiscal year to make the
18 selection, so there it doesn't have to be done until the first of December. Mr. Reischmann noted that
19 the RFP contemplates a schedule working backwards from a March 31st deadline. The schedule
20 provides that interim work on the audit be completed by November 30th. The date for hiring the firm is
21 October 13th.

22
23 Mayor Strickland asked the City Clerk how she prepared the RFP. Ms. Renner responded that she
24 obtained samples from a number of other cities and chose one to adapt for Orange City. She advised
25 that the ultimate deadline to submit the audit for the CAFR award is March 31st and then worked
26 backwards from that date. Council Member Sherrill noted that there will be at least two new Council
27 Members by then and questioned whether that will "cause any more confusion." The Mayor asked
28 whether the candidates received copies of the responses to the RFP. Ms. Renner responded that they
29 did not.

30
31 Mr. Reischmann noted that the next step is to short list the responses. He suggested that could be done
32 on the 30th of September. That meeting will be a public meeting and Mr. LeFils can be present and can
33 provide his input. The proposals will be ranked at that meeting and short listed and interviews can be
34 conducted on October 6th. A resolution approving the contract with the top firm can be approved on
35 October 13th and the process will be on schedule.

36
37 Mayor Strickland announced that a special meeting will be held on September 30th and Mr. LeFils, Mr.
38 Dempsey and Mr. Wright will be invited.

39
40 Greg LeFils came forward and asked whether next week's meeting would be a workshop or special
41 meeting. Mr. Reischmann responded that it would be a special meeting. He asked whether he and the
42 other two CPAs could get together as citizens and rank the proposals and submit their rankings as
43 citizens. Mr. Reischmann said that he would advise Council to direct the individuals not to act as an ad
44 hoc special committee. Mayor Strickland noted that a committee was not formed. Mr. Reischmann
45 stated, "Certainly, any citizen can come up and provide input at a meeting." Mr. LeFils related an
46 experience he had helping to choose an auditor for the West Volusia Hospital Authority. He stated,
47 "They gathered information from an outside source and they choose to use it, or they chose not to use

1 it.” He said that his firm helped the audit committee to determine which qualities were the most
2 important to them and to help them use that criteria to rank and select an auditor.

3
4 Mr. Reischmann said that his only concern is to ensure that the Council remains in compliance with
5 Chapter 286 F.S. He stated, “To the extent that we are, in reality creating, regardless of what we call it,
6 if we are creating a group that we’re going to rely upon. And that group is going to short list or rank or
7 give us recommendations other than or in addition to some pure fact finding, then that could be deemed
8 to be a sunshine committee. And the consequences of such, if we were to rely on that, would be that
9 any action we took would be deemed void under Chapter 286.” He said that it is important to make it
10 very clear on the record that, although they are welcome to attend the meeting, Council is not asking
11 them to do anything for them.

12
13 Council Member Rasch expressed that he felt it is “an absurd waste of time” to have all seven Council
14 Members fill out a form on each proposal. He said that he would rather rely on having some expert
15 advice.

16
17 Discussion continued regarding the implications of having the proposals evaluated by a committee and
18 whether that committee should be subject to the provisions of the sunshine laws.

19
20 **Council Member Mahoney moved to establish a committee operating**
21 **under the sunshine laws to take advantage of the expertise and make**
22 **sure that Council complies with the appropriate Florida Statutes.**
23

24 Council Member Abraham asked whether the respondents to the RFP will have an opportunity to ask
25 questions of Mr. LeFils and the Committee. Mr. Reischmann responded that would be Council’s
26 decision. Council Member Abraham stated, “I would insist that they be given a chance to answer in
27 such a session.” Council Member Mahoney noted there would not be an opportunity because only the
28 short-listed respondents would be invited to the meeting for an interview. Mr. Reischmann advised that
29 was not contemplated in the RFP.

30
31 Council Member Laputka spoke in support of delaying the decision on the short list until September
32 30th. Vice Mayor Allebach concurred. He spoke against having a committee, noting that Council could
33 contact them independently if they had questions they need assistance with.

34
35 **Motion withdrawn.**
36

37 Council Member Abraham stated, “I clearly have expressed my feeling that Council should select the
38 next auditor. Council is the selection committee and should work hard on these books and come up
39 with a short list, go for an interview of those people who are ready to come here and present to us their
40 ideas and have their questions to them, not to a third party.

41
42 Mayor Strickland stated that a meeting will be held on Wednesday, September 30th at 7:00 p.m. to short
43 list the proposals and receive input from the public.

44
45 Council Member Mahoney asked Mr. LeFils whether there is any additional criteria which should be
46 considered or how the information should be weighted when making a decision. Mr. LeFils responded
47 that he has not seen the proposals, but that he is familiar with all of the firms in the area. He suggested
48 that there is probably a proposal from a small firm that has only two people with “unbelievable

1 qualifications.” He explained that he had additional insight because he has worked with this person and
2 that “they take care of business.” Council Member Mahoney said that his only concern with them was
3 their size and whether they would be able to complete the audit if someone left the firm. Mr. LeFils
4 said that most firms have succession plans to continue to fulfill their obligations in the event of
5 unforeseen emergencies. He encouraged Council to make their decision based on what is important to
6 them. He said that in his experience, there will be very little that separates the top firm from the bottom
7 as far as qualifications go.

8
9 Council Member Mahoney clarified that Mr. LeFils is not adding any additional criteria, he is only
10 illuminating and expanding on the criteria that currently exists.

11
12 Mayor Strickland acknowledged that the City Manager has determined that his place it to stay removed
13 from the audit process and let Council handle it. He said that he is feeling more comfortable to know
14 that there will be expertise available in case it is needed to answer questions or clarify things.

15
16 **9. NEW BUSINESS:** None at this time

17
18 **10. REPORTS**

19
20 **A. City Manager**

21
22 Mr. Murray reported that the City is in the process of entering into an agreement with DeBary to
23 provided fire services. DeBary has hired an interim city manager and plan to put out a bid for agencies
24 to provide public works services for its citizens. He explained that Orange City was invited to submit a
25 proposal and he is seeking Council permission to go forward. Mr. Johnson attended a meeting last
26 week to review the scope of the work and he feels that the City could very easily provide this service.
27 Mr. Murray said that this contract could produce an additional \$500,000 in revenue annually.

28
29 **It was the consensus of Council that the City Manager participate in the**
30 **bid process to provide Public Work Services to DeBary.**

31
32 Council Member Laputka questioned whether this is a separate agreement from the fire services. Mr.
33 Murray said that it was. Mayor Strickland pointed out that providing regionalized services is part of the
34 City’s strategic plan. Mr. Murray said that he would keep Council apprised of the progress. Mr.
35 Murray reported that the fire service agreement with DeBary would be presented for Council’s review
36 at the October 13 meeting. He said the City would assume the fire responsibilities November 4.

37
38 Mr. Murray said that he provide Council with copies of a map of the Miller Lake project drawn by an
39 engineer (a copy of which is attached and becomes a permanent part of these minutes). He said that he
40 attended a meeting last week with representatives from Volusia County, and the Department of
41 Transportation (DOT) to discuss this project. Phase one of the project would require the purchase of
42 the seven parcels depicted in the map. The DOT and the County offered \$1 million towards the
43 purchase and they want Orange City to contribute \$300,000. Mr. Murray said the estimated cost of the
44 project is \$2.7 million and includes \$1 million in construction costs. Once this project is completed, it
45 would increase the lake’s capacity by 15% and would resolve the flooding issues in the area. The
46 County and DOT anticipates the project will be completed by the next hurricane season. Staff is
47 expecting a memorandum of understanding that will lay the groundwork for the joint participation in
48 this project. Orange City is proposing that the lake becomes the property of the City. The goal is to

1 make it a regional park, which will make the area eligible for grant funding. He said that it would make
2 a “wonderful amenity” to the area as well as serving a “practical purpose.” In response to a question
3 from Vice Mayor Allebach, Mr. Murray said the lake would eventually become a part of the City’s
4 reuse water program.

5
6 Council Member Sherrill said that he received a call regarding the PVC pipe that outlines the perimeter
7 of Veteran’s Memorial Park. It is beginning to deteriorate and children can get hurt on it. Mr. Murray
8 noted that the pipe is scheduled for replacement.

9
10 Mayor Strickland asked for an update on the trees that were planted along U.S. 17-92. He said he
11 thought the contractor is responsible for up keeping the trees and the larger trees do not look like they
12 are getting enough water. Mr. Murray said the DOT is responsible for maintaining the trees for a year.
13 He said that the trees are being watered.

14
15 Vice Mayor Allebach reported that the MPO is looking into applying for a Transportation Investment
16 Generating Economic Recovery (TIGER) grant to widen SR 415. It is a joint project with Seminole
17 and Volusia Counties. Construction is expected to start in 2013. Vice Mayor Allebach said there was
18 nothing specific to Orange City or West Volusia. He noted that sidewalks were moved from Edgewater
19 to Ormond Beach for the bicycle trails.

20 21 **11. APPROVAL OF MINTUES**

22
23 **Council Member Laputka moved to approve the minutes of the**
24 **September 8, 2009 Regular Council Meeting, seconded by Vice Mayor**
25 **Allebach and passed by a unanimous 7/0 voice vote of the Council.**

26 27 **12. COUNCIL COMMENTS:**

28
29 Council Member Abraham said that he had his first experience sitting on a Canvassing Board and felt
30 that it went well. He said he was impressed with the efficiency of the staff of the Supervisor of
31 Elections office and the accuracy of the voting machines. Council Member Abraham stated, “Now I
32 can tell the citizens that the elections are fair.”

33
34 Vice Mayor Allebach expressed his appreciation to staff and his regrets that he would not be able to
35 attend the annual Employee Appreciation Breakfast scheduled for Friday. Vice Mayor Allebach
36 commented on the results of the election. Noting that the “usual standard” of 800 people voted, he said
37 that one district had a 24% turnout, while both the at-large and the other district had a 13% turnout. He
38 stated, “On one level the districts really worked but the other districts need to catch up.” He suggested
39 that more competition might improve the turnout.

40
41 Council Member Laputka noted that all three of the newly elected council members are on the
42 Sustainable Water Committee. He questioned whether they could remain on the committee. Mr.
43 Reischmann responded that due to the nature of the committee he felt the council members elect
44 remaining on the committee would not create dual office holding, but that he would look into the matter
45 and report to Council.

46
47 Council Member Rasch said that he will be on vacation and is not able to attend the Employee
48 Appreciation Breakfast. He stated, “Of all the things that I will miss during my out of town visit, that

1 would be the one thing that I miss the most. I think that everybody on the City staff knows what I think
2 of their service and how much I value it.”

3
4 Council Member Mahoney thanked all the candidates who ran for office and congratulated those who
5 were successful. Council Member Mahoney said that he attended the candidate forum and that he had a
6 problem with a question that was asked because it had a “false premise.” The question to incumbents
7 was “What have you voted no on?” Council Member Mahoney stated, “I would suggest that the
8 responsibility of a council member is not to vote no on something but rather to be able to change what
9 is presented...and put forth a motion...to have a discussion and change it to something that is
10 successful, that is agreeable to them.”

11
12 **13. ADJOURN:**

13
14 There being no further business, Mayor Strickland adjourned the meeting at 9:30 p.m.

15
16 **RESPECTFULLY SUBMITTED:**

APPROVED ON:

17
18
19
20
21
22 Gloria Williams, CMC
23 Deputy City Clerk

10/13/09