

1 **MINUTES OF THE PRELIMINARY BUDGET MEETING** of the City Council of the City of Orange
2 City, Florida, held on Monday, July 10, 2018 at 6:00 p.m. in Council Chambers, 201 N. Holly Avenue,
3 Orange City.

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5 **CALL TO ORDER**

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7 The meeting was called to order at 6:00 p.m. by Mayor Blair and roll call was taken.

8
9 **ROLL CALL**

10
11 **PRESENT:** Mayor Gary Blair; Vice Mayor William (Bill) Crippen, Council Members: Anthony J.
12 Pupello, Evelyn Robinson, Jeff Allebach, Bill O'Connor, Jim Mahoney, City Attorney William
13 Reischmann; City Manager Dale Arrington; City Clerk Gloria Thomas.

14
15 **ABSENT:**

16
17 1. **OVERVIEW AND DISCUSSION OF FISCAL YEAR 2018/2019 BUDGET**

18
19 Dale Arrington, City Manager, came forward and thanked the Council for taking the time to have this
20 budget workshop. She discussed the agenda and noted that staff was present to answer any questions
21 Council may have.

22
23 Ms. Arrington provided a detailed PowerPoint presentation regarding the budget for fiscal year 2018/2019
24 (a copy of which is attached and becomes a permanent part of these minutes). She advised that budget
25 preparation began in February with department head presentations to City Council and City departments
26 prepared their operating and capital budgets for submittal to the City Manager in March and May. In
27 addition, a citizen budget input session was held. Ms. Arrington noted that this year an Employee
28 Insurance Committee was established. Health Insurance is one of the most costly items, in terms of
29 personal services.

30
31 Ms. Arrington advised that the City Council will set the tentative millage rate for next fiscal year at the
32 July 24 City Council meeting. The tentative millage rate is the maximum rate that can be levied; it cannot
33 be increased, but it can be decreased. A draft budget will be provided to Council on August 1, and a
34 budget work session has been scheduled for August 13. Two public budget hearings are scheduled for,
35 September 12 and September 25, and final adoption of the 2018/2019 budget will occur on September 25,
36 2018.

37
38 Ms. Arrington provided a summary of the major funds that showed a comparison of the 2017/18 amended
39 budget to the proposed 2018/19 budget. She advised that after the budget is adopted and the amendment
40 presented, the uncompleted projects for the fiscal year will be incorporated into the budget.

41
42 Ms. Arrington noted that what is requested resulted from new money being generated. It does not include
43 older money that the City has not finished spending this year.

44
45 Ms. Arrington reported that the General Fund budget is \$18,948,918, which includes animal control and
46 fire services to DeBary. Other funds such as Impact Fees, Forfeiture, CRA, Solid Waste and Sparkman
47 SAD and Shadow Ridge SAD can only be used for the purpose in which it was intended.

48

1 Ms. Arrington noted that Council has the most discretion over the General Fund in terms of setting the
2 service level and the millage rate necessary to fund the services provided. The other Funds must go
3 through a number of new studies or creating new types of fees or new processes.
4

5 Ms. Arrington referred to the General Fund slide, highlighting the proposed millage rate. She noted that
6 the proposed millage rate is 8.034 mills which is a reduction from the current millage rate of 8.065 mills.
7 Ms. Arrington noted that a transfer of zero dollars from the general reserve account is proposed to make
8 up the operating budget. This year is the first time staff has been able to do that. She stated that a balanced
9 budget is being presented.
10

11 Ms. Arrington reported that the recurring revenue is bringing in \$12 million minus recurring operating,
12 and capital expenses, which leaves \$395,000 remaining to fund non-recurring capital items. Ms. Arrington
13 commented that this is progress from the past 3 years.
14

15 Ms. Arrington reported that ad-valorem taxes do not pay for all the City needs. The City raised enough
16 tax dollars to pay for fire and police services and not much else.
17

18 Ms. Arrington presented average taxable values/taxes and noted that the average value for single family
19 residences has increased \$6,687 from 2017/2018. She noted that the average family will be paying \$52
20 more in taxes this year than last year.
21

22 Ms. Arrington presented the proposed budget per department in the General Fund, not including DeBary
23 services and reported that the following items were included:

- 24 • Maintaining current operations
- 25 • 3% COLA
- 26 • Construction Project Coordinator position
- 27 • Contingency fund
- 28 • Sponsorships & contributions
- 29 • Pledge to the Neighborhood Center
- 30 • Continued funding for special events
- 31 • Replacement of computers
- 32 • Servers, & software updates
- 33 • Remaining funds for financial software
- 34 • Six vehicle replacements
- 35 • Streets & sidewalks
- 36 • City hall building assessment
37

38 Ms. Arrington reported that the following items were not included in the budget:

- 39 • Nine new positions/one reclass
- 40 • New city events
- 41 • Deferred building maintenance
- 42 • Deferred 7 replacement vehicles
- 43 • Dirt road paving, new buildings
- 44 • Deferred park improvements
45

46 Ms. Arrington reviewed post-review reductions, deferred capital and a five year capital forecast which
47 included position requests, future considerations and millage scenarios.

1 Ms. Arrington discussed the other major funds. She noted that a scope for a water and sewer rate study
2 was being generated and scheduled for delivery in August. Ms. Arrington reviewed the revenue and
3 expenditure budgets for the water and sewer operation. She stated that \$598,000 is planned to be
4 transferred from prior earnings.

5
6 Ms. Arrington reviewed the ongoing capital budget which includes SRF Utility, Holly Ave. and Orange
7 Ave. infrastructure improvements; Little French, Big French design, lift station rehabs, Coleman Skate
8 Park, and Coleman Park improvements.

9
10 Ms. Arrington noted that items to be determined include union negotiations with the Police Department,
11 share cost for guardian placement in the school system, and a portion of a special referendum for the ½
12 cent sales tax. She noted that these items could be dealt with at a later date.

13
14 Ms. Arrington advised that Council should be aware of future considerations which include funding for
15 new positions, funding for big ticket items, legislative unfunded mandates, and a possible recession.

16
17 Ms. Arrington provided revenue options such as, increasing the millage rate, adopting the fire assessment
18 fee and rate studies.

19
20 In conclusion, Ms. Arrington provided a millage recap noting the proposed minimum millage rate is 8.034
21 mills. Council will discuss and set a millage rate at the July 24 City Council meeting.

22
23 Ms. Arrington provided Council with a package (a copy of which is attached and becomes a permanent
24 part of these minutes) providing a breakdown per department of capital outlay requests, non-recurring
25 capital outlay, deferred capital outlay requests, deferred capital with 5 year projection, 5 year position
26 requests, projected fund balances, millage rates & taxable value, and millage scenarios.

27
28 Ms. Arrington concluded her presentation and opened the floor for Council's questions.

29
30 Council Member O'Connor asked how much the City spent on overtime for firefighters and compare the
31 cost with a new hire. Ms. Arrington replied that if a shift of 3 firefighters were hired the recurring cost
32 would be \$205,000. A savings of \$52, 000, a net operating increase of \$155,000. Council Member
33 O'Connor asked if the City maintained the current millage rate what would that dollar value amount to.
34 Ms. Arrington replied \$30,000.

35
36 Vice Mayor Crippen asked where the card room revenues is located in the budget. Ms. Arrington replied,
37 under other income sources. Devlin Moore advised the card room revenues are categorized under
38 intergovernmental and for next fiscal year the total is \$130,000.

39
40 Council Member Mahoney commented about firefighters working an extreme amount of overtime. He
41 expressed concerns about the firefighters becoming burnt out. Ms. Arrington replied that she agrees and
42 does not want the firefighters to be overworked.

43 Council Member Mahoney asked about the scheduling rotation. Chief Long came forward to explain the
44 scheduling process for the fire department. Chief Long stated that the firefighter shifts are normally 24
45 hours on and 48 hours off. Currently, they are on 48 hours off 24 hours.

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47 Mayor Blair thanked Ms. Arrington and complimented her presentation.

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49 **2. ADJOURN:**

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There being no further business, Mayor Blair adjourned the meeting at 6:57 p.m.

RESPECTFULLY SUBMITTED:

APPROVED ON:

Melani Beringer,
Deputy City Clerk

Date

DRAFT