

1 **MINUTES OF THE SPECIAL MEETING/BUDGET HEARING** of the City Council of the City of
2 Orange City, Florida, held on Tuesday, September 15, 2010 at 7:00 p.m. in Council Chambers, 201 N.
3 Holly Avenue, Orange City.

4
5 **CALL TO ORDER:** The meeting was called to order at 7:00 p.m. by Mayor Strickland and roll call
6 was taken.

7
8 **ROLL CALL**

9
10 **PRESENT:** Mayor Harley Strickland; Vice Mayor Tom Laputka; Council Members Bill Crippen,
11 Anthony Pupello, Allebach, Tom Abraham; City Manager Jamie Croteau; City Attorney
12 William Reischmann; City Clerk Deborah Renner

13
14 **ABSENT:** Council Member Jeff Allebach

15
16 **1. SPECIAL PUBLIC HEARING ON THE ADOPTION OF THE BUDGET AND**
17 **MILLAGE RATE FOR FISCAL YEAR 2010/2011**

18
19 **MAYOR’S OPENING COMMENTS:**

20
21 Mayor Strickland read the following statement into the record: “The City of Orange City intends to
22 adopt a budget and millage rate for Fiscal Year 2010/11. The proposed millage rate is 6.3445 mills
23 which is below the rolled-back rate as provided by the Property Appraiser of Volusia County and does
24 not reflect an increase in ad valorem taxes.”

25
26 Vice Mayor Laputka read the title of Ordinance 429 into the record.

27
28 **PUBLIC HEARING – FIRST READING**

29
30 **A. ORDINANCE NO. 429:** An ordinance of the City of Orange City, Florida, certifying
31 the millage rate for fiscal year 2010-2011 on all taxable property located within the City
32 of Orange City, Volusia County, Florida; containing a repealer provision, a severability
33 clause and providing for an effective date.

34
35 Vice Mayor Laputka moved to adopt Ordinance No. 429 on first reading, seconded by Council Member
36 Blair.

37
38 **STAFF PRESENTATIONS**

39
40 Christine Davis, Finance Director, came forward and provided a power point presentation (a copy of
41 which is attached and becomes a permanent part of these minutes) on the budget process. She reviewed
42 the challenges in preparing the budget for this upcoming year. Ms. Davis noted that the tentative
43 millage rate was set at the rolled back rate of 6.5487. She advised that this is the first of two budget
44 hearings, with the second and final hearing to be held at 7:00 p.m. on September 28, 2010.

45
46 Ms. Davis discussed the challenges encountered when developing the proposed budget. She noted that
47 revenues are down, citing interest income which is down from \$200,000-\$300,000 to \$12,000 due to
48 declining interest rates. She discussed the challenges related to the development of the budget for the

1 upcoming year. Ms. Davis noted that nearly all revenue streams were projected to decrease
2 significantly.

3
4 Ms. Davis stated that the proposed budget for FY 2010-2011 is balanced at 6.3445 mills. She advised
5 that this is 3.12% below the rolled back rate. The City is anticipating additional revenue in the amount
6 of \$117,000 from the value of new construction. She noted that property values in Volusia County
7 declined 15% while the City declined 26.1% according to the property appraiser's office.

8
9 Ms. Davis advised that ad valorem is the largest source of revenue although alone, it is not enough to
10 cover the cost of public safety.

11
12 Ms. Davis noted that the proposed General Fund budget decreased by 8%. She pointed out that of a
13 \$1,400 tax bill, Orange City gets about \$325 which equates to \$27 per month or 89¢ per day. This is
14 down from a cost of 92¢ per day in 2009. Orange City has the second lowest cost per day compared
15 with DeLand, Deltona and Unincorporated Volusia County Westside.

16
17 Ms. Davis provided an overview of items included for funding in the budget. She noted that based on
18 Council's direction, funding was added for community improvement and stormwater projects totaling
19 \$50,000, also added was funding for two playgrounds using CDBG funds. Ms. Davis noted that funding
20 was removed for salary increases and the annual sick bonus. Suspending the annual salary increases
21 will require further action from Council.

22
23 Ms. Croteau thanked staff for their work on the budget. She noted that although the millage rate went
24 up, the average cost that the homeowner pays for taxes has gone down.

25 26 **CITIZEN COMMENTS**

27
28 Henry Durica, 1310 E. Lansdowne, came forward. He questioned an expenditure in the budget for
29 \$89,000 and asked where it comes from. Ms. Davis responded that it is a five-year loan that the City
30 took out for the Rhode Island construction project. The City's contribution to that project was about
31 \$750,000.

32
33 Mary Lewis, 347 W. Blue Springs, came forward and stated that a drain on Carpenter Avenue drains
34 onto her property. She said that it needs to be fixed. Ms. Croteau said that the Carpenter Avenue
35 stormwater project has been included for funding along with the drainage project on Holly Ave. in the
36 amount of \$50,000

37
38 Anthony Tillman, 470 S. Carpenter, came forward and said that he, too, is affected by these drainage
39 issues. He urged Council to keep the funding in the budget to fix the problem.

40
41 Council Member Abraham related "political science" as it relates to those serving on the Council to
42 doctors working in the medical field. He said that Council should follow steps similar to those used by a
43 physician: listen to the citizens, understand their concerns, make wise decisions, and prescribe
44 solutions. The Council must perform diagnostic tests in the form of an investigation and, at times, the
45 final action may involve surgery. Council Member Abraham noted that other cities have been required
46 to make "unpleasant" cuts in the budget as much as 15% across the board. He said that some of the
47 Council knows how he will vote on the ad valorem and "inflated budget." Council Member Abraham
48 observed that other cities have a "clear and convincing notion" about "sustainable fiscal policies." He

1 said that some of Orange City's Council Members need to research more about the sustainability of
2 fiscal policies at all levels of government. Council Member Abraham said that sustainability does not
3 result from simply increasing taxes and putting the burden on the taxpayer, rather spending must be
4 "drastically addressed." He gave Ms. Croteau credit for addressing this policy to "some extent,"
5 however, he suggested that Orange City should be making "drastic" cuts in spending such as other cities
6 are making. He observed that other cities are setting millages "far, far below the rollback rate." He
7 expressed that the cuts should be made sooner rather than later or the result will be more and more
8 confusion. He urged the Council to take a global view and staff to answer all questions "in a rational
9 manner." Council Member Abraham advised that he submitted questions about the budget, but has not
10 received any answers. He again questioned why the City did not make a 15% cut "across the board" in
11 all departments. He asked Ms. Croteau if she requested that department heads make any "across the
12 board" cuts. Ms. Croteau responded that each department budget was examined line by line to see
13 where reductions could be made. She advised that "there is not a lot of fat" in the budgets as it had been
14 taken out by prior management. She said that she does not believe in "across the board" cuts and feels
15 that it is better to examine each department and each expenditure. Ms. Croteau said that she did not feel
16 it was unreasonable to ask each citizen to pay \$27 per month for the services they receive. She said that
17 the citizens were given a tax cut and did not feel that it could go much lower and still accomplish the
18 goals that have been set for next year. Ms. Croteau noted that the budget has been decreased by 8%
19 from last year, however, there are certain things that must be done such as maintaining the City's
20 infrastructure.

21
22 Vice Mayor Laputka said that the Council meets with the City Manager and Finance Director on an
23 individual basis and discusses many of their concerns and questions at that time. He noted that cuts
24 have been made for the past several years while the budget was already "lean and functional." Vice
25 Mayor Laputka said that the budget document is very understandable and that he endorses it and will
26 vote in favor of it. He thanked Ms. Croteau for "a job well done."

27
28 Mayor Strickland noted that the assessment on his house was cut by 24%+ this year. He noted that the
29 County and School Board are getting the largest share of the tax bill, not the City. The Mayor said that
30 his neighbor pays nothing in municipal ad valorem after her deductions are taken. He expressed his
31 opinion that making severe cuts to services "adds to the economic difficulties of our community." He
32 spoke in support of the budget.

33
34 Council Member Crippen noted that funding in past years for certain items has been up and down which
35 has been reflected in the millage rate. Using Council Member Abraham's medical analogy, he said that
36 there are parts of the City in need of "physical therapy," and that he supports expenditures for that.
37 Council Member Crippen noted that staffing was adjusted. He spoke in support of the budget stating
38 that it is "understandable, and a good one."

39
40 Council Member Pupello emphasized that the amount generated by ad valorem revenue alone is not
41 enough to pay for police and fire services. He said that he found the proposed millage rate to be
42 "acceptable and appropriate."

43
44 Mayor Strickland closed the public hearing on Ordinance No. 429.

45
46 Vice Mayor Laputka read the title of Ordinance 430 into the record.
47

1 **B. ORDINANCE NO 430:** An ordinance of the City of Orange City, Florida, adopting the
2 annual budget for the 2010-2011 fiscal year beginning October 1, 2010, and ending
3 September 30, 2011; authorizing subsequent amendments by resolution; repealing all
4 inconsistent ordinances or parts thereof; and providing for an effective date.
5

6 **Vice Mayor Laputka moved to adopt Ordinance No. 430 on**
7 **first reading, seconded by Council Member Blair.**
8

9 Mayor Strickland opened the public hearing.
10

11 Council Member Blair said that he spoke with both Ms. Croteau and Ms. Davis this week regarding his
12 concerns about the \$150,000 “contingency fund” and how that money would be spent. He questioned
13 whether Council would have to approve the expenditure of these funds. Ms. Croteau confirmed that
14 Council would have to approve the money being spent in the form of a budget amendment. She said
15 that she hopes the money will not be used. If it is needed, it would be considered “contingency” and if it
16 is not used, it will be “stabilization” funding and will roll forward to the next fiscal year. Council
17 Member Blair said that since the reduction in force was an administrative decision, the funding for
18 unemployment should not come out of the departmental budgets. Ms. Croteau responded that since all
19 departments with the exception of Utilities are general fund items, the money all comes “from the same
20 pot.” As far as how the money for unemployment is budgeted, it can be done either through
21 administration or included in departmental budgets, but it all comes from the general fund. She assured
22 Council Member Blair that an adequate amount of money was allocated to each department to cover the
23 cost.
24

25 Council Member Crippen reiterated his support for the budget. He said that it was apparent that a lot of
26 thought went into the preparation.
27

28 Council Member Pupello concurred and acknowledged the amount of work that went into the budget.
29 He noted that the funding allocated for the strategic planning projects are for the future of the City. He
30 said that he feels “very comfortable” with this budget.
31

32 Mayor Strickland noted the importance of planning for the future and that he wished more funding could
33 have been allocated for that. He said that he feels the budget is “reasonable” and that it does contribute
34 to future goals.
35

36 Council Member Abraham recalled the large amount of money paid out in 2008 for a separation
37 agreement with the then City Manager, which was followed the next year with funds to buy the building
38 from the Chamber of Commerce which still remains vacant. He looked at the past few years and asked,
39 “In what way did we change Orange City for the good of Orange City residents?” He asked what
40 Council has done since 2008 and questioned, “Where are we going?” Council Member Abraham stated,
41 “Is the government helping the people, is the ultimate question. Is the government a problem-solver or a
42 problem itself?”
43

44 Council Member Crippen said that it is necessary to make a conscious decision to have actions that will
45 provide the greatest good to the greatest number of people. He noted the accomplishment of lowering
46 the garbage bills. He stated “We’re trying to do the best we can in difficult times.”
47

1 Council Member Blair stated that he didn't like the fact that there were layoffs this year. He said that
2 what bothers him in the budget is the amount of money for contractual services with outside sources
3 when there were people on staff who could have done the work. He said that he did not feel the layoffs
4 were necessary.

5

6 **E. FORMAL ACTION BY COUNCIL**

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8 (1) Millage Ordinance is voted on

9

10 **Motion to adopt Ordinance No. 429 on first reading passed by**
11 **5/1 roll call vote with Council Member Abraham voting "no."**

12

13

14 (2) Budget Ordinance is voted on

15

16 **Motion to adopt Ordinance No. 430 on first reading passed by**
17 **5/1 roll call vote with Council Member Abraham voting "no."**

18

19

20 **F. ANNOUNCEMENT OF PROPOSED MILLAGE RATE.**

21

22 Mayor Strickland read the following statement into the record: "The proposed millage rate for the City
23 of Orange City for Fiscal Year 2010-2011 is 6.3445 mills is below the rolled-back rate as provided by
24 the Property Appraiser of Volusia County and does not reflect an increase in ad valorem taxes."

25

26 **H. ANNOUNCEMENT OF THE DAY, DATE, TIME AND PLACE OF SECOND**
27 **PUBLIC HEARING AND FINAL ADOPTION OF ABOVE ORDINANCES**

28

29 Mayor Strickland read the following statement into the record: "Second Reading and Public Hearings
30 for Ordinance No.'s 429 and 430 will be held during the second regular City Council Meeting for the
31 month of September 2010 on Tuesday, September 28, 2010 at 7:00 p.m. in Council Chambers at 201
32 N. Holly Avenue, Orange City, Florida."

33

34 **3. ADJOURN**

35

36 The meeting was adjourned at 7:55 p.m.

37

38 Respectfully Submitted:

Approved on:

39

40 Deborah J. Renner, CMC
41 City Clerk

September 28, 2010