MINUTES
REGULAR CITY COMMISSION MEETING
CITY OF HOLLY HILL, FLORIDA
June 09, 1998

1. CALL TO ORDER

Mayor William D. Arthur called the meeting to order in Commission Chambers at 1065 Ridgewood Avenue in City Hall.

Answering roll call with Mayor Arthur were Commissioners Arthur J. Byrnes, J. D. Mellette, Shirley Heyman and Roland Via.

Also attending were City Manager Donald Lusk, City Attorney Edward F. Simpson, Jr., and City Clerk Sue W. Blackwell.

2. INVOCATION

Public Works Director Milton Hallman gave the Invocation.

3. PLEDGE OF ALLEGIANCE TO THE FLAG

4. CONSENT AGENDA

A. Minutes Workshop Meeting – April 28, 1998

Commissioner Mellette moved to ***APPROVE*** *the consent agenda being seconded by Commissioner Heyman.* The motion **CARRIED** 5-0 on roll call.

5. AUDIENCE PARTICIPATION

Heidi Heinmiller, 1605 Popwell Trail Volusia County, asked for clarification on annexation issues. Mrs. Heinmiller said fliers sent out by the City stated property taxes would increase. An ad in the News Journal said if you were told your property taxes will go up, it's not true. Truth, Holly Hill is going to keep your tax rate equal to your present rate. Mrs. Heinmiller asked for clarification of these mixed messages. Secondly, Mrs. Heinmiller said she asked for a copy of a job description for the City Planner and received a resume and then asked when the annual audit would be available for the public at the Library.

Mayor Arthur said the audit is available at the library now and then explained when the City decided to annex, the 5.5% was higher than what the County runs. After figuring how much money comes in, the bottom line was that the City could lower the tax mil.

City Manager Lusk invited Mrs. Heinmiller to come to his office in the morning and he and Ira Corliss would go over the figures with her.

The City Planner is not an employee of the City. He is contracted through VCOG and that is why there is no job description.

Tammy Caldwell, 1504 Primrose Lane Volusia County, asked the Commissioners if the City's goal is to annex the County area, does the County tax go up because they (County) no longer have that revenue and all cities will be affected by this, so we will not only have an increase in our taxes if we are incorporated into Holly Hill, but we will also have increased taxes according to Volusia County because it can no longer generate our specific revenue?

City Manager Lusk explained, "It (taxes) would go up in the unincorporated area probably because the unincorporated area gets smaller which its going to do whether we win this election or not. There will be less people to carry the level that you are furnished in the unincorporated area. There are two county taxes working here, the county tax that everyone pays and the county tax that people pay in the unincorporated area."

Tamra Kuhn, 1339 Center Street, thanked the Commission for having the back bone to annex the unincorporated property.

6. ORDINANCE NO. 2512 – GRANTING KMC TELECOM II, INC. A NON-EXCLUSIVE FRANCHISE TO USE THE CITY'S RIGHT-OF-WAYS (First reading)

City Attorney Simpson read:

ORDINANCE NO. 2512

AN ORDINANCE OF THE CITY OF HOLLY HILL, FLORIDA GRANTING TO KMC TELECOM II, INC. A NON-EXCLUSIVE FRANCHISE TO USE THE CITY'S RIGHT-OF-WAYS FOR THE CONSTRUCTION, MAINTENANCE AND OPERATION OF A TELECOMMUNICATION SYSTEM IN THE CITY; PRESCRIBING THE TERMS AND CONDITIONS UNDER WHICH SAID NON-EXCLUSIVE RIGHTS, PRIVILEGES AND FRANCHISE MAY BE EXERCISED; PROVIDING FOR CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

Mr. Arthur Web, City Director for the Brevard Operation of KMC Telecom II, Inc., was present to respond to questions of the Commission. Commissioner Byrnes asked about a connection for the City. Our plans for the future would be to have a web server for economic development my understanding as part of the contract is you would provide us the connection and we (City) would pay for the service. Mr. Web explained KMC Telecom II, Inc. is a for profit company and is an alternative to Bell South. KMC can offer better service at a lower price.

Commissioner Mellette moved to ***APPROVE*** *Ordinance No. 2512 on first reading being seconded by Commissioner Byrnes.* The motion **CARRIED** 5-0 on the following roll call:

Mellette, yes; Byrnes, yes; Heyman, yes; Via, yes; Arthur, yes.

7. ORDINANCE NO. 2515 – AMENDS THE LAND USE AND DEVELOPMENT REGULATIONS BY REZONING HARDESTY PROPERTY (First reading)

City Attorney Simpson read:

ORDINANCE NO. 2515
AN ORDINANCE OF THE CITY OF HOLLY HILL, FLORIDA, AMENDING ORDINANCE NO. 2352, THE LAND DEVELOPMENT REGULATIONS, BY REZONING APPROXIMATELY 1.50 ACRES LOCATED ON THE SOUTH SIDE OF CALLE GRANDE BETWEEN STATE STREET (PARQUE DRIVE) AND THE FLORIDA EAST COAST RAILWAY TO CC-1; PROVIDING FOR SEVERABILITY; REPEALING ALL LAWS OR PARTS OF LAWS IN CONFLICT HEREWITH; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

City Manager Lusk explained this is a piece of undeveloped property that is contiguous with the CC-1 area.

Commissioner Mellette moved to ***APPROVE*** *Ordinance No. 2515 on first reading being seconded by Commissioner Heyman.* The motion **CARRIED** 5-0 on the following roll call:

Mellette, yes; Heyman, yes; Via, yes; Byrnes, yes; Arthur, yes.

8. AUDIT PRESENTATION

John Vodenicker, Ernst and Young, LLP presented the annual audit for the year ended September 30, 1997. Mr. Vodenicker asked the commission to turn to page 27 of the Comprehensive Annual Financial Report. On page 27 is the report from Ernst and Young. Mr. Vodenicker read for the record the opinion paragraph from the report (a copy of the entire Comprehensive Annual Financial Report is attached and made a part of the record).

Mr. Vodenicker then went over the General Fund Budget for 1997 which was very positive to the City as the City did add to the fund balance and continued to increase the strength of the fund balance in the General Fund. On page 108, the Statistical Section General Fund expenditures over the last ten years show the City has been using constraint in General Fund expenditures. The City had a very good year in the Solid Waste Fund in 1997 and should be even more favorable going forward with the contract that was worked out for

Solid Waste. The two largest funds of the City the General Fund and the Water and Sewer Fund did very well. The General Fund did very comparable to what it did in 1996 in increasing fund balances. The Water and Sewer Fund made some significant improvement over 1996 a very positive improvement with a nominal increase in water and sewer rates.

Mr. Vodenicker spoke next on the year 2000 and how it will affect the City's computer system. The City is getting new computer systems that will be year 2000 compliant. One thing the auditors suggested the City look at vendor compliance, some of the departments that are utilizing computer software that may not be a part of the system to see if the City has a problem there. The City needs to have a plan to look at a much broader spectrum than just the financial management system.

Mayor Arthur asked, "Did you see anything in the audit that the City was weak in and needed to work on?"

Mr. Vodenicker said, "This past year the City has gone through a major computer conversion. If there is something I would suggest needs to be worked on, it is that you are going from one system to another. I think there is some opportunity for re-engineering of the manual processes because of the new computer and making sure you are maximizing the new system. You want to make sure with the investment you made that you are really looking at ways to maximize that new system."

*Commissioner Mellette moved to **ACCEPT** the audit as presented being seconded by Commissioner Heyman.* The motion **CARRIED** 5-0 on roll call.

9. RESOLUTION 98-R-21 – AUTHORIZES CITY MANAGER AND MAYOR TO SIGN CONTRACT WITH ERNST & YOUNG (Auditor)

City Attorney Simpson read:

RESOLUTION NO. 98-R-21
A RESOLUTION APPOINTING ERNST & YOUNG AS AUDITORS FOR THE CITY OF HOLLY HILL, FLORIDA AND CONTRACTING FOR THEM TO PROVIDE THE ANNUAL AUDIT REPORT; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTING RESOLUTIONS; AND PROVIDING AN EFFECTIVE DATE.

*Commissioner Mellette moved to **ADOPT** Resolution 98-R-21 being seconded by Commissioner Byrnes.* The motion **CARRIED** 5-0 on the following roll call:

Mellette, yes; Byrnes, yes; Via, yes; Heyman, yes; Arthur, yes.

10. RESIGNATION OF BOARD OF PLANNING AND APPEALS MEMBER – CECILY NOEL

*Commissioner Via moved to **ACCEPT** the resignation of Mrs. Noel with regrets being seconded by Commissioner Mellette.* The motion **CARRIED** 5-0 on roll call.

11. RESOLUTION 98-R-19 APPOINTS MEMBER TO THE BOARD OF PLANNING AND APPEALS

City Attorney Simpson read:

RESOLUTION NO. 98-R-19
A RESOLUTION OF THE CITY OF HOLLY HILL, FLORIDA, APPOINTING A MEMBER TO SERVE THE UNEXPIRED TERM OF CECILY NOEL UNTIL MAY, 1999; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTING RESOLUTIONS; AND PROVIDING AN EFFECTIVE DATE

*Commissioner Via moved to **APPOINT** Roy Phipps to the Board of Planning and Appeals being seconded by Commissioner Mellette.* The motion **CARRIED** 5-0 on the following roll call:

Via, yes; Mellette, yes; Byrnes, yes; Heyman, yes; Arthur, yes.

12. RESOLUTION 98-R-22 AUTHORIZES THE MAYOR TO SIGN NECESSARY PAPERS TO APPLY FOR PAL GRANT

City Attorney Simpson read:

RESOLUTION NO. 98-R-22
A RESOLUTION OF THE CITY OF HOLLY HILL, FLORIDA, AUTHORIZING THE MAYOR TO SIGN THE NECESSARY PAPERS TO APPLY FOR THE PAL GRANT PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTING RESOLUTIONS; AND PROVIDING AN EFFECTIVE DATE.

City Manager Lusk explained this is the grant the County has approved and now it's going to the next step and needs a resolution to go with it.

*Commissioner Mellette moved to **ADOPT** Resolution 98-R-22 being seconded by Commissioner Byrnes.* The motion **CARRIED** 5-0 on the following roll call:

Mellette, yes; Byrnes, yes; Heyman, yes; Via, yes; Arthur, yes.

13. REQUEST COMMISSION APPROVAL OF ALTA DRIVE BRIDGE REPLACEMENT COSTS

City Manager Lusk explained this is an item the Commission workshopped. The City made an agreement with the County to pay one half of the cost of this project. Now is the time to get more formal. There is an estimated cost of $288,000. City Manager Lusk recommended the Commission agree to pay 50% not to exceed $213,000.

Commissioner Byrnes moved to ***APPROVE*** *payment of 50% not to exceed $213,000 for the Alta Bridge Improvements costs being seconded by Commission Mellette.* The motion **CARRIED** 5-0 on roll call.

14. ORDINANCE NO. 2516 ANNEXING BY VOLUNTARY PETITION – WAYNE'S ROOFING (First reading)

City Attorney Simpson read:

ORDINANCE NO. 2516
AN ORDINANCE OF THE CITY OF HOLLY HILL, FLORIDA ANNEXING BY VOLUNTARY PETITION PROPERTY LOCATED CONTIGUOUS TO THE CITY OF HOLLY HILL; REDEFINING BOUNDARIES OF THE CITY OF HOLLY HILL TO INCLUDE SAID PROPERTY; DIRECTING THE CITY CLERK TO FILE THE ORDINANCE WITH THE CLERK OF THE CIRCUIT COURT, WITH THE CHIEF ADMINISTRATIVE OFFICER OF VOLUSIA COUNTY AND WITH THE DEPARTMENT OF STATE; PROVIDING FOR CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

City Manager Lusk explained this annexation brings into Holly Hill property on both sides of Nova Road all the way up to 15th Street.

Commissioner Mellette moved to ***APPROVE*** *Ordinance No. 2516 being seconded by Commissioner Heyman.* The motion **CARRIED** 5-0 on the following roll call:

Mellette, yes; Heyman, yes; Byrnes, yes; Via, yes; Arthur, yes.

City Manager Lusk asked Mayor Arthur to add onto the agenda, item 14.A. to keep the annexations together. Item 14.A was then addressed.

14.A. ORDINANCE NO. 2517 ANNEXING BY VOLUNTARY PETITION – ALL FLORIDA PLUMBING (First reading)

City Attorney Simpson read:

ORDINANCE NO. 2517
AN ORDINANCE OF THE CITY OF HOLLY HILL, FLORIDA ANNEXING BY VOLUNTARY PETITION PROPERTY LOCATED CONTIGUOUS TO THE CITY OF HOLLY HILL; REDEFINING BOUNDARIES OF THE CITY OF HOLLY HILL TO INCLUDE SAID PROPERTY; DIRECTING THE CITY CLERK TO

FILE THE ORDINANCE WITH THE CLERK OF THE CIRCUIT COURT, WITH THE CHIEF ADMINISTRATIVE OFFICER OF VOLUSIA COUNTY AND WITH THE DEPARTMENT OF STATE; PROVIDING FOR CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

Commissioner Mellette moved to ***APPROVE*** *Ordinance No. 2517 on first reading being seconded by Commissioner Heyman.* The motion **CARRIED** 5-0 on the following roll call:

Mellette, yes; Heyman, yes; Via, yes; Byrnes, yes; Arthur, yes.

15. AUTHORIZE THE CITY MANAGER TO SIGN AN EARLY RETIREMENT CONTRACT (David Mack)

City Manager Lusk said, "I think that Council knows when I bring these to you is that it would save the City money over a certain period of time. This one we would receive our money back in twelve months. I would recommend that we go along with this early retirement. It is a four month severance package."

Commissioner Mellette moved to ***APPROVE*** *authorization of the retirement contract being seconded by Commissioner Via.* The motion **CARRIED** 5-0 on roll call.

16. REQUEST COMMISSION AWARD UNIFORM BID TO G&K SERVICES, INC.

Staff received only one bid to provide Uniform service for Public Works employees. The base price of $218 per week or $11,136 a year.

Commissioner Heyman moved to ***ACCEPT*** *bid being seconded by Commissioner Via.* The motion **CARRIED** 5-0 on roll call.

17. COMMUNICATIONS FROM CITY MANAGER

A. INSTALL FORCE MAIN - MISTLETOE

City Manager Lusk explained he would like Commission approval to expend $9,880 on the project even though it is within his spending authority. This is the pressure line on Mistletoe which will provide sewer to Walgreen's. This is being done with a force main in order to pick up other customers.

Commissioner Mellette moved to ***APPROVE*** *expenditure being seconded by Commissioner Heyman.* The motion **CARRIED** 5-0 on roll call.

B. Late Notices

City Manager Lusk said, "The last couple of months staff has been fighting a battle with water bills. We have changed our style of water bill and have finally gotten to the point where we need to do something more than what we're doing. We are going back to the old way of sending post cards to warn citizens when water will be turned off for non payment. The notices have been ordered and it will take about a month to implement."

C. City Manager Evaluation

City Manager Lusk asked that the City Commission do a written evaluation on him this year. Mr. Lusk said he would provide a written form for the Commissioners to follow and at the next workshop do an evaluation of him.

18. COMMUNICATIONS FROM CITY ATTORNEY

None

19. COMMUNICATIONS FROM MAYOR AND COMMISSIONERS

Commissioner Heyman – Very pleased with the Financial Report

Commissioner Via – Thanked John Bozzo for his responsible reporting on the Mayor's Landscaping project.

Mr. Via said he spoke to the Police Chief and Public Works Director and told them about the kids he had seen with contraband on the dock, the trash and graffiti and asked what could be done and was amazed that the City already had a process that had started six or seven months before.

Mr. Via then commented on the City's annexation efforts and commended Ira Corliss for his efforts.

Commissioner Byrnes – Referring to the City's annexation effort, Mr. Byrnes said he feels positive giving folks the right to determine their destiny.

A short discussion was held concerning Commissioner Boyles statement in the newspaper about the gentleman's agreement between Holly Hill and Ormond Beach referencing the annexation of the Riviera Hotel.

Commissioner Mellette - Mr. Byrnes and Mr. Via pretty much covered my sentiments and thanked City Staff for the job they have done on this annexation election.

Mayor Arthur – Invited everyone to his open house Sunday from 12:00 – 3:00 p.m. at his new home on Riverside Drive.

Recently the League of Cities and every City in the State went to the legislators and begged them not to pass the Police and Fire Pension Fund as it cost the Cities an awful lot of money. There were no potential gains whatsoever for the citizens or the cities. Governor Chiles vetoed the Police and Fire Pension Fund an unbelievably strong excellent move the Governor made for the people and the cities.

20. ADJOURNMENT

There was no further business to come before the Commission and the meeting was adjourned at approximately 9:10 p.m.

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MAYOR

ATTEST:

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CITY CLERK