

**ORMOND BEACH CITY COMMISSION MEETING
HELD AT CITY HALL COMMISSION CHAMBERS**

September 6, 2005

7:00 p.m.

Present were: Mayor Fred Costello, Commissioners Jeff Boyle, Troy Kent, Ed Kelley, and Bill Partington, City Manager Isaac Turner, Assistant City Manager Theodore MacLeod, City Attorney Randy Hayes, and City Clerk Veronica Patterson.

A G E N D A

- 1) Meeting call to order by Mayor Costello.
- 2) Invocation.
- 3) Pledge of Allegiance.
- 4) First Public Hearing to adopt the FY 2005-2006 proposed millage rates and budget.
 - A) Resolution No. 2005-172 adopting proposed millage rates for the 2005-2006 fiscal year; establishing a date, time and place for a public hearing to adopt final millage rates and final budget. (3.61267 operating millage rate; debt service millage rates of 0.49949 and 0.04100)
 - B) First Reading of Ordinance No. 2005-30 adopting the Annual Budget for the 2005-2006 Fiscal Year beginning October 1, 2005, and ending September 30, 2006; repealing all inconsistent ordinances or parts thereof. (\$71,312,312)
- 5) Approval of the Minutes of the August 16, 2005, meeting.
- 6) **AUDIENCE REMARKS:**

7) **INTERGOVERNMENTAL BOARD REPORTS:**

- A) Metropolitan Planning Organization
- B) Volusia Council of Governments
- C) Smart Growth Implementation Committee
- D) Water Authority of Volusia

8) **CONSENT AGENDA:** The action proposed is stated for each item on the Consent Agenda. Unless a City Commissioner removes an item from the Consent Agenda, no discussion on individual items will occur and a single motion will approve all items.

- A) Resolution No. 2005-173 authorizing the execution of a Quitclaim Deed in favor of Garin L. Grayson and Terrie L. Grayson, releasing a portion of a fifteen-foot drainage and utility easement located along the rear of Lot 172, Tomoka Oaks, Unit 7-B (308 Rio Pinar Drive).
- B) Resolution No. 2005-174 supporting and adopting the National Incident Management System. (Preparing for and responding to disaster incidents).
- C) Resolution No. 2005-175 authorizing the purchase of personal safety and firefighting equipment under City of Hollywood Bid IBF-3713-02/RD; authorizing a contract with Ten-8 Fire Equipment, Inc. (\$62,954.25; 90% grant funding, 10% City funding)
- D) Resolution No. 2005-176 authorizing the submittal of a grant application to the Florida Department of Environmental Protection under the Florida Recreation Development Assistance Program for funding assistance relative to the construction of a basketball court in Central Park, Phase I; authorizing the execution of all documents incidental thereto. (\$50,000 total project; \$50,000 grant funds; \$0 local funds)
- E) Resolution No. 205-177 renewing an engagement letter between the City and Samuel P. Bell, III, of Pennington, Moore, Wilkinson, Bell & Dunbar, P.A., regarding legislative lobbying services for the 2006 Florida legislative session; authorizing the execution thereof. (\$30,000 plus expenses not-to-exceed \$1,000)
- F) Resolution No. 2005-178 authorizing the execution of a contract between the City of Ormond Beach and Hall Construction Company, Inc., regarding the Fire Station #91 Replacement Project. (Not-to-exceed \$1,287,710)
- G) Resolution No. 2005-179 accepting the proposal of Brown & Brown Insurance regarding the renewal of property insurance services; authorizing the execution of an agreement and payment therefor. (\$226,427)
- H) Resolution No. 2005-180 accepting the bid of Servello & Son, Inc., regarding grounds maintenance services under Bid No. 2005-32; rejecting all other bids; authorizing the execution of an agreement between the City and Servello & Son, Inc., and payment thereunder; providing notice of termination to the Bon Terre Group, Inc., of the existing grounds maintenance contract between it and the City. (\$480,470.75)
- I) Resolution No. 2005-181 accepting the bid of Servello & Son, Inc., regarding grounds maintenance services for highway medians under Bid No. 2005-33; rejecting all other bids; authorizing the execution of an agreement between the City and Servello & Son, Inc., and payment thereunder; terminating an existing agreement between the City and Servello & Son, Inc., for similar services. (\$229,314)
- J) Right-of-way Maintenance:
 - 1) Resolution No. 2005-182 accepting the bid of Servello & Son, Inc., regarding right-of-way mowing services for State roads under Bid No. 2005-39; rejecting all other bids; authorizing the execution of an agreement between the City and Servello & Son, Inc., and payment thereunder. (\$9,914.40)
 - 2) Resolution No. 2005-183 accepting the bid of Servello & Son, Inc., regarding right-of-way mowing services under Bid No. 2005-34; rejecting all other bids; authorizing the execution of an agreement between the City and Servello & Son, Inc., and payment thereunder. (\$93,471)

- K) Review of FY 2004-05 budget status.

DISPOSITION: Approve as recommended in City Manager memorandum dated September 1, 2005.

9) **PUBLIC HEARINGS:**

- A) Resolution No. 2005-184 approving and authorizing the removal of an historic tree on a City right-of-way located at 62 South Orchard Street.
- B) Ordinance No. 2005-16 adopting certain amendments to the Future Land Use Element, Transportation Element, Conservation Element, Cultural Affairs Element, and the Future Land Use Map of the City of Ormond Beach Comprehensive Plan, providing when such amendments shall take effect. (First Cycle 2005 Comp Plan Amendments) (Second Reading) (To be tabled to September 20, 2005 meeting)

➤ Ormond Crossings

Future Land Use Map (Future Land Use Element)

1. Ormond Crossings, from Volusia County “Commercial,” “Urban Low Intensity,” “Agricultural Resource” and “Rural” to Ormond Beach “Activity Center” (3,095 acres)

Future Land Use Element (Text)

2. Amending Goal 1 of this element to establish an Activity Center land use to encourage the development of master planned, mixed use developments that serve as a catalyst for economic development opportunities.
3. Amending table 1, Distribution of lands uses by percentage, to include the Ormond Crossings project.
4. Amending Table 2, Comparison of updated resident population projections with adopted population projections.
5. Adding directive text for the activity center land use.
6. Amend Table 1, Future Land Use Element, Directive Text future land use area.

Transportation Element (Text)

7. Adding Objective 1.17 and related policies to ensure that all properties designated as “Activity Centers” on the Future Land Use Map shall be designed to internalize traffic impacts and reduce the average trip length of home to work and home to shop trips and the associated policies for this objective.
8. Amending Table 6, Future Roadway Functional Classification to add Ormond Crossings Boulevard as a divided principal arterial roadway.

Conservation Element (Text)

9. Amending Policy 1.1.7.; amending Objective 2.4; adding Policy 2.4.1; amending Policy 5.2.3; amending Objective 5.4; amending Policy 5.4.16; amending Policy 5.4.11; and amending Policy 5.4.39 to allow for exemptions to the City’s wetland impact restrictions for “Commerce Park” designated properties within the Ormond Crossings Activity Center, subject to approval of a wetlands management master plan.

➤ River Oaks

Future Land Use Map (Future Land Use Element):

10. River Oaks (south of Airport Road, east of I-95, west of the Broadwater subdivision, and north of the Tomoka River.), from Volusia County “Urban Low Intensity,” “Low Impact Urban” and “Environmental Systems Corridor” to City “Suburban Low Density Residential.” (58.26 acres) This land use is proposed to be used once the subject property has been annexed into the City of Ormond Beach.

➤ Fire Station #91

Cultural Affairs Element (Text)

11. Amend Policy 1.2.10 by clarifying that use and maintenance of the “Old Coquina Firehouse” may be through private or public ownership.

➤ Future Land Use Map

12. The Planning Department requests amending the format of the Future Land Use Map from the original hand-drawn version to a version generated from the City’s Geographic Information System (GIS).

C) Ordinance No. 2005-29 of the City of Ormond Beach, Florida, relative to the General Employees’ Pension Plan, amending Article I, In General, of Chapter 16, Pensions and Retirements, of the Code of Ordinances; amending Sections 16-6, Benefit Amounts and Eligibility. (Providing a 3% cost-of-living increase for current retirees) (Second Reading)

10) **FIRST READING OF ORDINANCE** No. 2005-31 approving the preliminary/final plat for the “Ormond Town Commercial Center,” Phase II, replat; establishing conditions and expiration dates of approval.

11) **DISCUSSION ITEMS:**

A) Capital Improvement Project process critique and recommendations.

B) Reconsideration of Public Hearing items:

1) Grande Paintball Planned Business Development.

2) Vacation of Fluhart Avenue.

C) Hurricane activities/fuel availability issues.

12) **REPORTS, SUGGESTIONS, REQUESTS:** Mayor, City Commission, City Manager, City Attorney.

13) Close the meeting.

Item #1 - Call to Order

Mayor Costello called the meeting to order at 7:00 p.m.

Item #2 – Invocation

Mayor Costello gave the invocation, remembering the victims of Hurricane Katrina.

Item #3 - Pledge of Allegiance

Mayor Costello led the Pledge of Allegiance.

Item #4(A) – Adopting Proposed Millage Rates for the 2005-2006 Fiscal Year

RESOLUTION NO. 2005-172

A RESOLUTION ADOPTING PROPOSED MILLAGE RATES FOR THE 2005-2006 FISCAL YEAR; ESTABLISHING A DATE, TIME AND PLACE FOR A PUBLIC HEARING TO ADOPT FINAL MILLAGE RATES AND FINAL BUDGET; AND SETTING FORTH AN EFFECTIVE DATE.

Mayor Costello reported that per Florida Statute, he was required to state that the proposed millage rate for the City of Ormond Beach necessary to fund the fiscal year 2005-2006 budget was 3.61267 mills, which was a 23.58% tax increase over the rolled back rate of 2.9233. He advised the proposed debt service millage rates were 0.49949 for the 2002 General Obligation Bond Sinking Fund and 0.041 for the 2003 General Obligation Bond Sinking Fund. Mayor Costello advised that this was a public hearing and asked if anyone had any questions or wished to speak prior to the adoption of the tentative millage rate and budget.

Mr. Thomas Roache, 1050 North Beach Street, stated he opposed raising taxes for no reason, but the City needed to spend money for recreation for the City's youth, and he was willing to spend the extra money for the children. He urged the Commission to stay on task and make up for past mistakes, bringing the recreation up to where it should be and making Ormond Beach the best City in Volusia County. Mr. Roache stated all citizens are responsible for the next generation.

Ms. Brenda Wesolowski, 6 Wayland Circle, a member of the Ormond Lakes homeowner association, stated the people in attendance tonight represented a small portion of those informed of some of the Commission's plans. She urged the Commission to place some of these issues on referendums. Ms. Wesolowski reported the people were telling the Commission they were opposed to their plans such as height limit increases for buildings, tax increases, and expansion if the airport.

Mr. Rick Lovell, 354 Applegate Landing, stated it was easy to create the perception of government run amuck and rally a group of citizens to descend on City Hall to speak against an issue, but it was more difficult to encourage people who are confident in their representatives to speak in favor of an issue. He reported those who have asked the City to maintain its facilities and the level of service were not present tonight because the majority of the Commission was doing what the citizens have asked of them. Mr. Lovell stated the Commission and staff were funding the maintenance of City facilities, reducing operational costs, and assuring the reserves were at a sufficient level to maintain the City's financial stability. He explained approximately 19½% of the rate increase was for the Renewal and Replacement Fund, which would allow the City to pay for maintenance that had been overlooked for years as the City spent its reserves in an effort to avoid raising taxes. Mr. Lovell noted 3% would be used to help eliminate the use of reserves to balance the budget. He reported all other budgetary concerns could probably be paid for without a tax increase because staff had managed to reduce expenses while maintaining their level of service.

Mr. Lovell pointed out that in literature provided by the political action committee STORM, the claim was made that Mr. Turner recommended the 34% tax increase and the 18% water rate increase; but that was incorrect because, as a member of Budget Advisory Board, he, and not Mr. Turner or staff, made the first recommendation for the 34% tax increase. He stated that after much study, that and the water rate increase was the Budget Advisory Board's recommendation to the staff and the Commission. Mr. Lovell noted the Commission refused to raise the water rates last year when the Budget Advisory Board first made that recommendation because the Commission was hopeful other solutions could be identified, which did not occur. He explained that the Budget Advisory Board made these recommendations because past Commissions continually went to the City's reserves to balance the budget and would not generate the revenues necessary to address the costs. Mr. Lovell explained that in 1996 Commissioner Boyle advocated a 15% fund balance, and last year's hurricanes indicated that philosophy was correct; but in the July 19, 2005, budget workshop, Commissioner Boyle advocated reducing the reserve to 10% this year to help fund the budget. He stated this was the same philosophy that placed Ormond Beach in the position where large tax increases were necessary.

Mr. Lovell explained that the actual increase was not the 24% roll back figure, but was actually 6.6% over last year. He stated a homeowner with a \$200,000 home would pay an additional \$52.00 a year to keep Ormond Beach the premier City that it was currently, with some of the best facilities. Mr. Lovell reported the majority of the Commission had heard the voice of the people to maintain its level of service and had taken the steps necessary to put the City's financial future back on track while still maintaining one of the lowest tax rates in the County and providing some of the best services that were offered by any city. He stated he was concerned about City taxes, but he believed Ormond Beach was doing its job as well if not better than other communities, and he supported the Commission members who were willing to do what needed to be done to keep Ormond Beach a great place to live.

Mr. Bill Rice, 27 Mayfield Circle, stated this year the City has asked for an approximate 15% increase over last year's taxes. He reported he received a phone call urging him to come to City Hall to protest this terrible tax increase, but he was frustrated hearing people complain about taxes. Mr. Rice pointed out that he was happy with Ormond Beach and the amenities it had provided. He noted the police, fire, and other workers deserve a decent wage. Mr. Rice stated that because of Hurricane Katrina the oil, gasoline, and building supplies cost would be increasing; therefore, the City could not afford a tax cut right now. He reported he was in favor of the proposed budget.

Ms. Doris Katz, 395 South Atlantic, urged the Commission to be as courageous tonight as they had been through workshops. She noted the problems of the City were known; there was only one solution; and the tax increase was not large. Ms. Katz pointed out that much of the problem in New Orleans was due to not spending money for the infrastructure. She noted Ormond Beach had maintenance problems, but there was an item in the budget to help solve those problems. Ms. Katz reported the City must see this through and continue to keep Ormond Beach the wonderful City that it was and could continue to be; therefore, she urged the Commission to vote in favor of this budget.

Mr. Rick Boehm, 5 Springwood Trail, reported he spoke out last year about the budget increase because he was concerned with increases in salaries and not meeting the maintenance needs of the City. He stated since that time a Recreation Master Plan was prepared, and maintenance of the facilities had become a top priority. Mr. Boehm reported he was a member of the Recreation Advisory Board and in a joint meeting with the Recreation Advisory Board, Planning Board, and Quality of Life Advisory Board all board members agreed the most important issue was maintenance. He noted staff responded in that there was a Renewal and Replacement fund in the proposed budget. Mr. Boehm stated the pay increases were for three years, compounded, forcing an increase in the budget even without any other considerations. He pointed out that the City received only one bid for health insurance, and the costs increased \$325,000, leaving nothing for the City to do other than to absorb the cost. Mr. Boehm stated the \$500,000 for the Renewal and Replacement would be for replacing roofs at The Casements, at Riverbridge Gardens, Fire Station #94, and the soccer concession stand. He pointed out these repairs should have been funded years ago. Mr. Boehm noted that also included in the budget was the replacing of the gutters at the South Ormond Neighborhood Center, replacing the rest rooms at Central Park II, replacing the docks at Sanchez Park, and redoing the air conditioning at the Performing Arts Center. He stated he was proud staff finally placed this in the budget and urged the Commission to approve the budget and the renewal and replacement budget since the City needed to have its facilities maintained.

Ms. Bonnie Emery, 44 Sanchez Avenue, reported she received a call urging her to attend this meeting. She expressed a concern about waste. Ms. Emery agreed the City needed to maintain its infrastructure, but the City did not need to install the eight-foot sidewalks on Sanchez Avenue. She noted when hiring an outside contractor there was no incentive to keep costs down. Ms. Emery pointed out that all who attended the sidewalk meeting indicated they did not want the sidewalk. She urged the Commission to revisit the five-year plans to eliminate waste. Ms. Emery expressed concern relative to allowing high rises on the ocean because the tide could cover the entire peninsula and take out all of the buildings. She noted this was ruining the dunes and quality of life in Ormond Beach.

Mr. Donald Cunningham, 19 North Yonge Street, urged the City to consider electric rail. He noted he favored Bob Graham's ideas noting it was prudent to exercise good science.

Mr. Bruce Teeters, 3 Broadriver Road, stated his taxes were increased by 60% from last year. He urged the Commission to be vigilant in controlling costs because the commercial real estate owner was the one who was harmed most.

Ms. Susan Kraeft, 740 Buena Vista Avenue, stated that as a new resident of Ormond Beach she was horrified at the large tax bill and noted she was paying more taxes in Ormond Beach than she was for her property near Tallahassee worth twice what her Ormond Beach property was worth. She stated the amount of money from this increase had to be more than what was needed for the services being provided. Ms. Kraeft reported these taxes would double some people's mortgage payment.

Ms. Helen Wallace Mitchell, 303 Selden Avenue, reported the taxes on her parents home were more than twice as much as last year's bill, and there have been no changes made to justify this increase. She stated she cleans the drains and weeds at the dead end of the road.

Mayor Costello asked her to contact City Manager Mr. Isaac Turner or Assistant City Manager Mr. Ted MacLeod tomorrow to determine why the taxes had doubled, noting he would be interested in finding out how this could have possibly occurred.

Mr. John Bornmann, 6 Windsor Drive, stated the tax increase last year was 34%, and the City made many promises; but a great deal of changes had not occurred, and now the City wanted 24% more for some of the same items. He reported the assessments in Ormond Beach had increased tremendously as well as new growth. Mr. Bornmann questioned where the money from the new growth was going. He pointed out the budget was less than last year's budget, yet the taxes were still being increased. Mr. Bornmann explained other cities have found ways to cut costs, such as Port Orange obtaining smaller police cars. He stated the cost-of-living

increased 3%, so the City should only receive 3%. Mr. Bornmann reported the cost of maintaining the right-of-way mowing was \$813,000, and he questioned how much it would cost for the City to do take over this function. He pointed out that every taxing agency was seeking an increase in taxes, and he urged Ormond Beach be the first to change that trend.

Mr. Stan Stockhammer, 24 Shadow Creek Way, thanked the Commission and staff for all the work they had done on trying to improve the recreation facilities in the last year. He noted for the past ten years the City did not have the necessary funding. Mr. Stockhammer reported the Ormond Beach Youth Baseball and Softball Association had seen a greater interest in recreation recently, and he urged the Commission to stay on track and improve recreation for children. He acknowledged the City's costs would increase, and certain adjustments had to be made or services had to be cut.

Mr. Charles Carter, 212 Arlington Way, provided four pages of information to the City Clerk and asked that she provide a copy to the Commission should they wish to examine the information. He stated the training room was not an appropriate venue to conduct major City business. Mr. Carter expressed dissatisfaction with what was being displayed on the screen in the Chambers, the configuration of the dais, and the lack of citizen participation after they were educated on the issues. He stated this budget sought no cuts, only an increase in funding. Mr. Carter recommended considering taking funds from the 11 other reserve funds rather than the General Fund reserve for expenses. He noted travel was to be cut, but there were no cuts relative to travel in the budget. Mr. Carter urged the Commission to examine all of the administration costs. He suggested the City require an audit and financial statement before any donations are made. Mr. Carter stated the Commission needed to be educated relative to the taxes the City received from property and other funds so they could determine if staff was providing them with accurate information. He urged the City to either close down or down size facilities.

Mr. Carter noted in purchasing electronic equipment the City should be reducing staff time. He pointed out the fire trucks and police cars have thousands of dollars worth of equipment. Mr. Carter noted the water meter reader equipment should reduce staff time. He expressed displeasure with the Neighborhood Improvement Division and the Arlington Way project. Mr. Carter stated the building on Granada Boulevard near Commissioner Boyle's shop had not been worked on for over two years. He reported money should not be juggled in and out of the Vehicle Replacement Fund. Mr. Carter stated as the Police Department was the largest user of this fund, he urged this expenditure be placed in the Police Department budget. He stated money must be in the budget before allocating funds, or the budget must be adjusted. Mr. Carter complained the City had to wait eight months for audits costing \$50,000 that tell nothing. He urged all reports should be accurate and to up to date so the audits could be completed in four months. Mr. Carter stated enterprise, water and sewer, and solid waste funds were always seeking increases, and this item was 42% to 45% of the overall budget. He reported the Commission should know what was occurring with these funds.

Mr. Adrian Thompson, 6 Dorado Beach Court, objected to Commissioner Partington passing a note to Mr. Turner on the dais.

After Mayor Costello urged Mr. Carter to continue, Mr. Carter questioned what the City had done to save water and what needed to be done. He asked if the leaking ponds were fixed. Mr. Carter questioned if the City reviewed the deals it had with the hospital, school district, and Rinker. He noted the Commission needed to review how it would handle new growth relative to water. Mr. Carter pointed out that north of Granada Boulevard people were paying \$18 for unlimited use of reuse, but Breakaway Trails paid \$8 a month. He asked if the infiltration in the sewage would be stopped. Mr. Carter stated the St. Johns River Water Management District provided the City with \$500,000, but the City was expanding the lines to the north and would have 44 new lift stations to bring the sewage from the north to Ormond Beach. He stated the poor would be the most harmed by any rate increase. Mr. Carter noted the residents were not provided any information as to why this increase was needed. He reiterated he did not believe the Commission had adequate knowledge, and staff should give complete answers to fully inform the Commission.

Mayor Costello asked for a motion and second to adopt the proposed operating millage rate of 3.61267 and the debt service millage rates of 0.49949 and 0.041 or an amendment be made.

Commissioner Kelley moved, seconded by Commissioner Partington, to approve Resolution No. 2005-172, as read by title only, adopting the proposed operating millage rate of 3.61267 and the debt service millage rates of 0.49949 and 0.041.

Mayor Costello stated the proposed operating millage rate was 23.58% over the rolled back millage rate. He noted the resolution also included adoption of the proposed debt service millage rates of 0.49949 for the 2002 General Obligation Bond Sinking Fund and 0.04624 for the 2003 General Obligation Bond Sinking Fund.

Commissioner Partington asked Ms. Patterson to read the note he had passed to Mr. Turner into the public record.

Ms. Veronica Patterson, City Clerk, stated the note read as follows: "Didn't we start to go to smaller police cars?" She noted the answer was, "Yes, we're going from Crown Vics to Impalas."

Commissioner Partington advised he sent that message to Mr. Turner. He thanked Mr. Thompson for bringing this to everyone's attention. Commissioner Partington noted he though he remembered the Commission had agreed to go to smaller cars as in Port Orange approximately two months ago, but before he mentioned it publicly he was seeking conformation from Mr. Turner.

Commissioner Kelley stated the tax rate was 6.6% over the existing rate, and accounting for the 3% assessment in the "Save Our Homes" legislation, for a \$200,000 home, the increase would be \$1 per week. He noted the commercial, industrial, or non-homesteaded properties would be most affected. Commissioner Kelley pointed out that Ormond Beach did not set the value of property. He explained the last year the City gave a 6.5% or 6.7% salary increase to the employees compounded annually for three years or 20% over the three-year period. Commissioner Kelley noted that had the Commission approved the 3.25% as recommended by staff, the City would have over \$3 million in excess in the budget over that three-year period. He stated if the residents do not want the employees to be paid, they should speak to that issue. Commissioner Kelley explained \$1.2 million of the increase in this budget was for salaries, which he did not support, and now that there was a contract for three years, that can not be cut. He reported staff had done a good job with this budget. Commissioner Kelley noted when he was running for election in January, he was asked if he would raise taxes, and his reply was that he was not certain; but while he thought an increase would not be necessary, if it were needed it would be less than 10%, and this increase was 6.6% over the current tax rate.

Commissioner Kelley reported that the Commission was proposing to adopt a Renewal and Replacement fund to take care of items that should have been taken care of during the last 10 years. He noted that in seven of the past ten years there had been no tax increase, or the taxes went to roll back because the Commission was taking money from its reserves. Commissioner Kelley stated in 1998 the City had a reserve of \$6 million, and now it was slightly over \$3 million. He noted rather than raising the taxes in increments over those years, the reserve was diminished. Commissioner Kelley reported there was a proposal this year to use the reserve again, lowering it to below 10%. He explained it was important to maintain a budget surplus because of the City's bonding which could force the taxes to increase again. Commissioner Kelley stated should a major disaster occur and the City was not covered by insurance, these funds would be very important. He advised it would take the 6.6% increase to fund the budget that would be presented next on the agenda. Commissioner Kelley reported while he did not support the costs that were driving this increase, staff did a good job in holding the increase to 6.6% while taking care of items that should have been taken care of years ago, such as the maintenance of City facilities. He stated this money would go for roofs for children to play basketball, The Casements, Leisure Services, other recreation, parks, and the Senior Center, and there would be nearly \$3 million available for necessary projects that could be done this year. Commissioner Kelley noted the money would also go for training and upgrading equipment for the police, fire, and inspectors. He reported there could be a lower cost of doing business, but the City could not afford to upgrade the computers, which were seven to eight years old. Commissioner Kelley stated he would support this increase because the salaries were already locked in for this year and next year.

Commissioner Kent related a story where his grandfather advised him he could win re-elections by never raising taxes and making all roads one-way. He commended Commissioner Kelley because even though he did not approve of the pay raises, he would support the budget to fund them. Commissioner Kent stated many people are on a fixed income as he was, and no one wanted to approve a tax increase. He explained the staff and Commission have studied this information thoroughly. Commissioner Kent noted that just one person recently filed 23 complaints to Neighborhood Improvement, and they need more people, which would mean more money and higher taxes. He related a discussion he had with a constituent who was upset about last year's tax increase. Commissioner Kent noted the constituent ran a hot dog stand on the beach, and he asked what would happen if in 10 years he never increased the prices of his hot dogs and drinks and instead decreased the price. He noted his reply was that

he would be out of business. Commissioner Kent reported that he then explained this was what Ormond Beach had done, but the majority of this Commission wanted to correct that problem. He stated in his monthly meetings he had been told by the people to fix the problem. Commissioner Kent complimented the Budget Advisory Board for taking the unpopular stance to do the right thing. He urged anyone who indicated they had a 50% or 60% increase to contact Mr. Turner or Mr. Morgan Gilreath of Volusia County because something was wrong.

Commissioner Boyle stated last year there was a 34% increase producing \$2 million, and this year a 24% increase was proposed for another \$2 million in new revenue or a total of over \$6 over two years with a labor cost of \$1.2 million for each of the two years. He reported he considered this tax increase to be excessive. Commissioner Boyle mentioned Mayor Costello's letter where he had called it hypocritical, unethical, and political "gainsmanship" to vote for pay raises Mayor Costello considered excessive and against taxes that Commissioner Boyle considered excessive. He reported blame had been placed on past Commissions that voted for rollback or zero millage, but in those years the City had reserves of nearly \$6 million or a 28% to 30% reserve. Commissioner Boyle stated it would follow that those Commissions should have taken more taxes when the money was not needed and the reserves were earning 20% on the notion that some day another Commission would spend well excess of their revenue. He noted he considered it would have been unethical to raise taxes when there were excess reserves.

Commissioner Boyle pointed out that the City had 318 employees and 15% reserve in 1996 or \$2 million, and today a 10% reserve was in excess of \$3 million with 392 employees, which was a 23% employee increase in the past eight years while the population only increased by 12%. He noted the increase was not driven by the pay raises he voted for, but also new positions, particularly on the management level, which he voted against. Commissioner Boyle stated the increases in police and fire only placed the employees on par with other cities. He noted the Commission recently approved a new position for an Airport Manager, which would cost the City \$100,000 annually for an airport that was currently generating no profit. Commissioner Boyle stated people have been pleading with the Commission with a single message, which was they want less airport; but this position clearly signaled that there would be an airport expansion. He reported the City diverted \$1.5 million from property taxes to airport projects when the FAA indicated airports are to be self-sustaining. Commissioner Boyle pointed out a \$500,000 error on an access road. He stated he voted for fair raises for employees over the years, but opposed last year's fire contract because it did not include a provision to give pay raises on anniversary date rather than October 1. Commissioner Boyle pointed out that while he tried to change that, staff indicated the negotiations were too far along; but negotiations did not end until the deal was settled. He stated the City's salary survey indicated upper management salaries were 11% to 12% over the area average. Commissioner Boyle reported this was explained that the City had good people who have stayed for years. He stated 15 positions between 2001 and 2004 earned pay raises of \$191,000. Commissioner Boyle noted this would be discussed in negotiations in two years, but it could have diluted the labor costs significantly. He reported the Commission had not addressed either the anniversary pay raise or the management pay in which he considered 3.25% suitable. Commissioner Boyle pointed out a line employee at \$30,000 with a 6% increase would be \$1,500 to \$2,000, but an upper level manager with a 6% raise would receive \$6,000, which he did not consider equity.

Commissioner Boyle stated the Commission arbitrarily set the General Fund reserve at 12% of the annual operating expenses, and in the current budget it was close to 14%. He reported 10% reserve would be the same dollar amount as 12% reserve was two years ago, which was adequate. Commissioner Boyle stated in 1996 there was also a Solid Waste reserve of \$5 million because the City sold the trash trucks when they went to privatization. He noted in 1996 the reserve was needed in case the privatization did not succeed, but privatization was proven to be successful so that money became the City's emergency fund. Commissioner Boyle stated the 15% he advocated in 1996 was correct at that time, and the 10% he now advocated was also correct. He pointed out that in 2002 former Mayor Persis advocated a 10% reserve. He noted every year staff had found money for nine years. Commissioner Boyle stated positive variances come about from situations such as unfilled positions and interest rates. He reported the Commission should tax on actual shortfalls after they occur rather than on projected shortfalls that may not occur.

Commissioner Boyle reported he thought everything was fine in recreation until he was informed otherwise last year. He noted he believed the \$500,000 for recreation in this budget should be greater, and it could be provided without raising taxes by redefining the impact fees rather than being forced to have to give them back. Commissioner Boyle stated if the City reduced the reserve to 10%, it would free up more money to address the problems. He reported he did not believe the City needed this tax increase to address recreation needs.

Commissioner Boyle stated the \$676,000 not reimbursed by FEMA for hurricane pick up in private gated communities was never discussed by the Commission. He stated the City would collect \$2 million. Commissioner Boyle pointed out that he was not indicating that every taxpayer should not help pay for this cleanup, but this money came out of taxpayer dollars, and the Commission should have at least discussed the issue. He questioned who made the decision in that the City Manager was only permitted to make decisions up to \$25,000 without Commission approval.

Commissioner Boyle reported the Commission was ready to approve a small water rate increase last year; but when the tax increase came in at 34%, three Commission members were disinclined to approve the increase. He stated the 18% water rate increase would generate \$110,000 per point or \$2 million. Commissioner Boyle noted the increase should be significantly less if the Commission would approve the 24% property tax increase. He stated water rate increases are regressive, affecting the poorest people the hardest. Commissioner Boyle noted he would prefer a property tax increase rather than a water rate increase.

Commissioner Boyle stated the economic impact of current events would be realized most by people on fixed incomes, senior citizens, small business owners, and victims of last year's hurricanes. He noted one in four households earn less than a \$25,000 annual income. Commissioner Boyle stated with the economic impact of the recent disaster, the government would have to ask itself to show the same sense of urgency and fiscal restraint that everyone else would have to show. He reported the City should not discourage people from moving to Ormond Beach by having high taxes. Commissioner Boyle concurred with Mayor Costello that Ormond Beach had one of the lowest tax rates in the County, but it also had one of the highest assessments rates. He stated staff was very dedicated, but Ormond Beach had more of a spending problem than revenue problem. Commissioner Boyle reported the City did not need the Birthplace of Speed Park retrofitted, replica cars, or irrigated medians. He stated last year he recommended a 15% to 20% increase which would be 6% or 8% over millage and then re-evaluate the situation in a year, and he was making the same recommendation tonight. Commissioner Boyle noted he did not see the need for an airport manager; he advocated a decision be made not to expand the airport; he advocated a hiring freeze; he requested labor cost and Granada Boulevard reserve adjustments; he urged the City resolve the FEMA question; he suggested the Commission have a fiscal sense of urgency; and he recommended a lower water rate.

Mr. Isaac Turner, City Manager, stated staff would meet with any group to provide any information relative to what was included in the budget. He reported the City did not spend \$700,000 that was budgeted. Mr. Turner concurred these funds did skew the projections, but he commended staff for not spending those budgeted funds. He advised staff sought cuts all of the time as they prepare the budget. Mr. Turner pointed out that the Budget Advisory Board worked with staff looking for cuts. He noted the City was able to cut a few positions this year saving \$100,000 in addition to the \$700,000. Mr. Turner pointed out that staff recommended a 3.25% increase for the contracts, but the Commission made other decisions. He stated the public expected police officers and firefighters to come when they were needed and trash to be picked up, but they also expected the City to have a plan when a hurricane threatened the City. Mr. Turner reported the people expect well-trained and managed employees. He explained that many people stayed up all night to create and implement plans during and after Hurricane Charlie. Mr. Turner noted staff members have attended training classes on a national level to better understand how to handle incidents. He reported it would be unfair to treat managers differently from other staff since they would be expected to handle a manager's responsibility. Mr. Turner reported the City picked up hurricane debris because it was there, and the City needed to have the streets cleared to allow emergency vehicle access to its citizens. He noted there had been approximately five separate votes on this issue, and he would supply the records if he were requested to do so. Mr. Turner reported promises were made by FEMA, but the rules were changed. He explained during the elections a promise was made to fund 90% of the cost, but after the hurricanes hit the area and the City filed its reimbursement forms, the rules were changed. Mr. Turner clarified the hurricane debris pick up had nothing to do with the tax increase in that the money to pick up the debris came out of the Sanitation Fund. He reiterated he or his staff would gladly answer questions and provide further explanations on any portion of the budget to anyone interested.

Mayor Costello reported he had agonized over this issue for a long time, and he commended staff for coming in with a net budget of \$71.3 million, which was 9.5% lower than last year. He noted staff recommended a budget 1% below last year's tax rate, but the Commission listened to the citizenry and the Budget Advisory Board relative to adding a \$500,000 Renewal and Replacement item. Mayor Costello stated of last year's \$2 million, \$1.2 million was for staff increases, and while he voted against this, he voted to pay for it. He stated \$500,000 was for

Capital Improvements line items to begin to improve some of the maintenance problems that had been overlooked for years, and \$400,000 was allocated to use less of the savings. Mayor Costello explained in the \$2 million for this year, \$1.2 million would be for staff increases, \$500,000 for Renewal and Replacement, \$400,000 to reduce cutting into the fund balance, and \$100,000 for an airport manager. He pointed out that had the City had an airport manager, it may not have had the debacle that occurred at the airport. Mayor Costello made a pledge that he would not approve a budget over the current rate for next year, which was something he had never stated before. He stated the reason he could make this pledge was because the City had been spending fund balance for recurring expenses, but this had now stopped; the City had not had a budget for Capital Improvements Project, but it now had that budgeted; and the City had not had a budget for maintenance Renewal and Replacement, but it now had that budgeted, which would leave no reason to need to go above the existing rate. Mayor Costello explained that going to the roll back rate would mean that new growth not only pays for itself, but it would pay for the inflationary increase of government. He noted the new growth money this year was \$192,000, but it would certainly not cover the \$1.2 million increase in the cost of labor. Mayor Costello stated he may not make some people happy voting for this budget, but he had a responsibility to the residents of Ormond Beach to be make sure he was protecting the City's values, which were high because of the City's history of maintaining its facilities. He pointed out that the Commission had discussed sidewalks many times, and when residents come and inform the Commission they do not want a sidewalk, they have been stopped in the past.

Mayor Costello stated last year the City had appropriated \$709,000 in fund balance, and this year would be appropriating \$291,000. He noted he was pleased the sum was being reduced and would be more pleased next year when no fund balance would be appropriated. Mayor Costello reported should the City be fortunate enough to have a positive variance next year, there were several million dollars worth of unmet needs where those positive variances could be spent. He pointed out that fund balance was to be used for one-time expenses and not for recurring expenses. Mayor Costello stated the 5.07% was one of the lowest increases from year to year for a General Fund budget, and he was excited about what staff was able to accomplish. He requested a future discussion item to place the airport as an enterprise fund where any money going into the airport should be considered a loan to be paid back. Mayor Costello commended staff for coming in \$700,000 under budget. He explained the non-police and non-fire General Employee costs only increased 4.5% with 6.5% raises. Mayor Costello reported 72.5% of the general fund budget was for staff costs, and the Commission had no control over this after the contracts were ratified. He stated the percentage was over 74%, and in 1999 it was 65%; therefore, he was pleased the percentage was reduced to 72.5% in that it was going in the right direction. Mayor Costello noted the General Fund employee positions were decreased by two this year, and only one additional position overall was added. He reported the total full-time employees in 1996-97 were 9.49 employees per 1,000 population; it spiked to 10.11 in 2001-02; and today it was 9.56 employees, while the benchmark was under 10 employees per 1,000 population.

Mayor Costello stated new construction, annexation, and reassessment as a percent of the gross taxable value was 13.09% which was the highest increase; however, the new growth was only 2.33%. He noted he was not promoting new growth, only pointing out that Ormond Beach had the highest increase in assessments and the third lowest out of 10 years of new growth percentage. Mayor Costello stated comparing new construction and annexation or the new growth as a percentage of the gross taxable value decreases while the fund balance use increases. He noted if the growth was not paying as it did in the late 1990's, the City would have had to adjust the tax rate or stimulate growth. Mayor Costello stated with a homesteaded home, the actual increase was minimal, but it impacted the commercial and non-homesteaded residential. He noted the City would be up to 4.15 and Daytona Beach was at 7.11. Mayor Costello reported this was about value or what the resident or business would receive for what was charged.

Mayor Costello stated the \$676,000 FEMA would not pay to pick up debris in gated communities had nothing to do with the budget; but he pointed out that the people in the gated communities pay the same solid waste fee other residents not in gated communities pay, and they expect the same service. He noted the water rate issue would be debated at another meeting. Mayor Costello concurred with Mr. Carter that the audit was slow this year because there was a great deal happening, but Ormond Beach was faster than many other communities. He reported he supported Commissioner Boyle's recommendation relative to increases on the employee's anniversary date as opposed to October 1, but it was too late to include them in the labor contracts this year. Mayor Costello noted he and Commissioner Boyle would continue to respectfully disagree about management pay since he believed a benchmark should be established for an appropriate salary range for all positions, and everyone should receive the same increase. He reiterated his position that fund balance should only be used for non-recurring expenses rather than to lower the tax rate.

Call Vote:	Commissioner Boyle	no
	Commissioner Kent	yes
	Commissioner Kelley	yes
	Commissioner Partington	yes
Carried.	Mayor Costello	yes

Mayor Costello stated the proposed operating millage rate was set at 3.61267 which was a 23.58% over the rolled back millage rate.

Item #4(B) – Adopting the Annual Budget for the 2005-2006

Mayor Costello asked Ms. Patterson to read Ordinance No. 2005-30 to adopt a budget of \$89,353,134 which was a net budget of \$71,312,312.

ORDINANCE NO. 2005-30
AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR THE
2005-2006 FISCAL YEAR BEGINNING OCTOBER 1, 2005, AND
ENDING SEPTEMBER 30, 2006; REPEALING ALL
INCONSISTENT ORDINANCES OR PARTS THEREOF; AND
SETTING FORTH AN EFFECTIVE DATE.

Commissioner Partington moved, seconded by Commissioner Kelley, to approve Ordinance No. 2005-30, on first reading, as read by title only.

Call Vote:	Commissioner Kent	yes
	Commissioner Kelley	yes
	Commissioner Partington	yes
	Commissioner Boyle	no
Carried.	Mayor Costello	yes

Hearing no objection, Mayor Costello closed the public hearing on Item #4(B).

Mayor Costello called for a short break at 8:50 p.m., and he reconvened the meeting at 8:55 p.m.

Item #5 - Approval of Minutes

Mayor Costello advised the minutes of the August 16, 2005, meeting had been sent to the Commissioners for review and asked if there were any corrections, additions, or omissions.

Mayor Costello asked if there was any objection to approving the minutes as submitted. Hearing none, he declared the minutes approved as submitted.

Item #6 – Audience Remarks

Decorum

Mayor Costello urged the Commission to respect each other and the speakers at all times in that the Commission sets the example for others.

Voice of the People

Ms. Lucille Bornmann, 6 Windsor Drive, stated every citizen had a right to address their representative with compliments or complaints. She expressed concern that this Commission had voted for increased density, increased taxes, increased airport expenses, increased employee expenses, 6% increases for administrative staff and Commissioners without evaluation of their performance and lacking strict expectations and limitations. Ms. Bornmann reported the Commission had not decreased expenses, listened to residents, allowed residents to make decisions whether they want high rises throughout the City, and made the promised improvements with the 34% tax increase from last year. She stated there would be another 24% tax increase this year and an 18% increase in the water rate equaling a 58% tax increase in two years while funding to the airport that only benefited a few had been increased. Ms. Bornmann noted money had been wasted at the airport with no one being held responsible. She pointed out that the Commission had not cut travel expenses. Ms. Bornmann stated the Commission had not sued the County for beach access, grading, and vehicle driving to keep the sand packed. Ms. Bornmann reported the City did not receive any beachfront parks, parking, and other amenities. She urged the Commission to stop bargaining away the rights of the people so “big money” can have high rises in exchange for a path to the beach that residents have already paid for.

Commission Relationship with Citizens

Ms. Jeannie Ball, 3 Eagle Drive, compared the relationship between residents and Commission to a marriage which was based on trust, honesty, respect, responsibility, protection, dignity, and faithfulness. She stated citizens were willing to pay for services, but not for gross mistakes or incompetence by employees or management. Ms. Ball reported the middle class majority must be protected. She requested the elected officials finally demand beach access and beach parking from the County. Ms. Ball stated the residents would not tolerate elected officials and City employees bringing shame or embarrassment to the City. She demanded the City provide ample notice of public issues. Ms. Ball noted the citizens reserved the right of recall to remove elected officials if their promises were not kept. She stated citizens demand that new growth not place a burden on current residents and that it must pay for itself through higher impact fees. Ms. Ball reported concurrency, not complacency must be the methodology when considering an expanded city. She pointed out that investors automatically assume risk when purchasing property and have no right to expect citizens not to object as they continue to ask for special exceptions, rezonings, or changes to the Land Development Code or Comprehensive Plan. Ms. Ball suggested the Commission revisit their vows to citizens in that in a few weeks the citizens would decide who would stay and who would leave office. She stated the voice of the people would be heard in the voting booth.

Passing Messages

Mr. Adrian Thompson, 6 Dorado Beach Court, stated if the Commission or staff questioned decisions they made a few weeks ago, they should not pass notes, they should ask their questions on the public record.

Staff's Performance

Mr. Thompson stated it was indicated that \$1.2 million was the cost to the City for pay increases. He noted wages paid to management were the highest in the area; therefore, the City should expect the best management. Mr. Thompson stated the airport debacle would cost the City \$500,000 and recovery of hurricane debris from gated communities would cost \$685,000, but the Commission never sanctioned or authorized these expenditures. He questioned if the Commission should reward staff's performance by paying a 6% increase. Mr. Thompson stated the Commission was rewarding incompetence and bad decisions.

Mr. Thompson noted one issue not addressed in the staff report on Item 11(A) was the Commission's role in this process. He questioned if the Commission had full knowledge of all of the facts at the airport. Mr. Thompson asked if the City staff was the best possible staff and if they were doing their job as well as the Commission would expect of them, or have they cost the City \$1.2 million plus the pay raises. He added that there was another \$785,000 in firefighter overtime to be considered when only \$250,000 was required by contract.

Consent Agenda

Mr. Rick Boehm, 5 Springwood Trail, asked if he could remove something from the Consent Agenda to be discussed.

Mayor Costello reported Mr. Boehm should have asked a Commission member to pull the item before the meeting.

Condominiums at the Airport

Mr. Paul Hughes, 4 Lauren Court, Tomoka Oaks, stated a 10-acre parcel of property was purchased west of the golf course on Airport Road on the Tomoka River and off Pine Bluff. He noted he understood the plan was to build condominiums and/or town homes. Mr. Hughes reported that there was some connection between this property owner, the golf course, and the airport. He noted there was a public road off Pine Bluff that connected to Airport Road, although it had not been maintained for years. Mr. Hughes questioned if there was a private agenda occurring with the Eddy Corporation. He stated trees have come down under the guise of hurricane clean-up damage. Mr. Hughes noted something was occurring between this project and possibly Tomoka Oaks with this condominium project. He explained he was unable to obtain the full information on this issue.

Mayor Costello asked Mr. Hughes to speak to Planning Director Mr. Clay Ervin to discuss this issue tomorrow, and Mr. Ervin would then prepare information to be included in a Friday letter either this or next week which would be available to the public via the City's website.

Item #7(A) – Metropolitan Planning Organization

Mayor Costello reported the Metropolitan Planning Organization (MPO) approved the transportation project priority list and the new distribution formula for the urban attributable

known as the XU funds for more bicycle paths and pedestrian facilities because the Strategic Intermodal System (SIS) was taking most of the local money. He stated the TRIP regional agreements were approved to enhance the ability to obtain some of the TRIP funds that would assist in obtaining the interchange at US1 and I-95.

Item #7(B) – Volusia Council of Governments

Mayor Costello reported the Volusia Council of Governments (VCOG) updated the TriData study regarding fire and EMS. He noted that at the next meeting the Charter review suggestions from VCOG would be sent to the Charter Review Committee.

Item #7(C) – Smart Growth Implementation Committee

Mayor Costello reported the Smart Growth Implementation Committee was now completed, and he e-mailed a copy of the report to the Commission. He stated the presentation would be made to the County Council on September 8.

Item #7(D) Water Authority of Volusia

Commissioner Boyle stated the Water Authority of Volusia (WAV) board met on August 17 and decided to put out a memorandum with information of what had occurred. He reported Daytona Beach no longer wanted to participate with any interconnects without knowing the costs. Commissioner Boyle explained the review period for amendments to the interlocal agreement and by-laws would be for a 60-day period to allow all member governments to be informed and to vote on the amendments. He reported Mayor Masiarczyk of Deltona, an outgoing WAV member, made salient remarks, which have been reproduced for the Commission. Commissioner Boyle reported the next meeting would be a special meeting held on September 14 where WAV would examine budget items and address the items mentioned in this morning's editorial.

Item #8 - Consent Agenda

Mayor Costello advised that the action proposed for each item on the Consent Agenda was so stated on the agenda. He asked if any member of the Commission had questions or wished to discuss any one or more of the items separately.

Commissioner Partington asked Item No. 8(D) be pulled to discuss separately.

Commissioner Boyle asked Item Nos. 8(H), 8(I), and 8(J) be pulled to discuss separately.

Commissioner Kent moved, seconded by Commissioner Kelley, for approval of the Consent Agenda, minus Item Nos. 8(D), 8(H), 8(I) and 8(J).

Call Vote:	Commissioner Kelley	yes
	Commissioner Partington	yes
	Commissioner Boyle	yes
	Commissioner Kent	yes
Carried.	Mayor Costello	yes

Mayor Costello expressed appreciation to Kelly McGuire, Budget Director, for the budget reports provided to the Commission.

Item #8(D) – Construction of a Basketball Court in Central Park, Phase I

RESOLUTION NO. 2005-176

A RESOLUTION AUTHORIZING THE SUBMITTAL OF A GRANT APPLICATION TO THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION UNDER THE FLORIDA RECREATION DEVELOPMENT ASSISTANCE PROGRAM FOR FUNDING ASSISTANCE RELATIVE TO THE CONSTRUCTION OF A BASKETBALL COURT IN CENTRAL PARK I; AUTHORIZING THE EXECUTION OF ALL DOCUMENTS INCIDENTAL THERETO; AND SETTING FORTH AN EFFECTIVE DATE.

Commissioner Kelley moved, seconded by Commissioner Kent, to approve Resolution No. 2005-172, as read by title only.

Commissioner Partington reported he had no strong objection to this resolution; however, he received a letter from Ambassador High regarding the issue. He noted this resolution would merely apply for the grant, and further action would be needed before accepting the grant. Commissioner Partington requested staff meet with Ambassador High about her concerns. He suggested also sending a letter to some of the residents affected by this location to ascertain what their level of interest would be in this facility.

Commissioner Boyle stated he strongly advocated basketball courts, but one of the objections was placing a basketball court in a passive park. He noted he favored the basketball courts, but questioned if this the right place for them.

Call Vote:	Commissioner Partington	yes
	Commissioner Boyle	yes
	Commissioner Kent	yes
	Commissioner Kelley	yes
Carried.	Mayor Costello	yes

Item #8(H) – Grounds Maintenance Services

RESOLUTION NO. 2005-180

A RESOLUTION ACCEPTING THE BID OF SERVELLO & SON, INC., REGARDING GROUNDS MAINTENANCE SERVICES UNDER BID NO. 2005-32; REJECTING ALL OTHER BIDS; AUTHORIZING THE EXECUTION OF AN AGREEMENT BETWEEN THE CITY AND SERVELLO & SON, INC., AND PAYMENT THEREUNDER; PROVIDING NOTICE OF TERMINATION TO THE BON TERRE GROUP, INC., OF THE EXISTING GROUNDS MAINTENANCE CONTRACT BETWEEN IT AND THE CITY; AND SETTING FORTH AN EFFECTIVE DATE.

Commissioner Partington moved, seconded by Commissioner Kelley, to approve Resolution No. 2005-180, as read by title only.

Commissioner Boyle urged this and the other contract items be tabled to the next meeting due to the question of irregularities in the bid process. He noted the bids of two companies were opened and Servello & Sons, Inc., (Servello) did not have the final numbers and had two pages missing, but staff allowed them to retrieve the missing pages.

Ms. Judy Sloane, Public Works Director/City Engineer, stated this incident was addressed in the right-of-way mowing contract, Item No. 8(J) of the agenda. She concurred there was a page missing at the bid opening for the DOT right-of-way mowing. Ms. Sloane explained the provisions in the acceptance of the bid were that staff could accept all or a portion of the bid; and in this instance, staff accepted all of the numbers submitted and rebid the numbers that were missing. She reported this was why there were two contracts before the Commission.

Commissioner Boyle noted due to this explanation he would not make a motion to table this issue. He reported the Commission discussed placing a performance bond in these large contracts. Commissioner Boyle stated he understood the original Request for Proposal (RFP) had a bond requirement, but it was subsequently dropped.

Ms. Sloane stated the City did not require a performance bond on service contracts. She explained that in an RFP patterned after the police station janitorial contract, an employee bond was mentioned, but that was not appropriate for this type of contract.

Commissioner Boyle stated all bids were over the budget so staff negotiated with Servello.

Ms. Sloane stated staff was permitted to negotiate with the low bidder.

Commissioner Boyle noted he understood this was permitted, but questioned why the City did not merely start over and rebid. He questioned if the winning bid included service to Main Street Park.

Ms. Sloane stated it should have, but she would have to check the numbers in that all sites in the original bid should have been included. She noted she believed it was included in the City Hall/Library contract.

Commissioner Boyle pointed out that Bon Terre was donating this service worth \$8,000 to \$9,000 per year. He reported Bon Terre also included money for a bond that was not required, which caused confusion. Commissioner Boyle urged future bids to include some estimate of gasoline. He asked for an explanation relative to Servello mowing unnecessarily on the medians during the hurricane; whereby, Ms. Sloane replied she did not recall that situation.

Commissioner Kelley asked for clarification that this bid did not include the provision where the vendor could ask for more money for gasoline; whereby, Ms. Sloane concurred this bid did not include the unusual cost of business or fuel adjustment, but it would allow a Consumer Price Index (CPI) increase, and after the first two years they would be able to request up to 4% of the CPI.

Call Vote:	Commissioner Boyle	no
	Commissioner Kent	yes
	Commissioner Kelley	yes
	Commissioner Partington	yes
Carried.	Mayor Costello	yes

Item #8(I) – Grounds Maintenance Services for Highway Medians

RESOLUTION NO. 2005-181

A RESOLUTION ACCEPTING THE BID OF SERVELLO & SON, INC., REGARDING GROUNDS MAINTENANCE SERVICES FOR HIGHWAY MEDIANS UNDER BID NO. 2005-33; REJECTING ALL OTHER BIDS; AUTHORIZING THE EXECUTION OF AN AGREEMENT BETWEEN THE CITY AND SERVELLO & SON, INC., AND PAYMENT THEREUNDER; TERMINATING AN EXISTING AGREEMENT BETWEEN THE CITY AND SERVELLO & SON, INC., FOR SIMILAR SERVICES; AND SETTING FORTH AN EFFECTIVE DATE.

Commissioner Kelley moved, seconded by Commissioner Partington, to approve Resolution No. 2005-181, as read by title only.

Commissioner Boyle asked if something was deleted from the current contract; whereby, Ms. Sloane replied nothing was deleted on the SR-40 median contract. Commissioner Boyle stated the economy of scale could account for \$36,000, but he suspected the City was overpaying the current contract, although this was admittedly a value judgment. He reported one of the problems on SR-40 was that the construction soil remaining was sandy and rocky and normally not suitable for growing. Commissioner Boyle asked if the soil in the US1 medians would need to be replaced.

Ms. Sloane reported the soil on US1 was tested, and it was revealed that there would not be a problem in using that soil; but this was a problem on Nova Road. She stated additional money had been appropriated from DOT to replace the soil.

Commissioner Kelley stated that in 1995 the City was asked to bid on maintaining the medians in-house from the railroad tracks to A1A, and the cost would have been over \$100,000.

Ms. Sloane stated in-house costs were examined for grounds maintenance, but not for all three contracts. She reported the in-house City costs could not compete.

Commissioner Kelley reported he was pointing out that there was no way the City could compete in 1995, and it could certainly not compete now considering the cost of equipment, maintenance, and other related costs.

Ms. Sloane stated staff was anticipating irrigation repairs would be done in-house in that this could be done more economically in-house.

Call Vote:	Commissioner Kent	yes
	Commissioner Kelley	yes
	Commissioner Partington	yes
	Commissioner Boyle	no
Carried.	Mayor Costello	yes

Item #8(J)(1) – Right-Of-Way Mowing Services for State Roads

RESOLUTION NO. 2005-182

A RESOLUTION ACCEPTING THE BID OF SERVELLO & SON, INC., REGARDING RIGHT-OF-WAY MOWING SERVICES FOR STATE ROADS UNDER BID NO. 2005-39; REJECTING ALL OTHER BIDS; AUTHORIZING THE EXECUTION OF AN AGREEMENT BETWEEN THE CITY AND SERVELLO & SON, INC., AND PAYMENT THEREUNDER; AND SETTING FORTH AN EFFECTIVE DATE.

Commissioner Kelley moved, seconded by Commissioner Partington, to approve Resolution No. 2005-182, as read by title only.

Call Vote:	Commissioner Kelley	yes
	Commissioner Partington	yes
	Commissioner Boyle	no
	Commissioner Kent	yes
Carried.	Mayor Costello	yes

Item #8(J)(2) – Right-Of-Way Mowing Services

RESOLUTION NO. 2005-183

A RESOLUTION ACCEPTING THE BID OF SERVELLO & SON, INC., REGARDING RIGHT-OF-WAY MOWING SERVICES UNDER BID NO. 2005-34; REJECTING ALL OTHER BIDS; AUTHORIZING THE EXECUTION OF AN AGREEMENT BETWEEN THE CITY AND SERVELLO & SON, INC., AND PAYMENT THEREUNDER; AND SETTING FORTH AN EFFECTIVE DATE.

Commissioner Partington moved, seconded by Commissioner Kelley, to approve Resolution No. 2005-183, as read by title only.

Mayor Costello stated he was delighted to see the comparison from the old contract to the new contract.

Call Vote:	Commissioner Partington	yes
	Commissioner Boyle	no
	Commissioner Kent	yes
	Commissioner Kelley	yes
Carried.	Mayor Costello	yes

Item #9(A) – Removal of an Historic Tree at 62 South Orchard Street

RESOLUTION NO. 2005-184

A RESOLUTION APPROVING AND AUTHORIZING THE REMOVAL OF AN HISTORIC TREE ON A CITY RIGHT-OF-WAY LOCATED AT 62 SOUTH ORCHARD STREET; AND SETTING FORTH AN EFFECTIVE DATE.

Commissioner Kent moved, seconded by Commissioner Kelley, to approve Resolution No. 2005-184, as read by title only.

Call Vote:	Commissioner Boyle	yes
	Commissioner Kent	yes
	Commissioner Kelley	yes
	Commissioner Partington	yes
Carried.	Mayor Costello	yes

Hearing no objection, Mayor Costello closed the public hearing on Item #9(A).

Item #9(B) – First Cycle 2005 Comprehensive Plan Amendments

Mayor Costello reported this item would have to be tabled to the September 20, 2005 meeting.

Commissioner Partington moved, seconded by Commissioner Kelley, to table Ordinance No. 2005-16 to the September 20, 2005, meeting.

Call Vote:	Commissioner Kent	yes
	Commissioner Kelley	yes

	Commissioner Partington	yes
	Commissioner Boyle	yes
Carried.	Mayor Costello	yes

Item #9(C) – Cost-of-living Increases for Current Retirees

ORDINANCE NO. 2005-29
 AN ORDINANCE OF THE CITY OF ORMOND BEACH, FLORIDA, RELATIVE TO THE GENERAL EMPLOYEES' PENSION PLAN, AMENDING ARTICLE I, IN GENERAL, OF CHAPTER 16, PENSIONS AND RETIREMENTS, OF THE CODE OF ORDINANCES; AMENDING SECTIONS 16-6, BENEFIT AMOUNTS AND ELIGIBILITY; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL INCONSISTENT ORDINANCES OR PARTS THEREOF; AND SETTING FORTH AN EFFECTIVE DATE.

Commissioner Partington moved, seconded by Commissioner Kent, to approve Ordinance No. 2005-29, on second reading, as read by title only.

Commissioner Partington asked if this could be automatically approved annually allowing a cost-of-living increase tied to the CPI.

Mr. Paul Lane, Finance Director, replied this could be done, but it would be very expensive. He explained the Commission would have to build this in as a planned benefit and fund it for all current employees as well as the retirees. Mr. Lane advised the cost would probably be approximately \$200,000 each year. He pointed out that an increase could only be considered every three years. He noted should it be considered more than once every three years it would not be considered an ad hoc policy and would have to be pre-funded.

Commissioner Partington questioned if there was some point in which the general employees could have the benefit of the pension increase annually.

Mr. Lane explained the general employees could have the benefit of the pension increase annually only if the Commission changed the ordinance improving the benefits to make this an automatic cost-of-living increase.

Commissioner Partington requested the Commission be provided the cost for this.

Call Vote:	Commissioner Kelley	no
	Commissioner Partington	yes
	Commissioner Boyle	yes
	Commissioner Kent	yes
Carried.	Mayor Costello	yes

Hearing no objection, Mayor Costello closed the public hearing on Item #9(C).

Item #10 – “Ormond Town Commercial Center,” Phase II

ORDINANCE NO. 2005-31
 AN ORDINANCE APPROVING THE PRELIMINARY/FINAL PLAT FOR THE “ORMOND TOWN COMMERCIAL CENTER,” PHASE II, REPLAT; ESTABLISHING CONDITIONS AND EXPIRATION DATE OF APPROVAL; AND SETTING FORTH AN EFFECTIVE DATE.

Commissioner Partington moved, seconded by Commissioner Kent, to approve Ordinance No. 2005-31, on first reading, as read by title only.

Call Vote:	Commissioner Partington	yes
	Commissioner Boyle	yes
	Commissioner Kent	yes
	Commissioner Kelley	yes
Carried.	Mayor Costello	yes

Item #11(A) - Capital Improvement Project Process Critique and Recommendations

Mayor Costello reported staff provided an excellent report.

Commissioner Boyle concurred this was a very thorough report; resources were insufficient for oversight and inspection of all of the public and private projects; the idea of a manual was a good idea; and he appreciated all of the observation of checklists, surveys, site plan review, paving, landscape, and permits. He expressed his concern that the report did not call for any provisions for board or Commission review of plans for public projects. Commissioner Boyle pointed out that the City Commission bears the final responsibility for the success or failure of City public works project. He disagreed that an airport manager may have averted the problems at the airport. Commissioner Boyle noted the Land Development Code did not allow the City to exempt itself from rules required of private developers. He requested a board and Commission public hearing because he believed that this would have averted the airport problems in that questions would have been asked about the juxtaposition of the golf course and the trees.

Mayor Costello asked if Commissioner Boyle was proposing all projects the City would undertake would be required to come through the board and Commission process.

Commissioner Boyle explained he was referring to all above ground projects such as the access road at the airport. He noted the Commission relied on staff to assure them that all of the proper actions were being completed only to find out later that they were not, making the Commission responsible.

Mr. Clay Ervin, Planning Director, stated the Land Development Code stipulated “vertical construction” was defined as a building or site improvement, and depending on what zoning district was involved, the project would be considered either a conditional use or a special exception. He stated the proposed reuse tank at Oceanside Country Club had to go through a public hearing because it involved vertical construction; however, the City had not typically had public hearings for repaving of roads, repair of roads, construction of new roads, or installation of new utilities.

Mayor Costello asked if there were a way the City could make it so that the airport project would have come before the Commission.

Commissioner Boyle stated he was only interested in the airport.

Mayor Costello clarified he wanted more than just the airport involved.

Mr. Ervin stated staff could require public hearings for any improvements in industrial-type zonings. He noted anything involving new construction, as opposed to repair and replacement, would have to go through the public hearing process.

Mr. Turner stated staff could make any changes the Commission requested. He pointed out there were a number of extremely obscure issues relative to the Greenbelt Buffer area, and there were two or three other actions taken on the lease agreement that impacted the Greenbelt Buffer area that were not caught previously that impacted the airport situation.

Mayor Costello recommended any new vertical construction would have to go through the board process unless they would come to Commission and the Commission concurred it did not need board review.

Mr. Ervin reported his understanding of the Commission’s request was that any public improvement would become a special exception.

Mr. Turner asked if Ms. Sloane would have any concerns relative to this directive.

Ms. Sloane expressed concern in that “time was money,” and any delay would cost the City more money. She noted the fire station approved tonight did not have to go to a board in that it went to the Site Plan Review Committee and then to the Commission for award of the bid. Ms. Sloane reported while the plans are not reproduced due to their massive size, they were always available for review. She clarified that she was not opposed to additional review, but any time an item would be taken through a board and then to the City Commission, time would be added to the project costing additional money in that construction costs were constantly increasing.

Commissioner Boyle accepted Ms. Sloane’s comments, but noted there was the potential that a board or the Commission could avoid a false start or error costing considerably more money. He noted the firehouse should have had board and Commission review. Commissioner Boyle pointed out that there was a retention pond that he was not certain was fenced or was deep

enough that a fence would be necessary. He noted the public or the Commission may have had concerns about this or other issues that should be considered.

Ms. Sloane stated the City was following the Land Development Code procedures.

Commissioner Boyle stated the City may be following the Land Development Code procedures, but the spirit of Land Development Code indicated that the City should follow the same rules as required in the private sector.

Mr. Turner asked if the Commission voted on the design of the fire station.

Ms. Sloane noted the bid was awarded tonight.

Mr. Turner explained the Commission previously discussed the design of the fire station.

Ms. Sloane stated the size and conceptual plans were discussed, but the actual plans were approved tonight. She pointed out that the City followed the same rules as would be required of a private developer.

Mr. Ervin restated for clarification that any new City project involving new roadways or parks would be required to go through a special exception process.

Mayor Costello clarified he specified vertical construction.

Mr. Ervin noted a roadway or a new park area were not necessarily vertical construction.

Commissioner Boyle stated he supported Mayor Costello's suggestion; however, even though a road may not be vertical, the trees to be removed for the road were vertical, and a hearing process would help everyone.

Mr. Ted MacLeod, Assistant City Manager, noted staff understood what was being suggested and asked the Commission to allow staff to propose language.

Mr. Turner reported staff would provide alternatives and costs.

Commissioner Kelley noted the Commission expected to see more on the airport than the final approval for projects.

Mayor Costello stated the City should have to go through the same procedures that developers were required to go through, and as a result, the Commission may possibly create a method to make the process more efficient.

Item #11(B) - Reconsideration of Public Hearing Items

Mayor Costello explained under this item there were two issues that had been previously brought to the Commission. He noted he would allow Commissioner Partington to explain that he wanted these issues reconsidered and if there should be a second, the issue would be discussed, the audience would then be permitted to speak to the issue of reconsideration, but the Commission would not vote on the actual projects tonight. Mayor Costello reported if the comments move the Commission to reconsider these items, there would be an advertised public hearing on the September 20 agenda.

Item #11(B)(1) - Grande Paintball Planned Business Development Reconsideration

Mr. Ervin reported the applicant for the Grande Paintball project indicated that if this needed to go back through the full public hearing process, he was not willing to continue because he believed the determination would have already been made, and he would not invest the cost for another public hearing.

Item #11(B)(2) – Vacation of Fluhart Avenue Reconsideration

Commissioner Partington moved to reconsider the vacation of Fluhart Avenue.

Commissioner Partington reported he made this motion because the Commission did not discuss this item because the motion had died for lack of a second. He noted the applicant paid for advertising to go through a public hearing process and never had the opportunity to be heard. Commissioner Partington concurred this was not the proper way to do business, noting

the Commission should vote an issue up or down, but they should give the applicants and the citizens an opportunity to be heard on the issue.

The motion died for lack of a second.

Mayor Costello stated earlier this evening he asked for public comment on a public hearing prior to asking for a motion and second. He reported on advertised public hearings in the future, he would ask for the public comment and then he would ask for a motion and second. Mayor Costello noted that would avoid this problem. He stated this may or may not be according to Roberts Rules of Order, but if the Commission would endorse this method, he believed it would better serve the public. All members of the Commission concurred with Mayor Costello's suggestion.

Mr. Lynn McCoy, member of the Planning Board, stated he was sorry the Commission did not find this project worthy of a public hearing at the last meeting. He questioned how the Commission could go from a unanimous approval to not having a second on the motion to approve the project. Mr. McCoy noted the Commission received only one letter from a resident. He pointed out that he had worked for two and one-half years to place this onto a public agenda, and the Commission failed to hear it at the last meeting and tonight. Mr. McCoy reported he would ask the City to refund his client every penny he had spent on this project, and he would encourage the Grande Paintball applicant do the same because applicants are led to believe that if they go through the application process it would at least be worthy of consideration.

Commissioner Kent noted he understood Mr. McCoy's frustration, but consideration was given by not providing a second to the motion. He stated in not seconding the motion, it indicated that the Commission researched the issue and decided that they did not approve of the project at that time.

Commissioner Kelley stated that if the Commission was changing its policy as Mayor Costello suggested earlier that he would not have a problem bringing this back for a public hearing and allow public discussion; however, judging from the lack of Commission interest, the applicant may not wish to reapply. He stated he understood a majority of the Commission needed to approve bringing an item back for reconsideration; whereby, Mayor Costello noted that was correct.

Mayor Costello stated the public hearing process had now been amended for the future. He noted Commissioner Partington made a motion to reconsider this item and asked if anyone wanted to send this back through the process and provide the applicant the opportunity to be heard, realizing that he would incur an additional cost for advertising, but he would discourage inviting an applicant to have to pay those costs if there was not a reasonable expectation that it could be passed. Mayor Costello reported he favored this vacation, but he had a policy not to second motions. He noted he was convinced the 30-foot under consideration was not a safe place for a park.

Commissioner Boyle expressed agreement with the change in the process, but he assured Mr. McCoy that the Commission had sufficient facts and input on both of these items. He noted he concurred with Mr. McCoy that money was paid and no discussion was heard, but he was not certain how that could be corrected at this point. Commissioner Boyle agreed with Mayor Costello that the Commission should not encourage the applicant to spend more money that may have same result.

Commissioner Kent expressed agreement with most of Commissioner Boyle's comments, but he was not in favor of giving away any riverfront property, even though it may not be the best place for a park. He noted concern with setting a precedent.

Mr. McCoy stated what the Commission had to consider tonight was how to bring these issues back at a future meeting and not to debate the merits of the project. He stated the important point in this issue was that the applicant paid the price and should have been heard. Mr. McCoy recommended following the same process in the Commission as was followed in the Planning Board, which was to open the public hearing, close the public hearing, and then make a motion and second.

Commissioner Partington again moved to reconsider this item on a future agenda. Commissioner Kelley seconded the motion.

Mr. Hayes stated the Commission could mostly make its own rules; however, substantive issues relative to this project were not to be heard tonight, and the only decision to be made was whether or not to reconsider the issue in the future.

Call Vote to Reconsider:	Commissioner Boyle	no
	Commissioner Kent	no
	Commissioner Kelley	yes
	Commissioner Partington	yes
Carried.	Mayor Costello	yes

Mayor Costello stated there would be an advertised public hearing for the September 20 meeting where the public would be heard before the Commission would be asked to make a motion.

Commissioner Kelley clarified that merely because an item was on an agenda and would be heard did not mean the item would be approved.

Mr. Randy Brewer, 524 Arroyo Parkway, stated he was the former chairman of the Budget Advisory Board, currently a member of the Development Review Board, former member of the Environmental Advisory Board, and a former member of the ad hoc committee that created the Land Development Code. He asked if this new directive would apply to all boards on all issues. Mr. Brewer noted that if this was a directive of the Commission that it must apply to all boards.

Mayor Costello clarified that for advertised public hearings the Commission would allow the public to speak and then determine if there was a motion and second. He noted if any Commission member had any problem with that policy, they should voice their objections now because he would assume silence from the Commission to signify agreement. No objections were voiced.

Item #12(C) - Hurricane Activities/Fuel Availability Issues

Mr. Turner stated staff was involved with certain activities relative to Hurricane Katrina, such as Fire Chief Barry Baker joining various other fire chiefs to assist coordination of relief activities and helping to set up the incident command systems, particularly in Mississippi. He reported Ormond Beach also sent an engine company of four people who would probably be returning within the next few days. Mr. Turner noted the City was participating in a fundraiser for the Red Cross, participating in a blood drive sponsored by the Red Cross, and a meeting was scheduled for tomorrow relative to sending additional resources to be coordinated through the Emergency Operations Centers. He pointed out that Ormond Beach was very sensitive to the need for assistance from remote jurisdictions. Mr. Turner noted that he had the authority to expend up to \$25,000 and would come to the Commission should expenses exceed that figure. He pointed out that this may be a long-term issue. Mr. Turner stated reports would be provided via the Friday letter on this issue. He assured the City that he would be certain Ormond Beach was well protected when making considerations of the assistance that Ormond Beach could provide the hurricane victims. Mr. Turner noted the City was preparing for tropical storm #16 which may be named Ophelia.

Mr. Turner noted fuel costs were rising dramatically. He stated traditionally the City purchased fuel under State contract, which was substantially less expensive than gas at the pumps; however, the City was now paying the pump cost. Mr. Turner reported there have been cost and availability issues. He noted staff was anticipating a delivery tomorrow, but this past holiday weekend police staff were asked to purchase gas at service stations in order to stretch the City's reserve. Mr. Turner reported this would undoubtedly have a budget impact as would the subsequent increase with construction costs and asphalt costs. He stated costs would be provided to the Commission when they could be obtained; however, he assured the Commission that staff would do everything possible to minimize the impact on the City.

Commissioner Kelley asked if the City could reclaim the State and federal gas taxes paid on gas purchases since the City would not need to pay those costs.

Mr. Turner noted he was not certain and would research this issue. He pointed out the City did have the receipts.

Mr. MacLeod stated the Fleet Manager was currently looking into this issue.

Item #12 - Reports, Suggestions, Requests

Contingency Plan for Disaster

Commissioner Partington stated that, considering the havoc caused by Hurricane Katrina, he questioned what Ormond Beach's contingency plans were for a similar disaster. He suggested that if the City did not have sufficient MREs and water available in storage to keep staff and the general citizenry for two to three days, the City should purchase these items and keep the stock fresh. Commissioner Partington reported the City of New Orleans was not prepared, but Ormond Beach could learn from what had occurred. He pointed out the City government was the first line of defense for its citizens. Commissioner Partington requested a report on feasibility of feeding and hydrating staff and those not able to evacuate.

Commissioner Partington thanked staff for their response to Hurricane Katrina victims.

Building Projects

Commissioner Partington urged the anticipated building projects be fast tracked with appropriate review in that costs would increase rapidly in the next few months due to Hurricane Katrina.

Advertising Public Hearings

Commissioner Partington asked what the City paid to advertise public hearings.

Ms. Veronica Patterson, City Clerk, replied the cost would depend on the article, but the average advertisement would cost between \$600 to \$800.

Commissioner Partington asked if the charges the City imposed covered the cost of advertising; whereby, Mr. Ervin assured Commissioner Partington the charges did cover the cost for advertising.

Budget Process

Commissioner Partington stated he was pleased with the manner in which the budget process was handled this year and thanked Mayor Costello for his leadership, listening to all concerned. He reported this budget would keep Ormond Beach fiscally sound and begin the process of renewing the City's facilities. Commissioner Partington commended Mr. Turner for guiding this process. He expressed appreciation to Paul Lane, Finance Director, for stepping up when Mr. Bentkofsky left the City. Commissioner Partington thanked Ms. Kelly McGuire, Budget Director, for doing a great job preparing and explaining the budget as well as making certain it would adequately fund and protect Ormond Beach from further decay. He expressed appreciation to the Budget Advisory Board and the other boards who reviewed the budget and provided input. Commissioner Partington stated the budget document was the best reflection of the City's plan for the future, and Ormond Beach would have a bright future, and there would only need to be minor corrections in the future to keep the City on track.

Commissioner Partington stated the pay levels were where they should be, and because of this, the turnover was low and Ormond Beach was not a training center for other entities. He reported he was proud that he was a part of making the difficult decision to turn the City in the right direction. Commissioner Partington pointed out that the Commission listened for hours to the staff, the public, and fellow Commission members to make their decision and kept Ormond Beach with one of the lowest tax rates in Volusia County. He noted staff was not recommending that some projects be put in the budget in an attempt to cut costs, but the Commission wanted those projects included because they felt they were life and safety issues that would make Ormond Beach citizens safer. Commissioner Partington noted the Commission had to inform staff not to be so frugal that it would endanger the residents. He pointed out that the budget was 10% less than it was last year, and the Commission funded those projects and voted for including pay increases. Commissioner Partington stated the roll-back rate was only 6.6% over last year's rate. He reported he continued to believe the roll-back rate system was broken and did no one any good other than to provide political cover for the property appraisers and was being used to the detriment of cities. Commissioner Partington stated \$68 million in new growth created only \$192,000 of revenue. He reported taxes could only increase 3% because of the "Save Our Homes" amendment and Ormond Beach's portion of that tax bill was only 18%. Commissioner Partington stated the 6.6% increase over last year's rate would provide for the Renewal and Replacement fund, which made him proud of the staff and boards.

Commissioner Partington explained a 10% reserve may have been adequate two years ago; but after last year's storm season, what occurred on the gulf coast, and considering the scientific predictions of increased tropical cyclone activities for the next few years, he could not understand how Ormond Beach could dip below a 15% reserve, and it should probably be

closer to 20% to 25% reserve. He urged people not to listen to the hype, but to do the research and listen to citizens who have studied the issues. Commissioner Partington noted if people would have valid options or constructive reasoning to avoid a tax increase he would listen, but nothing was mentioned tonight that could produce real results. He noted people should have been involved through the public hearing process at the workshops. Commissioner Partington stated he estimated the positive variance for this year may be 2% to 3%, which was reasonable. He reported he was proud of the process and of this Commission for upholding the City's budget that allowed the City to look forward to a bright future in Ormond Beach.

Gulf Coast Assistance

Commissioner Boyle praised the generosity and compassion of the citizens, which was evident in the fires of 1998, during last year's hurricanes, and now with the assistance provided to those on the Gulf Coast. He noted Louisiana was unique and unlike Florida.

Commissioner Kent stated people learn from mistakes, and he hoped Mr. Turner would mandate evacuations when provided a two to four-day notice, working with the Volusia County School Board and Votran to provide buses to assist in the evacuation of people and not to allow re-entry until the area was declared to be safe.

Office Supply Building

Commissioner Kent asked why the office supply building that Mr. Carter mentioned was allowed to remain in its present condition for two years. He requested a report in the Friday letter.

Reuse Costs

Commissioner Kent requested information relative to the difference in cost for reuse.

Coffee with the Commissioner

Commissioner Kent stated "Coffee with the Commissioner" would be held on Monday, September 12, at 4:00 p.m. He noted due to construction at his home it would be held this month at Ms. Sue Parkerson's home located on the corner of Beach Street and Highland Avenue.

Summer Dress

Commissioner Kent stated he thought the summer dress code would be ending after Labor Day, and he would certainly favor extending the summer dress code.

Expressions of Appreciation

Commissioner Kent thanked Chief Baker for taking his time to help with the Hurricane Katrina victims and thanked Mr. Turner for sending Chief Baker.

Commissioner Kent thanked Accounting Manager Ms. Jackie Carkhuff, Ms. McGuire, and Mr. Lane for all of their responses on the budget.

Commissioner Kent thanked Ms. Sloane for her responses this evening.

Commissioner Kent thanked Chief Mathieson for the information relative to the abandoned boat he mentioned at a recent meeting, and he looked forward to its quick removal.

Fuel Savings

Commissioner Kent requested a report in the Friday letter relative to the fuel cost saving measures the City was undertaking. He asked for a report on any other energy saving plans staff was implementing at all City buildings.

Expressions of Appreciation

Commissioner Kelley thanked all those involved with the budget and those who were assisting the Gulf Coast hurricane victims.

Summer Dress

Commissioner Kelley stated considering the temperature was still 90 degrees, he would urge the summer dress code be kept for as long as possible.

Florida League of Cities

Commissioner Kelley stated he and Mr. Turner attended the Florida League of Cities two weeks ago. He pointed out there was a great deal of work involved in attending these meetings. Commissioner Kelley noted he had learned that many cities have similar problems, and he was able to bring back some possible solutions and ideas other cities were using. He stated he made a contact with an individual who would share some historical photographs of Ormond

Beach, which the Ormond Beach Historical Trust may find of interest. Commissioner Kelley reported he considered the conference to be very worthwhile.

Commissioner Kelley presented the Commission with flag lapel pins he obtained at the conference.

Summer Dress

Mr. Turner stated he had understood the summer dress code issue was already addressed, which was why he wore a casual shirt.

Hurricane Katrina

Mr. Turner stated lessons have been learned from Hurricane Katrina. He reported considering the recent events, he was even more appreciative of the training Ormond Beach staff had gone through, especially the training in Emmitsburg. He pointed out that 90% of the cost for the training was paid by the federal government. Mr. Turner reported staff took protecting Ormond Beach citizens very seriously. He stated some of the actions taken by Ormond Beach staff from line employees to managers were nothing short of heroic. Mr. Turner reported he had asked the City Attorney to try to define mandatory evacuation and determine how forceful the City could be in forcing residents to leave. He noted this information would be provided to the Commission.

Budget

Mr. Turner assured the public and the Commission that staff would do everything possible to save budget dollars. He pointed out that this budget added no money for operational costs. Mr. Turner reported the items added to the budget were for specific projects. He noted this budget added no dollars for inflationary costs such as gas; therefore, staff would continue to try to cut costs internally. Mr. Turner reported staff would bring cost-cutting options to the Commission for consideration. He commended Mr. Lovell as chairman of the Budget Advisory Board and pointed out that he made the same comments in the Budget Advisory Board meetings as he did at the Commission meetings. Mr. Turner reported the Budget Advisory Board challenged staff and would continue to work very hard to cut costs for Ormond Beach.

Tropical Storm

Mr. Turner cautioned the people to be watching the tropical storm #16 that was brewing this weekend.

Hurricane Katrina

Mayor Costello thanked all who helped the Hurricane Katrina victims with a special commendation to Chief Baker and the four firefighters that were still on the scene. He urged every resident to donate something such as money, blood, or canned goods to some organization assisting the Hurricane Katrina victims. Mayor Costello pointed out that Ormond Beach received outside help through the fires and last year's hurricanes. He stated he appreciated that staff was already working on this effort before any of the Commission members started sending e-mails asking assistance be provided. Mayor Costello recommended that citizens be encouraged to make donations by placing a notice in the City newsletter or on the utility bills.

Beach Access

Mayor Costello stated he sent an e-mail in response to Item #67 on the Volusia County Council budget relative to the beach management plan seeking County assistance to do something to provide the Ormond Beach residents the ability to enjoy the City's premiere attraction and provide access for future generations. He noted the e-mail questioned if this plan included providing \$10 million to purchase land for a beachfront park and another \$10 million for land acquisition on A1A south of Granada Boulevard for off-beach parking and an over/underpass to the beach if land was located on the west side of A1A. Mayor Costello stated if these funds were not already included that they be added to the budget. He reported he had heard from the chairman and noted he was well aware Ormond Beach gave up their beach north of Granada Boulevard, and he urged the City to find him a willing seller because he knew Ormond Beach was owed some beachfront park and off-beach parking land. Mayor Costello stated staff and the Commission were working on this problem.

Awards and Accreditations

Mayor Costello congratulated Officer Daniel Jordan who was honored as the Citizens Police Academy Alumni Association Officer-of-the-Quarter.

Mayor Costello congratulated Mr. Joe Radcliffe, Public Information Officer, for earning accreditation in public relations from the Universal Accreditation Board in New York.

Mayor Costello congratulated Officer Charles (Bud) Robson for his nomination for the Florida Retail Federation Officer-of-the-Year award.

Public Hearings

Mayor Costello stated he was not certain how public hearings were handled on boards. He reported the new method of allowing public comment before a motion was made would assure people who pay for advertising could be heard in a public hearing. Mayor Costello asked Mr. Hayes to investigate this issue and make recommendations.

Mr. Hayes stated the Commission and each board may adopt their own rules of procedure. He stated boards historically have utilized the procedure discussed this evening, and the Commission had operated differently; however, there was nothing right or wrong with either method, but it was merely a matter of preference. Mr. Hayes noted when dealing with land use matters and development projects that there were some legal obligations to provide the developers and the general public the opportunity to speak.

Mayor Costello reported he was comfortable with the amended policy unless Mr. Hayes would provide a recommendation for something better.

Mr. Turner stated staff could make boards aware of the Commission's actions, and they could change their rules should they decide to do so.

Breakaway Irrigation

Mayor Costello stated there was a different fee for Breakaway irrigation because they use storm ponds and installed their own infrastructure.

FEMA Reimbursement

Mayor Costello stated the City was shocked FEMA did not cover paying for the removal of trash from gated communities. He urged Ormond Beach to consider the possibility of a tragedy and FEMA would refuse to cover restoration because Ormond Beach was on the barrier island. Mayor Costello stated FEMA would be under a great deal of pressure to discourage people from building in areas that could be considered flood prone; therefore, the community must decide its future vision. He reported he was unclear what his role should be other than working with Mr. Turner when calling an emergency. Mayor Costello requested Mr. Turner let him and the Commission know what they could do to help and what they were doing that may hinder in times of emergency.

Summer Dress Code

Mayor Costello stated the summer dress code would prevail through October and at the first November meeting the Commission would revert to shirts and ties.

Board Appointments

Mayor Costello reported last year Mr. Marvin Miller wrote a scathing letter about the tax increase, so he asked Mr. Miller to serve on the Budget Advisory Board because everyone on the dais wanted to cut the budget. He stated after Mr. Miller had served on the board a significant amount of time, he reported that the Ormond Beach staff was fantastic, staff was running a smooth machine, there was nothing more to cut, and he supported what the Commission was doing. Mayor Costello pointed out he did not seek out an appointee who would always agree with everything he recommended, but to help the Commission improve the community.

Item #12 – Close the Meeting

The meeting was adjourned at 11:04 p.m.

APPROVED: _____ September 20, 2005

BY: _____
Fred Costello, Mayor

ATTEST:

Veronica Patterson, City Clerk