

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

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**January 25, 2017**

**5:00 p.m.**

**City Hall Training Room**

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**1. CALL TO ORDER**

Per Section 2-226(e), *Code of Ordinance*, Ms. Lois Towey, Recording Secretary, called the meeting to order at 5:03 p.m.

Those present were board members Ken Kimble, Rafael Ramirez, Scott Cichon and Kevin Tilley, Finance Director Kelly McGuire, City Manager Joyce Shanahan, and Deputy City Attorney Ann-Margret Emery.

**2. CALL FOR NOMINATIONS FOR CHAIRMAN BY SECRETARY**

Per Section 2-226(e), *Code of Ordinance*, Ms. Lois Towey, Recording Secretary, called for nominations for chairman; whereby, Mr. Rafael Ramirez nominated Mr. Ken Kimble.

Mr. Rafael Ramirez moved, seconded by Mr. Scott Cichon, to elect Mr. Ken Kimble as Chairman of the Budget Advisory Board for a two-year term to the first regularly scheduled City Commission meeting in January 2019. The motion passed unanimously.

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

Mr. Ken Kimble called for nominations for vice chairman; whereby, Mr. Bill Harper nominated Mr. Rafael Ramirez.

Mr. Bill Harper moved, seconded by Mr. Scott Cichon, to elect Mr. Rafael Ramirez as Vice Chairman of the Budget Advisory Board for a two-year term to the first regularly scheduled City Commission meeting in January 2019. The motion passed unanimously.

**4. APPROVAL OF MINUTES OF JULY 13, 2016, MEETING**

Mr. Rafael Ramirez moved, seconded by Mr. Bill Harper, to approve the minutes of the July 13, 2016, meeting. The motion passed unanimously.

**5. PUBLIC COMMENTS**

There were no public comments.

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

Ms. Ann-Margret Emery, Deputy City Attorney, stated that the Budget Advisory Board was an advisory board to the City Commission and was required to uphold the Sunshine Law. She stated that anything discussed before this board had to be done in a public meeting and anything coming before the board or anything that may come before the board in the foreseeable future, also had to be in a public meeting. She stated that there was no prohibition in talking to staff outside of a public meeting.

Ms. Emery noted that common violations of the Sunshine Law were replying to all in emails and discussion between members of items before and/or after meetings.

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.

Mr. Scott Cichon asked about talking to City Commission members; whereby, Ms. Emery advised that he would need to keep his opinion close so that it did not become common knowledge.

Ms. Joyce Shanahan, City Manager, noted that they should be careful of indirectly carrying information between the Commission members.

Ms. Emery stated that it was not always black and white, and they could contact her at any time.

## **7. TENTATIVE BUDGET CALENDAR**

Ms. Kelly McGuire stated that the board met on the last Wednesday of the month. She stated that the next meeting would be held on February 22, but for the March meeting their meeting would coincide with the Financial Trends Workshop on Monday, March 20. She noted that the board would sit with the City Commission at the workshop.

Ms. McGuire stated that usually before the June meeting, the board would be provided with a preliminary proposed budget, and may not need to meet that month.

Ms. McGuire stated that on July 1 the Operating Budget Workshop would be held with the City Commission.

Ms. Shanahan stated that the workshop meetings were held at 5:30 p.m.

Ms. McGuire stated that in March staff brought to the Commission some preliminary projections on what was likely to happen the next year and out a few years. She stated staff let them know what they thought the property values and tax rate would be. She noted that if the Commission had specific goals they wanted to be funded, the Commission would let staff know at that point. She stated the Commission also gave them guidelines for use of the city's reserves. She stated she did a short presentation to the Commission at the Financial Trends Workshop and then the Commission gave staff their guidelines for preparing the budget.

Ms. Shanahan reiterated that the board sat with the Commission and discussed those issues with them during that time period.

Ms. McGuire stated that staff prepared a 400-page budget from there, but she believed it lent credibility to the citizens to have an additional review by the board.

Ms. McGuire asked the board to think about what areas they wished to discuss and bring them to the next meeting. She noted that in prior years the board had reviewed areas related to leisure services.

Ms. Shanahan stated that some of the leisure services' services were contracted outside to do more efficiently. She noted that the board had discussed investment issues, rate of return, pension programs, and so forth. She noted that she met individually with every department director on every budget item request, all staff requests, all capital project requests, and the progress of prior capital projects. She stated that the budget document was carefully scrutinized. She noted there were schedules for renewal and replacement such as for computers, vehicles and equipment, and repair and maintenance on city facilities. She noted there was a master plan for water, sewer and utilities covering a ten-year period. She stated there was also a master plan for recreation and the airport. She stated that specific capital projects were dictated in these plans, which were approved by the Commission. She stated that periodically the master plans were upgraded and kept current. She stated the master plans were a big driver of what got funded each year.

Ms. Shanahan noted that the capital projects budget went to various advisory boards for review, i.e., Leisure Services Advisory Board, Public Works Advisory Board, Quality of Life Advisory Board, and Aviation Advisory Board. She stated that the Budget Advisory Board was the fundamental shaper of policy for the budget and that was where the Commission and staff looked to them for their expertise.

Mr. Ramirez stated that he would like to have a discussion about recent annexations and how it had affected the budget; whereby, Ms. McGuire stated she could bring back information to the next meeting.

Ms. Shanahan noted that staff did look at the annexations in terms of the municipal services, such as police and fire, but so far they had not had to increase these services.

Mr. Cichon stated he would like to discuss the city's reserves, such as in the event of a natural disaster. He stated he wondered to what extent the city had damage that was not covered by insurance, such as the broken water main in The Trails during Hurricane Matthew.

Ms. Shanahan stated that the city had about \$6 million in debris removal. She noted the state picked up 12.5%, Fed 75% and the city was responsible for the other 12.5%. She stated the city did not have a loss of water revenue during the short period of time it was down, but there was infrastructure that needed to be repaired. She stated that Ms. McGuire would bring back additional information at the next meeting.

Ms. McGuire stated the city was in a pilot program so the debris removal contractors were all certified by FEMA in advance. She noted that the city received more reimbursement in the first 30 days of debris pickup than in the next 30-60 days. She stated that FEMA would reimburse the city 85% for any debris removal within the first 30 days because we were in the pilot program. She noted the city was getting ready to request about \$2 million from FEMA, which could take up to a year to receive. She stated it was important to have the reserves to pay for the debris services in the meantime.

Ms. Shanahan stated that she knew of communities who did not have the reserves to front that money, so they had to take out bank loans. She stated that collectively through all of the city's funds, there was sufficient cash to absorb the debris cost and the city's share of the debris removal.

Mr. Cichon asked about the people that were being paid for debris removal; whereby, Ms. Shanahan stated there were the people who took it off the streets, the people that ground it down and transferred it to a paper pulp plant, and the monitoring service who made sure that all the information was correct.

Mr. Cichon asked if the city received any revenue from the pulp plant; whereby, Ms. Shanahan stated that we did not receive any revenue. She stated that we were glad the pulp plant took the ground up debris because we would have to pay to dump it at the landfill. She noted that we also had to have a place to put all the debris, and the city had negotiated with a contractor on Hull Road, who also allowed the debris contractors to keep their equipment there and dump the debris there. She stated the city was fortunate

that we did not have to haul it all the way to the landfill, as the trip to Tomoka Farms Road took a long time and there was sometimes as many as 50 trucks waiting in line to dump at the landfill. She stated we were able to use our own area which reduced the travel time for the trucks. She concluded that we did not make enough money to offset our damages. She noted that FEMA had a new requirement that the debris had to be reduced to the smallest possible amount. She further noted that after every storm FEMA changed their benchmarks.

Ms. Shanahan stated that another issue was that private gated communities were excluded from pickup. She stated that the city had to demonstrate that we had an agreement for certain factors; otherwise FEMA disallowed pickup in these communities. She stated that at recent Commission meetings, staff had requested permission to allow hurricane debris pickup in gated communities, as the city did not own the roadway or have public access to these communities. She noted that Reflections Village was denied, but fortunately they did not have very much debris pickup. She stated that the city had to bear the expense of debris pickup in these communities, and there was no reimbursement from FEMA or the state.

Ms. Shanahan stated that about 500,000+ cubic yards of yard waste debris was collected. She stated this amount of debris would fill the Jackie Robinson Baseball stadium up to about 80 feet tall. She stated that a cubic yard of yard waste debris had a weight between 300-600 pounds. She noted that in 2004 it was based on tonnage, but now it was measured by cubic yard. She noted the trucks had to be filled to at least 75%. She stated the trucks were examined before going out for pickup, weighed and a sticker placed on them. She stated it was a very comprehensive process, as there had been much fraud in prior events.

Ms. Shanahan stated that the city had two debris removal contractors, which helped us because we had more people mobilized on the ground, but many other cities only hired one contractor. She noted that more debris was collected in Ormond Beach than almost half of what the county collected.

Ms. McGuire stated that the deductible portion was reimbursed by FEMA, so if someone was not covered by insurance or we did not receive reimbursement from the insurance company, we could then request reimbursement from FEMA.

Ms. Shanahan noted that the city did not have any facilities that were totally damaged. She stated there were some park shelters that were impacted, but overall from the city's perspective, the damage was more soft structure such as porches, screen enclosures, etc.

Ms. Shanahan stated that the city was very fortunate that the hurricane took the jog that it did, or it could have been catastrophic. She noted that there

were white caps on the river that were slamming John Anderson Drive and Riverside Drive properties. She stated she saw them breaking over the Rockefeller Gardens wall. She stated that the city's teams worked well internally, as well as externally.

Ms. Shanahan stated there was an area of concern, which was the threat of a storm surge all the way up to US1. She noted that the Emergency Operations Center (EOC) was located at the Police Department and could have been underwater. She stated that staff had been talking generally about the need for a facility where staff could be outside of the storm surge area.

Ms. Shanahan stated that they would provide some pictures and detail for the board to peruse.

Mr. Bill Harper noted that he heard mention of a big software upgrade; whereby, Ms. McGuire stated that they were in the first phase of the project, which was going as expected. She stated that the software was called Munis from Tyler Technology, which was used widely in governmental entities. She noted that the current software was over 20 years old with a vendor called Sungard. She noted that Sungard provided an RFP, but their software was not developed to the point where it could be demonstrated to staff.

Ms. Shanahan noted that under Sungard generating reports was very difficult and they charged for customizing forms; but the biggest change was that Tyler was a cloud-based provider, so we had the ability to keep our data safe during disasters.

## **8. OTHER BUSINESS**

## **9. ADJOURNMENT**

The meeting was adjourned at 5:40 p.m.

Respectfully submitted,

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Lois Towey, Recording Secretary

Attest:

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Ken Kimble, Chairman