

**MINUTES  
ORMOND BEACH BUDGET ADVISORY BOARD  
HELD AT CITY HALL TRAINING ROOM**

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**February 25, 2015**

**5:00 p.m.**

**Training Room**

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**1. CALL TO ORDER**

Ms. Kelly McGuire called the meeting to order at 5:07 p.m.

Those present were board members Chairman Rick Banker, Vice Chairman Kenneth Kimble, and Bill Harper, Finance Director Kelly McGuire, City Manager Joyce Shanahan, and Deputy City Attorney Ann-Margret Emery.

**2. CALL FOR NOMINATIONS FOR CHAIRMAN**

Ms. McGuire called for nominations for Chairman.

Mr. Bill Harper moved, seconded by Mr. Ken Kimble, to elect Mr. Rick Banker as Chairman of the Budget Advisory Board to serve a two-year term to January 2, 2017. The motion passed unanimously.

**3. CALL FOR NOMINATIONS FOR VICE CHAIRMAN**

Mr. Banker called for nominations for Vice Chairman.

Mr. Bill Harper moved, seconded by Mr. Rick Banker, to elect Mr. Ken Kimble as Vice Chairman of the Budget Advisory Board to serve a two-year term to January 2, 2017. The motion passed unanimously.

**4. APPROVAL OF MINUTES OF AUGUST 27, 2014, MEETING**

Mr. Ken Kimble moved, seconded by Mr. Bill Harper, to approve the minutes of the August 27, 2014, meeting. The motion passed unanimously.

**5. PUBLIC COMMENT**

Mr. Al Jorczak, 679 North Beach Street, stated that the Airport Master Plan was currently being reviewed by the airport consultants, Hoyle Tanner & Associates. He stated that there could be a number of changes to the plan which could possibly create a requirement for additional funding. He stated there was a City Commission workshop in March to review the Airport Master Plan and begin the public process of reviewing the consultant's recommendations.

Mr. Jorczak noted that there would be one taxiway extension (Runway 17/35) on the west side which would cost in excess of \$2 million of which the FAA and state would fund 95%. He stated he thought they would continue funding the air traffic control tower, as well.

Mr. Jorczak stated that most of the FAA improvements were part of the capital improvements budget. He noted that Hoyle Tanner had performed a preliminary evaluation of the southwest and northwest quads, which were currently vacant. He stated that the tower and the ball fields were on the north side and the area on the south quad was what was proposed for the blimp company several years ago. He suggested there might be a brownfield study needed, which could be covered by grant funding.

Mr. Jorczak suggested that it would be 2016 by the time the city started the projects and applied for grants, but he stated that the city needed to make plans ahead of time for the funding. He asked the board to take this into consideration, as he felt there would be more activity because Ormond Crossings was moving again.

Mr. Jorczak suggested that the next two years would be very significant in terms of the planning process and stressed that we should look at the budgeting process now.

Ms. McGuire stated that the Commission would discuss the Airport Master Plan at the Financial Trends Workshop on March 3, but not in a lot of detail at that time.

## **6. REVIEW OF ROBERTS RULES OF ORDER AND SUNSHINE LAW**

Ms. Ann-Margret Emery, Deputy City Attorney, advised that any communications between board members had to be done in a public meeting as they were an advisory board to the City Commission. She stated that they should not communicate outside of a board meeting for any matter that might come before the board. She stated that generally people did not intentionally violate the Sunshine Law, as it was almost always inadvertent. She stated some of the ways she saw this happen were before meetings when board members would talk to each other about an issue that might come before the board, or rehashing an item after a meeting, or replying to all in emails. She stated that they should only respond to staff and not to other board members.

Ms. Emery stated that another item was voting conflict or conflict of interest. She stated that the board members could always contact her or City Attorney Randy Hayes prior to meetings regarding voting conflicts. She stated that a voting conflict was when the board member, a member of the board member's family, or board member's employer had a pecuniary interest in the outcome of the vote of the board.

## 7. TENTATIVE BUDGET CALENDAR

Ms. McGuire stated that the budget process would begin on March 3 with the Financial Trends Workshop with the City Commission and the Budget Advisory Board. She stated that the workshop started at 5:30 p.m. She stated that the workshop would last about 30 minutes.

Ms. Joyce Shanahan, City Manager, commented that the board members may wish to stay for the second item of the workshop regarding contracting out ball field maintenance.

Mr. Rick Banker asked about the current contractor; whereby, Ms. Shanahan stated that city staff currently performed all ball field maintenance. She stated that they were looking at a hybrid process of contracting mowing, fertilization, and weed control and staff would continue to maintain the dressing of the field, i.e., clay areas, bases aligning, basically all finish work of the fields. She stated that was where there was the most customer/city contact. She noted that there were about 8,000 games played on the fields. She stated they were looking to contract out the things that they struggled with, such as mowing.

Ms. Shanahan stated that they took this item to the Leisure Services Advisory Board (LSAB) last September and the LSAB was not interested; but staff wanted to know if the Commission was interested in making any changes to the current process.

Ms. Shanahan stated that the Commission would be embarking on its own strategic planning this spring, separate and apart from airport issues. She stated that Marilyn Crotty with the University of Central Florida would conduct two community conversations, and then they would have a planning session that the public would be able to participate in. She stated that they wanted to determine their direction in three to five years and the top issues important to the community. She stated that this would be a six-hour workshop.

Mr. Banker asked about the FY 2013-14 budget; whereby, Ms. McGuire stated that the audit had just been finished and the CAFR presented to the Commission at their last meeting. She stated that the budget was very close at \$19,000 under budget. She stated that \$19,000 under budget for a \$28 million budget was very concerning, as they preferred to have more of a cushion. She stated that she felt salaries should be budgeted at 98% next year, rather than 95%.

Mr. Banker stated that sounded very good to him; whereby, both Ms. Shanahan and Ms. McGuire stated that it was way too close.

Ms. Shanahan stated that they would be reviewing this in July during the budgeting process at the Operating Budget Workshop.

Ms. McGuire reminded the board that the Commission workshop was next Tuesday at 5:30 p.m. She stated the Town Hall meeting would be held in May and the Operating Budget Workshop in July, as well as monthly meetings on the last Wednesday of the month.

Ms. McGuire stated that the next monthly meeting would be on March 25.

## 8. OTHER BUSINESS

### Gymnastics Program

Mr. Ken Kimble asked if Ms. Towey had found any other articles in the Ormond Beach Observer about the Riptides Gymnastics article; whereby, Ms. Towey stated she had found one dated January 18, 2015.

Ms. Shanahan stated that the city sent out a Request for Proposal (RFP) last year and received no responses. She noted that a few months ago, a couple contacted Leisure Services Director Robert Carolin about running the gymnastics program.

Ms. McGuire stated that the city would have to go through the RFP process again. She noted that this couple had not submitted a bid for the prior RFP.

Ms. Shanahan stated that the couple also went before the LSAB, who did not endorse bringing the issue forward, as they felt the gymnastics program was fine as is. As a result, she stated the issue of subsidies for leisure services programs had popped up. She stated that the Commission had directed staff to review those subsidies, which they were currently working on, which would be presented during the Operating Budget Workshop. She stated the BAB could decide to investigate the recreation programs, as well.

Ms. Shanahan suggested the couple had the expectation that they would get to use the city's gymnastics facilities free of charge, which was not the case. She stated that another issue was liability insurance.

Ms. Shanahan stated that if the city decided to put out another RFP, it would be sometime in May or June, so the responses could be received by June/July and an award made effective October 1.

Ms. Shanahan stated that the program ebbed and flowed as far as participation and was much more affordable than private gymnastics programs, but the skill level was below the level of private gymnastics. She stated that the city's program was your basic gymnastics program.

Mr. Kimble stated that there was an article in the Ormond Beach Observer a couple of weeks ago by that couple; whereby, Ms. Shanahan stated that she and Mr. Carolin had both met with them.

Ms. Shanahan stated that they would share the subsidy report with the board when it was available. She noted that generally they had a difficult time trying to raise fees to cover the cost to provide these services.

#### Pension Plans

Mr. Jorczak asked about the consultants of the pension plans; whereby, Ms. McGuire stated that the pension boards hired the consultants, and the returns had been positive, double-digit returns because of good market conditions.

Ms. Shanahan stated that the GASB 67 and 68 would require the city to show the full unfunded liability, which was about \$31 million for all three plans. She stated that the auditors were required to calculate it for next year and this recalculation would be \$26 million. She stated that this new calculation placed our plans in a "C" rating or 70% funded. She stated that they were also seeing improvement from closing the general employees' plan to new hires.

Mr. Jorczak asked if there was any city in Florida that operated close to 100% funded; whereby, Ms. Shanahan stated that there were a couple of cities that had done pension obligation bonds many years ago. She noted that DeLand and New Smyrna Beach had ended their plans and gone with the Florida Retirement System (FRS). She stated that our pension plans were doing very well. She noted that the FRS was one of the top in the nation for funding. She stated that most of the counties and some of the larger cities participated in FRS.

#### Strategic Planning

Mr. Jorczak asked about the upcoming strategic planning sessions; whereby, Ms. Shanahan stated that the Commission would participate in this process in order to develop a set of goals for staff. She stated that it was a community wide focus.

## **9. ADJOURNMENT**

The meeting was adjourned at 5:52 p.m.

Respectfully submitted,

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Lois Towey, Recording Secretary

Attest:

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Rick Banker, Chairman