M I N U T E S
REGULAR COMMISSION MEETING
CITY OF HOLLY HILL, FLORIDA

MAY 10, 2005

1. CALL TO ORDER

A. Roll Call

Mayor Arthur called the meeting to order in the Commission Chambers at City Hall, 1065 Ridgewood Avenue at approximately 7:00 p.m. Attending with Mayor Arthur were Commissioners Arthur Byrnes, Gilles Blais, Lou Schmitt and Roland Via.

Also attending were City Manager Joe Forte, City Attorney Butch Simpson, Community Development Director Stuart Buchanan, Public Safety Director Don Shinnamon, Finance Director Brenda Gubernator, Accountant Kurt Swartzlander, Community Redevelopment Coordinator Marsha Radulovich and City Clerk Valerie Manning.

B. Invocation

Commissioner Byrnes delivered the invocation.

C. Pledge of Allegiance to the Flag

2. PRESENTATIONS & PROCLAMATIONS

- **Proclamation for Police Week for May 15-21, 2005**

City Clerk read the proclamation for Police Week for May 15-21, 2005 to Police/Fire Chief Don Shinnamon.

- **City Auditors, Brent Millikan and Company present the Comprehensive Annual Report for Fiscal Year ending September 30, 2004**

Alex Kish, Brent Millikan and Company, gave a brief audit presentation to the Mayor, City Commission, and staff. He then stated that he will hit the high points tonight and if there are any questions or follow-ups that the Commissioners or staff may have, they can contact them at any time. The financial report that they received is prepared under the new reporting requirements of GASB 34 (Governmental Accounting Standards Board) Announcement Statement Number 34. This is the second year that the City has done it. If they recall, last year it was indicated to them they had some exception items in the statements and in the management's discussion and analysis because they couldn't make a comparative summary. This year he thinks they will find that with the comparative analysis that's there, it starts to make sense and really rolls this into a package where it works; information that they can use to move on with. The annual financial report itself is based on four major sections. The introductory section which contains some front-end information in the transmittal letter, the financial section containing the audit report, the management's discussion and analysis and basic financial statements and other financial statements, a statistical section with a ten-year trend data. This will allow someone from the outside of the organization to look at the City on a ten-year roll and see how the City is fairing over the past ten years. The other section is called the compliance section which contains the auditors' reports that are required to be submitted to the Auditor Generals Office. Briefly, on page one and two is their audit opinion. The key thing here is that they have an unqualified audit opinion and by that they mean there's no inconsistencies, no problems, no exceptions, no qualifications that need to be brought to the Commissioners and staffs attention. In other words, all the financial information is contained within the audit report in accordance with generally accepted auditing standards and also in accordance to generally accepted accounting principals. On pages 3-14 is the management's discussion and analysis section. This is a narrative summary of virtually everything that happened last year and everything that they are looking forward to in the immediate future. These pages will address all of the financial highlights for the year. On page 15 is an overview of their financial condition or snapshot of their financial condition ending September 30, 2004. The key thing to look at here is that the City's combined total assets toped out a little over $46 million. That's compared to $43.6 million last year; about a 6% increase overall in assets. The City's liabilities jumped up this year from roughly $20.7 million last year to $22.5 million this year. Again, the key thing there is they made additional draws on their FDEP loan for drainage plus payments that are made. Basically, this accounts for the difference in total liabilities for the year. The net worth or equity of the City is $23,505,768. Net assets meaning assets minus liabilities and they roughly had, overall, a combined growth in that area of about $541,000 or 2%. Keep in mind, what they are referring to here is everything put in one big pot and looked at on a full accrual mechanism. In other words, it counted for the same as any outside agency would be accounted for. On pages 16-17, basically what this schedule does is it shows the readers what type of dependents does the City have on taxes to operate as a governmental unit. The key point is the overall expenses for their general government to operate during 2004 was $7.5 million and of that amount $5.7 million was spent more than they collected in direct service charges. They have to issue a tax levy in order to recover those costs. That's the purpose of GASB 34 formatting this to show the dependents on taxes for them to operate. He then switched over to the Financial Analysis Year Ended September 30, 2004 pamphlet and briefly discussed this with the Commissioners and staff. On page 5 is Per Capita Revenue (General Fund). They have been asked in the past to try to get an idea of what the Per Capita costs are and they try to put these in here on a comparative basis for five years. Overall with a population stat at 12,612 compared to 2003 with 12,504, and $433 General Fund Revenues were raised Per Capita. On page 6 is a graph of the Governmental Fund Revenues showing the composition of total revenues as well as disclosure of the amounts. On page 7 is the Per Capita Expenditures (General Fund) in 2004 was $536 per person overall. On page 8 is the General Fund Revenue. In 2001 they had a spiking; a high year. Basically, grant money coming in back then but the key thing to point out in looking at this graphic representation is it's going up. That is a very good sign when they see that the graph is going up indicating that the City has revenue growth. This is very positive and that's what they would want it to be. On page 9 is Governmental Fund Expenditures by function. Where did the dollars go? They can see by the graph the different areas by dollars and percentages where the dollars went in 2004 on a prorata basis. On page 10 is the General Fund Expenditures. When they have their revenue base going up, they would expect our expenditure base to go up as well. This is a very positive slope and that's what the City wants. The key is the City is operating on a breakeven basis and they would certainly want to have their revenues expenditure driven. In other words, they would want to incur the expenditures and then recover the revenues to meet those. That's the typical model. On page 11 is Unreserved Fund Equity, as can be expected, they do see a drop. They had been running 148 days in 2000 in reserved equity and so on through the upcoming years and in 2004 there is 94 days. Why? They had storm related expenses that took up a lot of their extra excess surplus funds. They did anticipate spending additional in fiscal year 2004 but they didn't go over budget but they did anticipate spending additional monies this year by appropriating of additional prior year surplus from 2003. The key culprit there is a lot of money being taken out of the system to have to deal with some emergencies and the additional costs related to the storms. On page 12 is the Ad Valorem Millage Rates for 2004. The City of Holly Hill is just a small piece of what the taxpayer pays. For fiscal year 2004 it was 4.08 and 18.55 additional mills were charged for other taxing agencies. Roughly, 22.6 was the total millage of which 4.08 was the City of Holly Hill's. If they will notice with their numbers that it is time, looking at the reduction and the number of days, in his opinion, looking over the years from 2000 through 2004, the City has lowered their tax rate for five consecutive years. They may want to start looking at that. They don't want to get in a situation where they can't catch it back up. In 2004 they did spend some surplus money, therefore they didn't raise it in excess funds and again, that was the City's plan. What he is telling them that when they get down to 25%, they want to start looking. Their pier groups are going to be substantially higher than 25% and in reality, they were closer to 42% but when they take a look at those pier groups statistics they are based on 2003 numbers. The City was at 42% in 2003. The City was within the pier group reported total at that time. The City is in the very low percentile Countywide and particularly on this side of the County on the ad valorem rate and the City is still able to make ends meet and they are still able to keep an adequate reserve at 25%. They are still able to do the things they want to do. On page 14 is the Taxable Assessed Values. This has continued to grow. This will continue to go up. The graph shows that it's moving in a positive direction. On page 15 is the Water and Sewer Fund. The net income for this is $234,000. Operationally, in 2004, they were able to transfer $450,000 over to the General Fund from operations. They use that as an in lieu of tax-type transfer. On page 16 is the Solid Waste Fund. This area had a net income rather than a loss from last year. They reduced the amount of the transfer from $471,000 to $260,000 but the Solid Waste Fund is where another large bulk of these storm-related costs went. The City is still in a strong position and they still have strong financial activity. Good strong increases on both sides and a good strong equity base. Fifty-one percent of the City's assets are paid for and that's a good strong number. At this time he stated that completed his presentation and if they had any questions they could contact him.

*Commissioner Via moved for **ACCEPTANCE** of the Comprehensive Annual Report for Fiscal Year ending September 30, 2004, seconded by Commissioner Byrnes.*

The motion **CARRIED** 5-0 on roll call: Via – Yes, Byrnes – Yes, Schmitt – Yes, Blais – Yes, Mayor Arthur – Yes.

Mayor Arthur took a moment to welcome and introduce the candidates for the 2005 Municipal Election. In the audience was Roy Johnson who is running for Mayor and John Penny who is running for District 1.

3. CONSENT AGENDA

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Minutes of the Regular City Commission meeting – April 12, 2005
Minutes of the City Commission Workshop – April 12, 2005
Minutes of the Regular City Commission meeting – April 26, 2005
Minutes of the City Commission Workshop – April 26, 2005
Minutes of the Community Redevelopment Agency – April 26, 2005
Minutes of the Community Redevelopment Agency – April 29, 2005

Report of Purchase Orders over $5,000

- **Volusia County – $6,987.43**
- **Utility Service Company – $8,100**
- **Volusia County – $7,649.26**
- **Andritz Ruthner – $7,598**
- **Tideflex – $7,350**

Commissioner Via moved ***APPROVAL*** *of the items on the consent agenda, seconded by Commissioner Schmitt.*

The motion **CARRIED** 5-0 on roll call: Via – Yes, Schmitt – Yes, Blais – Yes, Byrnes – Yes, Mayor Arthur – Yes.

4. COMMITTEE REPORTS

Members of the Commission are encouraged to give a brief report from the various committees on which they serve.

Commissioner Via stated the next WAV meeting will be next Wednesday, May 18 at 8:30 a.m. in the Votran building.

Commissioner Byrnes stated the next Florida League of Cities dinner will be in DeBary.

Commissioner Blais had no report.

Commissioner Schmitt had no report.

Mayor Arthur stated the complaints they had with the MPO did draw a lot of attention.

5. AUDIENCE PARTICIPATION
Regarding items not on the agenda.

None.

6. RESOLUTION 2005-R-14, AMENDING THE COMMUNITY REDEVELOPMENT PLAN

Mr. Simpson read by short title:

RESOLUTION NO. 2005-R-14

A RESOLUTION OF THE CITY OF HOLLY HILL, FLORIDA, AMENDING THE COMMUNITY REDEVELOPMENT PLAN; PROVIDING FOR REPEAL OF RESOLUTIONS IN CONFLICT HEREWITH; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

*Commissioner Via moved to **APPROVE** Resolution 2005-R-14, seconded by Commissioner Schmitt.*

The motion **CARRIED** 5-0 on roll call: Via – Yes, Schmitt – Yes, Byrnes – Yes, Blais – Yes, Mayor Arthur – Yes.

7. RESOLUTION 2005-R-19, CANVASSING BOARD MEMBERS FOR THE 2005 MUNICIPAL ELECTION

Mr. Simpson read by short title:

RESOLUTION NO. 2005-R-19

A RESOLUTION OF THE CITY OF HOLLY HILL, FLORIDA APPOINTING A CANVASSING BOARD FOR THE CITY'S GENERAL AND RUN-OFF ELECTIONS SCHEDULED FOR OCTOBER 11, 2005 AND (IF NECESSARY) THE CITY'S RUN-OFF ELECTION SCHEDULED FOR NOVEMBER 8, 2005; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTING RESOLUTIONS; AND PROVIDING AN EFFECTIVE DATE.

*Commissioner Byrnes moved to **APPROVE** Resolution 2005-R-19, seconded by Commissioner Schmitt.*

The motion **CARRIED** 5-0 on roll call: Byrnes – Yes, Schmitt – Yes, Via – Yes, Blais – Yes, Mayor Arthur – Yes.

8. RESOLUTION 2005-R-20, FLORIDA INLAND NAVIGATION DISTRICT (FIND) GRANT PROGRAM – SUNRISE PARK

Mr. Simpson read by short title:

RESOLUTION NO. 2005-R-20

A RESOLUTION OF THE CITY OF HOLLY HILL, FLORIDA, EXPRESSING THE INTENT TO APPLY FOR GRANT FUNDS TO THE FLORIDA INLAND NAVIGATION DISTRICT FOR THE DEVELOPMENT OF SUNRISE PARK; AMENDING THE ADOPTED CAPITAL IMPROVEMENTS PROGRAM TO INCLUDE THE PROJECT; PROVIDING FOR REPEAL OF RESOLUTIONS IN CONFLICT HEREWITH; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

*Commissioner Via moved to **APPROVE** Resolution 2005-R-20, seconded by Commissioner Blais.*

The motion **CARRIED** 5-0 on roll call: Via – Yes, Blais – Yes, Byrnes – Yes, Schmitt – Yes, Mayor Arthur – Yes.

9. RESOLUTION 2005-R-21, PONCE DELEON INLET AND PORT DISTRICT

Mr. Simpson read by short title:

RESOLUTION NO. 2005-R-21

A RESOLUTION OF THE CITY OF HOLLY HILL, FLORIDA, EXPRESSING THE INTENT TO APPLY FOR GRANT FUNDS TO THE PONCE DE LEON INLET & PORT DISTRICT FOR THE DEVELOPMENT OF SUNRISE PARK; AMENDING THE ADOPTED CAPITAL IMPROVEMENTS PROGRAM TO INCLUDE THE PROJECT; PROVIDING FOR REPEAL OF RESOLUTIONS IN CONFLICT HEREWITH; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

*Commissioner Byrnes moved to **APPROVE** Resolution 2005-R-21, seconded by Commissioner Blais.*

The motion **CARRIED** 5-0 on roll call: Byrnes – Yes, Blais – Yes, Schmitt – Yes, Via – Yes, Mayor Arthur – Yes.

10. SECOND READING OF ORDINANCE 2723, OPTING OUT OF EARLY VOTING FOR THE 2005 MUNICIPAL ELECTION

Mr. Simpson read by short title:

ORDINANCE NO. 2723

AN ORDINANCE OF THE CITY OF HOLLY HILL, FLORIDA EXEMPTING ITSELF FROM THE PROVISIONS OF SECTION 101.657, F.S. SPECIFICALLY RELATED TO EARLY VOTING; PROVIDING FOR CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

Commissioner Schmitt moved to ***APPROVE*** *the Second Reading of Ordinance 2723, seconded by Commissioner Blais.*

The motion **CARRIED** 5-0 on roll call: Schmitt – Yes, Blais – Yes, Byrnes – Yes, Via – Yes, Mayor Arthur – Yes.

11. SECOND READING OF ORDINANCE 2724, NUISANCE ABATEMENT REGULATIONS

Mr. Simpson read by short title:

ORDINANCE NO. 2724

AN ORDINANCE OF THE CITY OF HOLLY HILL, FLORIDA AMENDING CHAPTER 2 (ADMINISTRATION), ARTICLE III (BOARDS, COMMISSIONS, COMMITTEES), DIVISION 3 (CODE ENFORCEMENT) TO EXPAND THE AUTHORITY OF THE SPECIAL MASTER TO ENFORCE FLORIDA STATUTE SECTION 893.138 (LOCAL ADMINISTRATIVE ACTION TO ABATE DRUG-RELATED, PROSTITUTION-RELATED, OR STOLEN-PROPERTY-RELATED PUBLIC NUISANCES AND CRIMINAL STREET GANG ACTIVITY); PROVIDING FOR FINES; PROVIDING FOR CONTINUING JURISDICTION; PROVIDING FOR RECORDING OR ORDERS AND FORECLOSURE; ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

*Commissioner Schmitt moved to **APPROVE** the Second Reading of Ordinance 2724, seconded by Commissioner Blais.*

The motion **CARRIED** 5-0 on roll call: Schmitt – Yes, Blais – Yes, Byrnes – Yes, Via – Yes, Mayor Arthur – Yes.

12. REUSE SYSTEM CONTROLS FOR WASTEWATER TREATMENT PLANT (WWTP)

Mr. Forte stated this is the replacement of the controls over at the Wastewater Treatment Plant to be purchased from Rocha Controls. They are a sole source provider of the equipment. The total is $21,827.

Commissioner Via moved to APPROVE the award to Rocha Municipal and Industrial Control Systems in the amount of $21,827 for parts, labor and installation of Reuse System Control Panel for the Siemans Simatic 505, seconded by Commissioner Blais.

The motion **CARRIED** 5-0 on roll call: Via – Yes, Blais – Yes, Byrnes – Yes, Schmitt – Yes, Mayor Arthur – Yes.

13. 2006 JUSTICE ASSISTANCE GRANT

Mr. Forte stated originally they thought they had $10,000 that was being denied to the City and then they received notification that the City was actually awarded $12,062 in this grant. This money cannot be used for personnel or vehicles. The Police Department anticipates using this grant to purchase new uniform coats, pistols, and computer equipment.

*Commissioner Via moved to **APPROVE** the application for the 2006 Justice Assistance Grant, seconded by Commissioner Blais.*

The motion **CARRIED** 5-0 on roll call: Via – Yes, Blais – Yes, Byrnes – Yes, Schmitt – Yes, Mayor Arthur – Yes.

14. LAW ENFORCEMENT TRUST FUND EXPENDITURE REQUEST

Mr. Forte stated this is a request to spend money out of the Trust Fund in the amount $350 for the 2005 Hurrtrack Subscription fee. That's for the weather station that they had installed. It's on the top end of the roof towards the rear on the Daytona Avenue side of the building. This is a subscription to keep that up and running. It's on the City's Home Web site page. The intent of this is to help them during the hurricanes so they know what the wind speeds are when the City vehicles are out on the road.

*Commissioner Schmitt moved to **APPROVE** expenditure from the Law Enforcement Trust Fund, seconded by Commissioner Blais.*

The motion **CARRIED** 5-0 on roll call: Schmitt – Yes, Blais – Yes, Via – Yes, Byrnes – Yes, Mayor Arthur – Yes.

15. COMMUNICATIONS

A. City Manager

Mr. Forte stated this Friday is the Cancer Society Relay for Life Walk-A-Thon. If the Commissioners are available please be there at 5:30 p.m. for the kick-off of this. A proclamation will be read. The American Legion contacted him and wanted to know if the City was going to be doing anything for Memorial Day this year. There was brief discussion amongst the Commissioners and the Mayor and they decided to have the City Manager contact Ormond Beach and see if they can possibly join in with them if they are planning on doing anything to show their support. He then stated that he will be in Tampa from Wednesday through Friday at an FCCMA Conference. After this meeting there will be an Executive Session meeting. He had a PBA (Police Benevolent Association) negotiation this morning and he wants to get with the Commission on that.

B. City Attorney

None.

C. Mayor & Commissioners

Commissioner Schmitt stated this Saturday at Holly Forest Estates is having the pancake breakfast starting at 8:00 a.m. until 11:00 a.m. He thanked the candidates and their family members for coming to the meeting.

Commissioner Via stated the baseball All-Star games will be starting soon. They recently lost a valuable veteran named Leon Parent III and he was very involved with the Military and very involved with the Halifax Veterans Council. Mr. Parent recently passed away.

Commissioner Byrnes stated his compliments to the Finance Department and staff for the budget and the fantastic numbers. It's great to be a Commissioner in a city where the numbers are all right. He then stated his mother is doing fairly well.

Commissioner Blais stated he takes the budget audits with him when he goes to these Florida Institute of Government programs. He compares the City with their cities. He also wanted to extend his regards to Leon Parent III.

Mayor Arthur had a brief discussion in regards to having an attorney representing them if they get into any kind of trouble whatsoever and have it paid for. City Attorney Butch Simpson gave some advice and facts of information regarding the laws about attorneys representing any commissioner or mayor for any city-type government. Some off the Commissioners were not in favor of having an attorney representing them.

Carolyn Wood, 1303 Pine Ridge Drive, stated her concerns regarding the representation of an attorney for the Commissioners and Mayor.

Mayor Arthur stated he will be out of town for the remaining of the week and Commissioner Via will be Vice Mayor in his absence.

16. ADJOURNMENT

The meeting officially adjourned at approximately 8:25 p.m.

Attest: City of Holly Hill, Florida

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Valerie Manning	William D. Arthur
City Clerk	Mayor