

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

April 29, 2015

5:00 p.m.

Commission Conference Room

1. CALL TO ORDER

Mr. Rick Banker called the meeting to order at 5:05 p.m.

Those present were board members Chairman Rick Banker, Vice Chairman Kenneth Kimble, Bill Harper, Rafael Ramirez and Scott Cichon, and City Manager Joyce Shanahan, Finance Director Kelly McGuire, and Leisure Services Director Robert Carolin.

2. APPROVAL OF MINUTES OF MARCH 25, 2015, MEETING

Mr. Rafael Ramirez moved, seconded by Mr. Scott Cichon, to approve the minutes of the March 25, 2015, meeting. The motion passed unanimously.

3. PUBLIC COMMENT

Mr. Alan Jorczak, 679 North Beach Street, distributed page 31 from the Capital Improvement Program (CIP) regarding Airport Business Park (ABP) expansion. He noted that there was \$200,000 budgeted for the acquisition of surplus land (Nursery site) for ABP development. He stated that this item had not come before the Commission to date, but he assumed that all the preliminary work had been done. He stated the Ormond Beach Aviation Association was against using this property for an addition to the ABP. He asked about the current status of this item, as he had not heard anything since last fall and it had not come before the Airport Advisory Board (AAB) as a formal request. He asked if the \$200,000 was going to be spent in FY 2014-15 for economic development; and if not, could it be used to fund the road that would connect the ABP to Pineland Trail.

Ms. Kelly McGuire, Finance Director, clarified that the Budget Advisory Board dealt with the operating expenses of all the funds and many of his questions dealt with capital projects. She stated that he should approach the appropriate board to answer his questions because they would make recommendations on capital projects, such as the Aviation Advisory Board, Public Works Advisory Board, or Quality of Life Advisory Board.

Ms. McGuire stated that the BAB generally discussed personnel cost, operating expenses, and the tax rate.

Ms. McGuire stated that the CIP had gone before the Commission in the form of approving the CIP, but it had not gone to the Commission for specific action on this item. She stated that if the \$200,000 was not spent, it would remain in the Economic Development Fund and would be available for a future project.

Mr. Jorczak asked if it would be available for any other project; whereby, Ms. McGuire stated that it was set aside for an economic development project in the Airport Business Park Fund.

Mr. Jorczak asked if they knew if it would go before the City Commission; whereby, Ms. Joyce Shanahan, City Manager, stated that the city was only halfway through the fiscal year and many of the projects were just in the process of getting started. She stated that it was a designated capital project for this year, and she would find out from staff the status of the project. She stated that any project over \$25,000 required Commission approval and would go before the AAB, as well.

4. REVIEW OF LEISURE SERVICES PROGRAMS

Ms. McGuire stated that Mr. Robert Carolin, Leisure Services Director, was here tonight to discuss leisure services programs. She suggested the boards discuss the history of the reductions made in the leisure services area because the board seemed to keep coming back to this subject matter.

Ms. McGuire stated that in 2007 and 2008, the state mandated that the city reduce taxes by 9.0%, and the city cut several million dollars out of the city's budget over the course of a few years. She stated that they focused on the Leisure Services Department. She stated that their philosophy regarding fees was that the city did not recover 100% of the cost of the program, usually not even 50%, as this was not the model the city used.

Ms. McGuire stated that in 2007-2008 it had been ten years since leisure services fees had been increased, which at that time the fees were increased 30% which got the fee schedule back in line with what they thought was appropriate. She stated the appropriate fee was not what it cost to run the program, as there was never any intention to try to recover the full cost. She stated that \$500,000 was received in leisure services revenue, but the programs cost \$4 million a year to run, resulting in a subsidy. She stated the model set by the Commission to the community was that there was an understanding that a portion would be paid in user fees and the rest would be paid by general revenue.

Mr. Scott Cichon asked if this was the model in most communities; whereby, Ms. McGuire stated that it was. She stated that the board could discuss each of the programs and their subsidies, but in 2007 and 2008 it was decided to keep this model. She stated that staff acknowledged that the fees should be

increased on a regular basis, whereby the Commission approved a 30% increase in 2007-2008 and a 3% increase each year thereafter.

Mr. Rafael Ramirez asked about the amount of the increase in 2008; whereby, Mr. Robert Carolin, Leisure Services Director, stated that each of the programs had a different fee scale and the amount of increase would be dependent on the program, for instance basketball cost \$45 per person, plus 30%, plus a 3% per year increase. He stated that they had looked at the market to see what other entities charged for the service to justify increasing the fee by 30%. He noted that the 3% per year put the city in a position where they would not have to have a large increase within in the next five or six years.

Ms. McGuire noted that staff also looked at how to reduce the cost of the programs by issuing Requests for Proposal (RFP) for The Casements, Tennis Center, Performing Arts Center, and Gymnastics Center. She stated that there was a response on the Tennis Center, which was awarded to Mr. Gary Heatwole, who was a city employee at the time that retired to run the tennis center. She stated the city still maintained the facility, but there was no personnel cost, which was the majority of the expense for the Tennis Center.

Ms. McGuire stated that the responses for The Casements were not substantial and the proposers wanted to utilize The Casements for a different purpose than a cultural center. She noted that the Leisure Services Department responded to the proposal citing their changes and improvements to the program.

Ms. McGuire stated that there was the same situation with the Performing Arts Center and Gymnastics Center. She stated the Senior Center was being operated by the Council on Aging, which eliminated the city's subsidy. All total, she stated almost \$400,000 in expenses was cut in one year. She stated that Leisure Services were about 40% of all the reductions for that year.

Mr. Ramirez asked if we were at the point that we were looking for more than a 3% increase; whereby, Mr. Carolin stated that we were right at the market value and residents were looking at other areas because the cost was a little higher here. He stated we were on our mark because of the services offered to the community and had set the bar for other communities. He noted that non-residents paid 50% more in fees.

Ms. Shanahan asked about the percentage of non-residents; whereby, Mr. Carolin stated about 27% of individuals did not live in Ormond Beach. He stated that they paid more, because they wanted to play here.

Mr. Ken Kimble commented that Holly Hill, South Daytona and Port Orange had closed down their baseball and softball programs.

Mr. Cichon suggested partnering with the YMCA; whereby, Mr. Carolin stated that this community had always looked at ways to offer better quality of life, through programming and more facilities, such as the Andy Romano Beachfront Park (ARBP). He stated that we had added to our facilities through partnerships within our own community as follows:

1. OBSC Field 7 concession stand and restroom, which included stadium bleachers and a press box. He stated these amenities were needed in order for us to market it as a professional field. He noted that Pop Warner helped to build the facilities;
2. OBSC T-ball complex, which looked like a professional stadium;
3. OBSC four full-size soccer fields, of which two were multi-purpose fields for Pop Warner and Pride, Inc. and two were overflow fields needed for the soccer program. This brought the level of soccer fields to a total of 12 soccer fields at one specific location;
4. OBSC Field House and restroom facility, which were comparable to ARBP. He stated the Field House had audio/video technology and a sliding wall in the middle, and again gave the opportunity to market the facility to larger organizations for an economic impact and to generate more revenue;
5. OBSC Limitless Playground (a/k/a as Boundless Playground) which had been showcased in multiple magazines. He stated the playground was for those with disabilities at multiple-tier levels, as most playgrounds only allowed access to the bottom level;
6. OBSC Restroom, concession and storage facility for the two new multi-purpose fields #11 and 12 in partnership with Pride football. He stated this project was currently in progress;
7. Central Park Lake Interconnects enabled by a grant from FEMA for stormwater improvements which allowed them to market it as a tremendous kayak experience;
8. Central Park paving of all the drives and parking areas, which raised the level of finish;
9. Nova Community Center full-size basketball court;
10. Nova Community Park new handball and racquet courts to professional standards;
11. Nova Community Park Magic Forest Playground was rebuilt, doubling its size. He stated that this was one of the best playgrounds in the Volusia County area and was built by members of the community;
12. Nova Community Park paving project was recently completed;
13. Expansion of the Nova Skate Park was recently finished and a grand opening took place last Saturday with about 500 children in attendance, which set the bar of having one of the best and largest skating facilities in the entire Volusia County area;
14. Andy Romano Beachfront Park whereby the taxpayers taxed themselves for this beautiful beachfront park. He stated that this was one of the best beachfront parks on the east coast, including playgrounds, pavilions, dune planting, etc.;

15. Rockefeller Gardens was redeveloped to raise the ground and drainage system. He stated that the park was utilized every day all day from sunup to sundown. He stated that special events were very well attended.

Mr. Cichon asked about their wish list; whereby, Mr. Carolin stated that there were unfunded projects listed in the CIP, such as the Nova Community Park Phase II project, which was to expand the landfill to have more playing fields, walking tracks, and exercise fitness courses. He stated that most of their indoor facilities were used by seniors (about 70 each day) for pickle ball from 9:00 to noon, five days per week.

Mr. Carolin stated that people said that the best part of Ormond Beach was the quality of life, as the parks were clean and safe and had a lot of amenities.

Ms. Shanahan stated that a continuing problem was maintaining the facilities. She stated that the city contracted out the grounds maintenance at a cost of about \$500,000 per year. She stated that in the future, staff would never come forward with a capital project without recommending an operating budget and staffing budget. She stated the exception was ARBP, which included maintenance staffing. She stated that they needed to do a better job from staff's prospective of insuring there was an appropriate operating and staffing budget. She stated the Environmental Learning Center would be another example that would require staffing.

Ms. Shanahan noted that the city had partnered with organizations for various projects such as the field house (\$100,000 donation), Limitless Playground (Racing District \$200,000), T-ball field (OBYSA \$40,000), concession stand (Pop Warner \$100,000), and Magic Forest Playground (Community donations \$40,000).

Ms. Shanahan stated that the city had committed to the YMCA when they applied for an ECHO grant, but the city had not made a capital contribution to the YMCA in the past. She stated that the YMCA was looking for some kind of partnership, but the city had not committed to date. She stated that there had been talk about a dog park in that area.

Regarding developing the landfill at the Nova Community Park, Ms. Shanahan stated that the landfill membrane could not be punctured and everything had to stay on top of it making construction more challenging.

Mr. Ramirez asked about the number of people that used The Casements every day; whereby, Ms. Shanahan stated that there were classes held, such as Yoga every morning with about 15-25 students per day and on weekends 35-50.

Ms. Shanahan stated that The Casements was an ECHO funded facility and they had to charge the same for resident and non-resident citizens. She stated it was a free facility as far as tours and sight-seeing.

Mr. Carolin stated that the Casements Guild, Follies Club, and Dance Club, were all volunteer groups that gave tours and put on shows (Follies, Copy Cats, etc.). He stated that the value of these groups was sometimes not noticed unless you were an actual participant in the program.

Mr. Carolin stated that the board suggested partnering with the community for more recognition about their programs, and they now had a very active Facebook account which had resulted in an increase in participation and recognition was getting better. He noted that recently 11 children participated in a gymnastics meet where they won 33 metals and one first place in the AAU.

Mr. Carolin stated that they had posted information about the Environmental Learning Center and community garden, and it had made a big difference in how the community followed what was going on.

Mr. Carolin stated that they started an open gym (gymnastics) night three times per month, which averaged 20-30 children per night. He stated they charged about \$5 per child. He stated that another program was "parents night out" from 6:00 to 10:00 p.m. for \$12 where the children got to watch a movie and eat pizza, plus other fun activities. He stated that this brought people to the gym that had not been there before, developing an awareness of the city's gymnastics facility.

Mr. Carolin stated that they did a tremendous amount of programming for youth and adults, sports-related, dance-related, and the arts throughout the entire city. He noted that we had one of the best special needs programs in Volusia County, in which they partnered with other special needs programs so they had opportunities in Ormond Beach that they would not have anywhere else in Volusia County. He stated they recently had a pageant utilizing the Performing Arts Center.

Ms. McGuire stated that since 2008 they had added programming, responsibilities, expanded services, and not added the staff to do so; therefore, she felt it was important to say they had cut everything they could on the expense side.

Mr. Cichon asked if Mr. Carolin had done an analysis to determine which program(s) was the most costly and they would recommend eliminating; whereby, Mr. Carolin stated that it would depend on which child you wanted to eliminate.

Ms. McGuire stated that all the programs were all about the same dollar wise.

Mr. Cichon asked which was the biggest loser; whereby, Ms. McGuire stated that it was each one of them.

Mr. Carolin stated that the community used all the leisure services facilities completely, and he noted our facilities were widely used by other communities because of the standards we keep.

Ms. Shanahan noted that the population that used the sports complex was not the same that used The Casements or PAC.

Mr. Carolin suggested the balance was to focus on current facilities and keeping them at our level of standard, as opposed to building new facilities. He suggested that it might require raising the tax rate.

Ms. McGuire stated that staff was not advocating cutting any programs because we knew they were being used by the community. She stated that she felt the citizens were okay with the current facilities, but they did not want to see them expanded or new facilities put on-line unless there was money to maintain them or staff them. She stated that Commission and the community only desired to raise taxes a small amount in order to maintain the facilities.

Mr. Ramirez stated his concern about using the reserve funds.

Ms. Shanahan stated that the recent annexations resulted in an expanded tax base, which required funding for police, fire and public works services. She stated that it was not free money, because it also increased services. She stated that the board needed to understand that adding more police was adding like seven officers.

Mr. Carolin noted that it also resulted in 50% less in leisure services fees, so some of their revenue would also go down.

Mr. Bill Harper asked if the annexation contained parks or other facilities in those areas; whereby, Mr. Carolin stated that he did not believe there were any included. He stated the majority of the places being annexed were already utilizing city facilities to service those individuals.

Mr. Banker thanked Mr. Carolin for coming tonight and for his excellent presentation.

Mr. Kimble stated that he was glad to see that the gymnastics program was not cut, and he asked about the millage rate if the reserves were not used this year; whereby, Ms. McGuire stated that the board would discuss this subject at their next meeting.

Ms. McGuire stated that if she saw that there was programming or capital projects being added to Leisure Services without operating dollars, she would bring it back to the board.

Mr. Banker stated to Mr. Carolin that Leisure Services had the board's support, as Mr. Carolin and his staff did a very fine job. **He stated that the board was in consensus to not make a recommendation regarding Leisure Services programs at this time.**

5. DISCUSSION OF TOWN HALL BUDGET MEETING CANCELLATION

Ms. Shanahan stated that 110 people participated in the recent Community Conversation Workshops, which was 500% more than ever participated in the Town Hall Budget Meetings.

Mr. Banker asked what Ms. Shanahan contributed that to; whereby, Ms. Shanahan stated she felt they were not interested in the budget. She stated that at previous Town Hall Meetings the citizens wanted to keep the current level of service and were okay with raising taxes to do so.

Ms. Shanahan stated that the citizens wanted to tell us what they loved about the community (landscaping, cultural programs, tennis courts) and what they wanted to preserve (MacDonald House, Ames House) and wanted to see more of everything.

Mr. Banker stated that he believed that many people were complacent.

Ms. Shanahan stated that she did not know how to reach these people, as they had placed notices in the newspaper, issued invitation to all board members, sent letters to area churches, posted it on the city's website, and announced the meetings on the radio. She noted the attendees were largely senior citizens. She stated that some of the issues were saving beach driving and the MacDonald House, but their voices were not overwhelming of the voices in the two meetings.

Mr. Carolin expressed his concern about waiting too long to raise taxes and then we would be in a position again where the Commission would have to approve another 30% increase.

Ms. McGuire stated that if the board decided in favor of the Town Hall Budget Meeting, then they needed to discuss what to put on the agenda, but she stated she did not feel that there was a need to hold a special meeting, as the public would have several more meetings to express their opinions.

Mr. Banker stated that in the past there had been hardly any citizen input

Mr. Ken Kimble moved, seconded by Mr. Rafael Ramirez, to recommend canceling the Town Hall Budget Meeting scheduled for May 19. The motion passed unanimously.

6. OTHER BUSINESS

Ms. McGuire stated that the next meeting of the board would be on May 27.

Mr. Ramirez asked what the board would discuss at the next meeting.

Mr. Bill Harper commented that he was listening to the radio this morning whereby he heard that the state legislature would be cutting communications taxes on cable and cell phones. He asked how that would affect the city; whereby, Ms. Shanahan stated that it would cutting the state portion of that tax, but they believed the city would see some decrease in that revenue. She noted that the city received about \$2 million from this tax and it would have a seriously impact.

Ms. Shanahan suggested discussing at the next meeting annexations and inviting Chief Osterkamp and discussing the fund balance.

Mr. Ramirez was in favor of discussing the fund balance/reserve funds as he felt they were getting too low.

Ms. McGuire stated that one of her concerns was that there was a great deal of wants throughout the city, and she felt services and capital projects were not being funded properly.

7. ADJOURNMENT

The meeting was adjourned at 6:20 p.m.

Respectfully submitted,

Lois Towey, Recording Secretary

Attest:

Rick Banker, Chairman