

1 **MINUTES OF THE WORKSHOP MEETING** of the City Council of the City of Orange City,
2 Florida, held on Monday, August 15, 2016 at 6:00 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 6:15 p.m. by Mayor Laputka and roll call was taken.

8
9 **ROLL CALL**

10
11 **PRESENT:** Mayor Tom Laputka; Vice Mayor Gary A. Blair; Council Members: William (Bill) Crippen
12 Michael G. Wright, Ron Saylor, Anthony J. Pupello; City Manager Dale Arrington; City Clerk Gloria
13 Thomas.

14
15 **ABSENT:** Council Member Tom Abraham.

16
17 **1. Overview and Discussion of Fiscal Year 2016/2017 Budget**

18
19 Christine Davis, Finance Director, came forward and provided a detailed PowerPoint presentation
20 regarding the budget for fiscal year 2016/2017 (a copy of which is attached and becomes a permanent
21 part of these minutes). Ms. Davis' presentation included a five-year financial review and she
22 highlighted the budget challenges and key assumptions. Ms. Davis pointed out the factors that were
23 discussed by legislature potentially resulting in reduced funding. She advised that staff is proposing to
24 use the fund balance to pay for capital items in the next fiscal year.

25
26 Ms. Davis noted that two budget hearings have been scheduled for September 14th and 27th followed by
27 the final adoption of the 2016/2017 budget on September 27, 2016.

28
29 Ms. Davis listed the budget challenges as limits on ad valorem and growth, save our homes cap, non-
30 residential cap and maximum millage calculations. She stated that service taxes continue to decline and
31 development continues to fluctuate.

32
33 Ms. Davis identified the various sources of expenses and revenues in the budget. She discussed the
34 relationship between the budget and strategic plan. Ms. Davis discussed the Capital Improvement Plan
35 (CIP) allocations. She reiterated that the budget was balanced at a 7.45 millage rate. Ms. Davis noted
36 that funding for the Senior Center, and Parks and Recreations Programs were also included in the
37 budget.

38
39 Ms. Davis mentioned that the road program, sidewalk restoration, merit increases, funding for the trails
40 and funding for a skate park were not included in the budget. Ms. Davis concluded her presentation and
41 invited questions from Council.

42
43 Mayor Laputka inquired about the funding of repairs for the Senior Center. Ms. Davis noted that the
44 City owned the Senior Center and would assume all responsibility for the building.

45
46 Council Member Wright inquired about the benefits study and the costs associated with it. Ms.
47 Arrington responded that if at the conclusion of the study City salaries do not compare favorably with
48 other municipalities in Volusia County, the pay rates may need to be adjusted citywide.

1 Vice Mayor Blair asked why the City pays a consultant to handle City employee benefits instead of
2 using someone in-house. Ms. Arrington replied it would be a conflict of interest to utilize competent
3 personal in-house. She also stated that the City would negotiate and find a consultant at a lower cost.
4

5 Vice Mayor Blair asked for the definition of a smart board. Ms. Mendez came forward to explain the
6 uses and benefits of a smart board.
7

8 Mayor Laputka asked Ms. Davis to explain the potential loss of revenues. Ms. Davis discussed the
9 electric, fuel, communications service tax and franchise fees and what it would mean if they were
10 eliminated. She stated that the business tax is the only one that is at risk of being eliminated at this time.
11 Mayor Laputka asked if the City was at risk with the utility relocation bill. Ms. Davis advised that is
12 unknown at this time.
13

14 Mayor Laputka suggested increasing revenues. Ms. Arrington replied that is not necessary this year.
15 She suggested that Council discuss the items to be included in the budget or that Council accept the
16 budget as presented.
17

18 Mayor Laputka stated that he would like Mill Lake Park to be a priority. Vice Mayor Blair agreed
19 stating that he is willing to delay the other trails and parks improvements in the budget for another year.
20

21 Council Member Pupello voiced the items that he would like included in the budget, including the
22 improving salaries and compensation for staff.
23

24 Council Member Crippen announced that he would like staff recruitment and retention to be a priority,
25 as well as the trails concept. He stated it would help bring more visitors to the City. He also voiced that
26 he would support a higher millage rate.
27

28 Council Member Saylor commented that there were several ongoing projects that could not be finished
29 at this time. He stated that his main concern was the stormwater and wastewater issues in the City. He
30 suggested that some of the ad valorem tax be put away in a fund in case of an emergency.
31

32 Council Member Pupello compared the proposed salary survey with capital equipment deferral stating
33 that it is important to take care of City employees.
34

35 Ms. Arrington commented that the lack of funds needed to provide the Fire and Police departments with
36 adequate staff has been difficult. She stated the budget that she has submitted is the most responsible.
37 She acknowledged that the majority of the Council agrees the trails should be a high priority. She asked
38 Council if the current millage rate was acceptable.
39

40 Council Member Crippen maintained that the millage rate should be increased and the trails and smart
41 board be deferred at this time.
42

43 Council Member Wright expressed his views about handling a budget, which include taking a
44 conservative approach with revenue, an exaggerated approach with expenses and leaving contingency
45 funding available at the end of the year.
46

47 Council Member Elect Jim Mahoney came forward and inquired about the percentage of ad valorem
48 revenue budgeted for public safety. He asked how many people were employed by the City.
49

1 Ms. Arrington stated the number of employee openings in each department.

2
3 A question and answer forum ensued between Ms. Arrington and Mr. Mahoney including the general
4 fund revenue detail, the state sales tax, the electric utility tax, the pension cost for the Council and the
5 new line item for training Police department.

6
7 Council Member Elect Bill O'Connor came forward to state his concerns with the budget. He asked if
8 future buildings were included in the budget and if there were any current unfunded mandates. Ms.
9 Arrington replied there were not however the septic regulations are a concern.

10
11 Ms. Arrington summarized by stating that it appears the Council would support a 7.45 millage rate for
12 FY2016/2017 budget. In addition, funding for sensitivity training and trails will be included.

13
14 In response to a question from Mayor Laputka, Ms. Arrington explained what the sensitivity training
15 program would entail.

16
17 Council Member Saylor announced that he would support a millage rate increase to 7.59 mills. He
18 noted that the trails were not immediate issues.

19
20 Vice Mayor Blair thanked staff for a good job on the presentation.

21
22 **2. ADJOURN:**

23
24 There being no further business, Mayor Laputka adjourned the meeting at 7:51 p.m.

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26
27 **RESPECTFULLY SUBMITTED:**

APPROVED ON:

28
29 _____
30 Melani Brown,
31 Deputy City Clerk

Date