

MINUTES

**MINUTES
REGULAR COMMISSION MEETING
CITY OF HOLLY HILL, FLORIDA**

September 26, 2006

1. CALL TO ORDER

A. Roll Call

Mayor Via called the meeting to order in the Commission Chambers at City Hall, 1065 Ridgewood Avenue at approximately 7:03 p.m. Attending with Mayor Via were Commissioners John Penny, Gilles Blais, Mark Reed and Traci A. Anderson.

Also attending were City Manager Joe Forte, City Attorney Butch Simpson, Public Safety Director Don Shinnamon, Public Works Director/City Engineer Christ Hurst, Building Official Tim Harbuck, Finance Director Brenda Gubernator, Assistant Finance Director Susan Worde, Information Technology Director Scott Gutauckis, Human Resources Director Diane Cole, Community Redevelopment Coordinator Marsha Radulovich, and City Clerk Valerie Manning.

B. Invocation

Mayor Via delivered the invocation.

C. Pledge of Allegiance to the Flag

2. PRESENTATIONS & PROCLAMATIONS

- Presentation on the *My Safe Florida Home Program* – Randal Brown, Department of Financial Services

Randal Brown, Regional Director, Department of Financial Services, gave a brief presentation regarding *My Safe Florida Home Program*. The Web site is www.mysafe florida.com and to apply someone can go either into that Web site or they can call (800) 342-2762.

3. CONSENT AGENDA

- Minutes from the Community Redevelopment Agency (CRA) meeting – September 11, 2006
- Minutes from the regular City Commission meeting – September 11, 2006

*Commissioner Reed moved **APPROVAL** of the items on the consent agenda, seconded by Commissioner Anderson.*

The motion **CARRIED** 5-0 on roll call: Reed – Yes, Anderson – Yes, Penny – Yes, Blais – Yes, Mayor Via – Yes.

4. AUDIENCE PARTICIPATION
Regarding items not on the agenda.

Elizabeth Kane, 101 University Blvd., Daytona Beach, mentioned that she has apartments in Holly Hill located on 8th and Grove Avenue. Ms. Kane brought her concerns to the Mayor and Commissioners regarding her dumpster for the apartments and that the residents on Grove Avenue have been using her dumpster. She has called Code Enforcement and the Police Department and mentioned that she has gotten billed for a second pickup. She asked if they could find out about this and she feels that this is a police matter. Any help they can give her would really be appreciated.

Ann Anderson, 1000 Walker Street, mentioned Mr. Rainey's property on the corner of 3rd Street and Ridgewood Avenue. She asked if the City could ask Mr. Rainey to make that property look decent.

Mr. Forte informed Ms. Anderson that Code Enforcement is in contact with the Rainey's on that property.

Ms. Anderson stated she doesn't want to see it just cleared but maybe seeded somehow so that there is grass there instead of dirt and miscellaneous stuff all over the place. Ms. Anderson stated that the City wouldn't put up with that if it were somebody's lawn. Mr. Rainey could at least keep the property decent looking.

Mayor Via informed Ms. Anderson that Mr. Rainey has decided not to pursue the two tall buildings. Mr. Rainey is looking to partner up with a developer on another project. Possibly, a Town Center, we don't know. It's not up to the Commission or staff to make a private property owners' decision.

Ms. Anderson stated she would like for them to make a decision to keep that property looking good while it is up For Sale. Ms. Anderson spoke about Marina Grande and the garage that is there blocking the view of the condos. Is there some sort of plan for that, so that those that drive by that can see trees, etc.

Mr. Forte informed Ms. Anderson that will all be fully landscaped when completed and that there will be retail stores in front of the garage and they will not see it.

Charlie Sharp, 1300 Riverside Drive, mentioned that he has made several phone calls regarding the left turn signal problems on Ridgewood Avenue, Walker Street and LPGA Blvd. The Florida Department of Transportation (FDOT) keeps telling him that they are studying it. He has been calling them for six or eight months and he gets the same report. Does the City or Public Works or Mr. Forte know about a study that they are doing for that?

MINUTES

Mr. Forte informed Mr. Sharp that he sent in a request to the FDOT in regards to a complaint that he had from some citizens at the South end of the City and he received responses back from FDOT where they denied everything except one of the left turn lanes at 2nd Street, and they denied 3rd Street. FDOT has been studying it and the response that he got back in regards to 3rd Street was there's enough time between vehicles for people to make left and U-turns at those intersections. It doesn't help Mr. Sharp but FDOT is telling him that it doesn't warrant the left turn signal.

Mr. Sharp stated his main concern is both Walker Street and LPGA Blvd.

Mayor Via asked Mr. Sharp what was it that he wants from those two streets.

Mr. Sharp stated he would like to find out if maybe the City Commission or the City can push it a little bit and find out some more information.

Mayor Via asked if he wants to add them or take them away.

Mr. Sharp stated he wants to add them to the southbound lanes. It is very difficult to make left turns into the Trinity Lutheran School. There is a left turn lane at 12th Street but the traffic flow through there is so hard at 8:00 a.m. It's the same way at Walker Street when they are trying to make a left turn. Any help he can get would be appreciated.

5. PUBLIC HEARING – SECOND READING OF ORDINANCE 2781, REPEALING ORDINANCE FOR SIDEWALKS

Mr. Simpson read by short title:

ORDINANCE NO. 2781

AN ORDINANCE OF THE CITY OF HOLLY HILL, FLORIDA; REPEALING SECTION 58-76 (DUTY OF PROPERTY OWNER TO REPAIR) RELATING TO THE REPAIR OF SIDEWALKS. PROVIDING FOR CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

Mayor Via opened public participation. No one spoke.

*Commissioner Anderson moved **APPROVAL** of Second Reading for Ordinance 2781, seconded by Commissioner Reed.*

The motion **CARRIED** 5-0 on roll call: Anderson – Yes, Reed – Yes, Blais – Yes, Penny – Yes, Mayor Via – Yes

MINUTES

Commissioner Reed asked if the Commission would move Item #8, Ordinance 2784, Amended Budget for FY 2005-2006 before Item #6, the Final Millage Rate. His point in this discussion about this amended budget is that he believes that there is some valuable insight they can glean with a short discussion of this budget that might help them make a decision on the millage rate.

*There was **CONSENSUS** from the City Commission to do that.*

8. FIRST READING OF ORDINANCE 2784, AMENDED BUDGET FOR FY 2005-2006

Mr. Simpson read by short title:

ORDINANCE NO. 2784

AN ORDINANCE AMENDING ORDINANCE NO. 2739 THE APPROPRIATIONS BUDGET FOR THE CITY OF HOLLY HILL, FLORIDA, FOR THE FISCAL YEAR OCTOBER 1, 2005 THROUGH SEPTEMBER 30, 2006; PROVIDING FOR CONFLICTING ORDINANCES; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

Commissioner Reed stated for the public's and his own education here, they're doing this amended budget because this budget is what has actually transpired over the last year as opposed to a proposed budget that the former Commission agreed on a year ago, is that correct?

Mr. Forte stated these are changes that have occurred in the current budget due to different revenues and expenditures that took place over the year.

Commissioner Reed stated, exactly. So this is really what happened as opposed to the budget that was passed by the Commission. You don't know what's going to happen when you pass those budgets. You have expenses that come up and it's a work in progress. What the Commission is doing tonight, is they are amending last year's budget and they are getting the final numbers in on this.

Mr. Forte stated, right.

Commissioner Reed stated, and what he notices when he looks at this, he thinks this is something that could easily be rubber stamped because it's just a matter of business. But what he notices on this is, there is a huge amount of money brought in on revenues that were not projected in the original budget and he thinks that's good fiscal responsibility. He thinks their Financial Director and City Manager has done a fine job on that and he wants to commend them on that. The fact that they didn't think that there was going to be more money coming in than actually did. They were conservative. While he wants to make a motion to approve this amended budget, he thinks there is a lot of information they can glean from this about how they can project for a revenue and how the revenues actually come in much higher. He knows that there are expenditures that

MINUTES

come in a little bit higher too but he just thinks that there are some lessons here, especially for us newer Commissioners, that we should pay a lot of attention to.

*Commissioner Reed moved **APPROVAL** of First Reading for Ordinance 2784, seconded by Commissioner Penny.*

Mr. Forte stated he didn't get an opportunity to sit down with Commissioner Reed to go over this in detail and he apologizes for that but some of the things that are important for somebody when they look at this amended budget and they see close to a \$5 million increase, what's important to understand is that new revenues have come; half of that amount \$2,222,000 is part of the State Revolving Fund Loan and the Bond for the Water and Wastewater Treatment Plant; another \$533,000 was for the renewal and replacement of the Wastewater Plant and that came out of the Reserve Fund to fund those things. A lot of those items are Reserve Fund transfers from the Reserve Fund into the Operating Budget. Almost \$700,000 is the grant for Sunrise Park. So when they take a lot of those things into consideration, it's not "found" money or "surprise, where did this come from", it's grant monies that just came into us during this budget year that were not there; they couldn't project last year. So they are really new dollars. The \$687,000 under the Buildings / Grounds is the money they received from FEMA for the reimbursement for the seawall. A lot of it is dollars in and dollars out.

Commissioner Reed stated there's no doubt in his mind that they will spend all that they get in.

Mr. Forte stated it's already been spent.

Commissioner Reed, right.

Mr. Forte stated it's already been allocated because they are for specific things. Another example would be the Solid Waste Fund. That came as a transfer from the Reserve Fund into the Operations. These are not "new" dollars. They are just dollars that came into light after the budget was approved last year. Again, if they apply for a grant sometime during this year and its a million dollar grant, they will amend the budget next year for a million dollars.

Commissioner Reed stated so the revenues that are \$137,900 for Solid Waste is just a transfer from the Reserve Fund? They didn't actually bring in more money from Solid Waste revenues?

Mr. Forte stated no, on that specific one, the Solid Waste Revenues was probably an increase in the large containers, mostly from what's happening probably at Marina Grande because they go through so many dumpsters. If they look at the other page...

Commissioner Reed stated they spent it.

Mr. Forte stated it was spent in Solid Waste. That's where they see those kinds of adjustments.

Mayor Via opened public participation.

MINUTES

Maureen Monahan, 215 – 5th Street, stated Commissioner Reed made several good points, which she hopes all the new Commissioners will pay attention to. If she understands this correctly, the budget was \$23 million and they spent \$28 million but they have increases also.

Mr. Forte stated he would just repeat what he already said.

Ms. Monahan asked if anybody recalls what the budget was the year before that and how much they spent, roughly?

Mayor Via stated it was in the neighborhood of \$21 million from the year before and again, at the end of the year the amended budget, you get in so much money and you spend so much money and that's why the amendment has to be placed here. A lot of this was grant money.

Ms. Monahan asked if he remembers how much that might have been.

Mayor Via stated not specifically.

Ms. Monahan asked does \$25 million sound close.

Mayor Via stated he doesn't know.

Mayor Via closed public participation.

Mayor Via asked Ms. Gubernator is there are any other adjustments that they will see from the FY 2005-2006 budget.

Mrs. Gubernator stated she would say no if nothing changes by Friday or Sunday.

The motion **CARRIED** 5-0 on roll call: Anderson – Yes, Reed – Yes, Penny – Yes, Blais – Yes, Mayor Via – Yes

6. PUBLIC HEARING – RESOLUTION 2006-R-32, FINAL MILLAGE RATE

Mr. Simpson read the Resolution into the record:

RESOLUTION NO. 2006-R-32

A RESOLUTION OF THE CITY OF HOLLY HILL, FLORIDA, ADOPTING A FINAL MILLAGE RATE FOR THE YEAR BEGINNING OCTOBER 1, 2006; PROVIDING FOR CONFLICTING RESOLUTIONS; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Holly Hill, Florida is required by Florida Statute 200.011 to certify to the County Property Appraiser the general municipal millage rate established by said Commission for the tax year beginning October 1, 2006; and

MINUTES

WHEREAS, the City Commission of the City of Holly Hill, Florida, pursuant to Florida Statute 200.065, the TRIM BILL, is required to adopt a tentative budget and a proposed millage rate, said proposed millage rate is the current rate of 4.08000 (\$4.08000 per \$1,000); and

WHEREAS, the City Commission of the City of Holly Hill, Florida, is desirous of adopting a final millage rate, having given proper notice of both a proposed 21.94% tax increase and the public hearing held with respect to same.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLY HILL, FLORIDA:

SECTION 1. That the final millage rate adopted by the City Commission of the City of Holly Hill, Florida, for the tax year beginning October 1, 2006 is 4.08000 (\$4.08000 per \$1,000.00); said millage rate is the current rate of 4.08000 (\$4.08000 per \$1,000), which shall be a 21.94% increase in property taxes.

SECTION 2. That all resolutions made in conflict with this Resolution are hereby repealed.

SECTION 3. That this Resolution shall become effective immediately upon its adoption.

The within and foregoing Resolution was read before the City Commission of the City of Holly Hill, Florida, at its Special Meeting held in Commission Chambers at City Hall, 1065 Ridgewood Avenue, Holly Hill, Florida, on the 26th day of September, 2006.

Mayor Via opened public participation.

Don Kane, 101 University Blvd., Daytona Beach, mentioned his concerns about the millage rate. They operate a small business in Holly Hill for the past 35 years. This is the first time he has been to a Commission meeting and this is the first time he felt that he should come because he is upset about the tax increases. He feels that a 22% increase is too high. He urges the Commission to rollback the rate. Mr. Kane mentioned that Volusia County did it the other day. The County Manager said they would make it work. He stresses to the Commission to bite the bullet, be frugal, and roll it back. The residents can't afford it.

Irene Todora, 340 Cumberland Avenue, Ormond Beach, stressed her concerns about the millage rate being too high. She owns four rental properties in Holly Hill. Ms. Todora gave a brief description of her properties pertaining to the taxes and mentioned the difference in the rents if she had to raise the rates. If she were to raise the rent, which she has never done to any of her people because she has empathy for them, she would only raise it \$25 which wouldn't help her, it wouldn't help them, it wouldn't help anybody, so she doesn't know if it's even worth it. Ms. Todora mentioned that most renters do not know that they have a voice. They are the ones that are being hurt. Ms. Todora showed the Commission an article regarding renters who can't afford

MINUTES

the rent anymore that was in last Sunday's *Daytona Beach News-Journal*. She is completely frustrated.

Stephen Berdegus, P.O. Box #8085, Ormond Beach, stated he used to live in Holly Hill in the 70's. He has some rental properties in Holly Hill. Mr. Berdegus stressed his concerns about the taxes being too high. They need help just making a living every day. They need to help the citizens. They are the ones that live here. Taxes, if they keep rising, they are going to be a third world country; they are going to have the very rich and the very poor. America is not made like that.

Micky Pedersen, 801 Ridgewood Avenue, stated he agrees with all the previous speakers. He is exhausted from going to all these meetings about taxes. The County, the School Board. The City Commission is elected to take care of the citizens interests, so why is it that they have to show up in such a strong force to everything to protest what the Commission is doing? It's not right. It's got to stop. A 22% increase...they can't raise anything 22% with one whack. It can't happen. They can't raise their rents that much. He took a pay cut this year and took even a bigger pay cut this year but his taxes continue to go up. How is it that in the private world, some how, prices are going down on certain items, but it seems as soon as it reaches City Hall, those costs go up every year? That's what he doesn't understand. If they do adopt the millage rate the way that they have it, he would ask the Commission, the citizens have problems with insurance as well. His insurance agent told him that he cannot get insurance on his rental property in Holly Hill because the City of Holly Hill does not subscribe to Citizens Insurance. He doesn't know exactly what that means but he would imagine that means that the City doesn't give Citizens Insurance money or something and therefore, they will not insure in this City? If they adopt this millage rate, could they at least look into the Citizens Insurance situation so he can get a little bit for his money and insure his property?

Maureen Monahan, 215 – 5th Street, stated her taxes on her investment property are going from \$881 to \$2,970 in November. That's huge. It's unacceptable. It's not necessary. She has had significant decrease in her income this year and she is surviving because she tightens her belt, she budgeted correctly and she re-budgeted and she probably will have to re-budget again and again next month. The citizens put their trust in the Commission. They are counting on the Commission to help them, to save all the small business people that have spoken here tonight, and the citizens who, even though, only may have a \$10 to \$30 increase in their taxes, makes a difference on whether they might have food on their table on particular month because they do live on fixed incomes, significantly in Holly Hill. They not only have had increases in their taxes but increases in the water and sewer. There have been significant increases with FPL. She doesn't know how much the Commission can expect from the citizens but they already know her position. She agrees with Mr. Pedersen. She is tired of having to come to these meetings to state their opinion. She will continue to come but she thinks enough is enough! She hopes the Commission will reconsider tonight.

MINUTES

Barbara DeMeo, 506 Rome Street, stated she has lived in Holly Hill for nine years. She is paying \$3,800, which is outrageous and now they are talking about a 22% increase. Why do they need that kind of increase in Holly Hill? They can't afford it. They are trying to retire. They can't retire when they have to pay that kind of money. The income in Holly Hill is very small. People don't *make* that kind of money and there are a lot of people in Holly Hill who are retired. What is Save Our Homes? That happened before she moved here and doesn't know what it is. The people with Save Our Homes are hardly paying anything from what she understands. She feels she is being penalized for owning a home in Holly Hill. They just can't afford the increase.

Mr. Berdegus asked if the Mayor and City Commission live in Holly Hill.

Commissioner Reed stated, absolutely.

Mayor Via stated they have to; it's a requirement.

Mr. Kane stated Holly Hill is a blue collar town. This is not a rich man's town. People cannot afford high rents. So please don't turn this beautiful little town into a disaster like Daytona Beach. It's a nice little town. It's small. It's so small that nobody can compete against us. Please help us on the taxes and we'll stay and do our hardest to help you.

Mayor Via closed public participation.

*Commissioner Penny moved **APPROVAL** of Resolution 2006-R-32, seconded by Commissioner Blais.*

Commissioner Anderson stated a while back in one of their budget workshops, she was for the \$4.08 millage rate and she will be the first to say this that she made a huge mistake when she said that she wanted it before. After the citizens came to her and they talked to her it came out and when she had to vote the last time she heard it from the citizens. When you have people coming up to you and say, "Listen, we put you in office to represent us", well, she made a mistake the first time and she is not going to make another mistake and she is going to vote for all the people that came to her and talked to her and is going to vote no on this because that is what she was hired to do.

Commissioner Penny stated it's not an easy thing to sit here and say that your going to vote yes for a 21% increase. The problem is, is that the...Save Our Homes, Ms. DeMeo asked about that. The homestead exemption homes are not getting a 21% increase. He heard people talking about budgeting – they have personal budgets. The City has a budget. They had three different budget workshops. They met on June 27th where Commissioner Anderson has stated she was in favor of the \$4.08. He has the minutes here showing that Commissioner Blais wanted it to be a little bit higher. I agreed to the \$4.08 and so did the Mayor. Commissioner Reed actually said he would like to see it a little bit lower. They had several other opportunities to voice their opinion about the budget. They met on July 11th for a budget workshop where there was *no* discussion giving staff *any* direction to trim the budget in any way. He applauds Mr. Forte and all the Department Heads for running a lean City. The citizens can talk to them. There's no fat in this budget. If

MINUTES

they want to come and look at it, they can. They met again August 8th for a budget workshop where the only mention of the millage rate was that if we, as a Commission, directed staff to set the millage rate at \$3.25, could they do it? And the response was yes. It's *our* job as Commissioners to give staff direction to set the budget. He wishes they can set the budget and then do the millage rate. That's what we do. They figure out what the budget is and then they figure out how much does it cost to get that much money to provide the level of service that their citizens deserve. But the way that they have to do it tonight is that they have to adopt the millage rate and then they have to discuss the budget, where they have been in budget workshop settings for several hours at a time, they've discussed both simultaneously. That's where you, as the general public, are at a disadvantage. He wishes more people would come and participate in these workshop settings. The citizens talked about their *personal* expenses being increased. Do they know how much asphalt has increased in the last twelve months? Do you know how much the cost of concrete has increased in the last twelve months? Water treatment chemicals? We all take it for granted when we turn the tap on that clean water will come out. We take it for granted that when we dial 911 that the firemen and the police officers will show up. There's expenses related to that. It's easy to stand up here and say let's lower taxes. That's popular. The difficult thing of this job is to go through this budget and find where they can cut it. If they cut the millage rate, something's got to go out of this budget. He doesn't know what it is. He can't find it. I have talked for hours, at length, with Mr. Forte, about it and I can't find it and he trusts that the other Commissioners have done the same homework. They talked about investment properties tonight. The rent does have to be passed on but he challenges them that if they own rental property in the City, you probably got a rather good deal. They could probably sell today and make a tidy profit. So, Holly Hill has been good to you. Mr. Kane said he doesn't want us to make the mistakes Daytona Beach did. He doesn't want to make the mistakes Daytona Beach did either. He had the opportunity to sit with the City's auditor, Alex Kish, and review the finances of the City, as each of the Commissioners did. At one time, the City had 180 days worth of reserve money. That's how much, if a disaster happens, that the City can run. That's fiscally responsible. The 2004 hurricanes came and went and it was depleted to 90-days. It's at 45 days now. When they amended the budget, what some people may not understand is they are transferring money from one fund account to another fund account to pay the bills. There was talk about unexpected revenues. There are unexpected expenses that come in also. This City has ran lean and mean for several years. They have to do this. It's fiscally responsible. All the financial experts have indicated that it's the responsible thing to do. They need to build their reserve. It's not a matter of "if" the next hurricane will come, it's "when" will the next hurricane come. This City did the best job of any city in this whole County with debris removal. That's expensive. Things cost more money. It's unfortunate that the general public doesn't participate in the workshops and have all the information that the Commissioners have. He is in favor of this millage rate. Although it's not popular to sit here and say, "I'm going to raise your taxes"; he is going to do what's responsible. He wants this City to be here for the next generation, so he is doing what is responsible.

MINUTES

Commissioner Blais stated he was a renter in Holly Hill back in 1973. He had access to property records. He paid \$100 a month for a house built in 1947, two bedroom, one living room, and a little kitchen. The taxes on that property were \$375. How many police officers did they have on the road? Three. How many firemen did they have? Barely, a minimum shift. Every year...cut, cut, cut. At the end of nine months, it was nightmarish in the City. They didn't have much of a reserve. They always *hoped* that money would come in. They need to protect themselves. It is better to pay a little bit now than a year or two from now, pay a lot more. He is fortunate, he owns his own house, has homestead exemption, and widowers exemption. His increase, just the Holly Hill portion, for the last three years, his taxes have been \$8. He is fortunate. For the people that have investments and/or property, maybe somebody in the County, when it comes to property assessments, should be looked into. But the money has to come from somewhere. Minimum shifting for public safety, in regards to personnel, sometimes it's criminal. We need to protect ourselves from the people that come in and drive through the City and we must think about the future. He knows that taxes are hard. He is fortunate that he has made it to age 65. Very few law enforcement officers make it to age 65. The firemen get to live a little bit longer but those jobs, dealing with people, is very stressful. Whatever they do on the street they are subject to get sued or the City to get sued because of improper man shifting hours. They have done the best they could at the budget workshops. The problem is not with the City. They should be checking with the County tax accessor's office.

Commissioner Reed stated Commissioner Penny, I am surprised that you were sorry that the audience didn't come to the budget workshops to participate because when they do come they are not allowed to participate by the general rules. If the whole City were to come to a workshop, they probably wouldn't have been allowed much input. The input that the Commissioners received this evening fell on deaf ears, why would they come? Don't be surprised if they don't show up for the next meeting. At the next meeting, all these people, they won't be here because you're not listening to them anyway. Commissioner Blais, your history lessons, they are worthless. You got to be in touch with today. These people are suffering *today* not twenty years ago.

Commissioner Blais stated he wants to rebuttal.

Commissioner Reed stated don't interrupt me. This City has a great City Manager and a great Financial Director. He asked that question at the budget workshop, if they set that millage rate at \$3.25, which he asked for a ridiculously low rate, to make a point that he thought maybe somebody would get the point, and he appreciates Commissioner Penny bringing that up. Yes, the staff can make it work. They say there's no fat in the budget, trust him, they would make it work. This City needs rollback now more than ever. The compounding problems these citizens are facing, this is just not fair to put this kind of increase on them. There's already some inequities built into this system with the homestead exemptions. The people that get it, like Commissioner Blais and myself, that's a wonderful thing when you don't have a 22% increase. He has to tell them that if he had a 22% increase, he would be pulling his hair out. There is just so many ways that numbers can be manipulated. He is probably the worst nightmare for a bureaucracy because he doesn't like that stuff. He doesn't like it when the staff directs the meetings and staff tells the Commissioners what's good and staff tells them what they need and staff tells them what's right and the Commissioners just blindly go along with it. Commissioner

MINUTES

Anderson said that she liked the \$4.08. It sounds low when they compare it to the other cities. Mayor Via is always pointing it out that it's the third lowest. It sounds low but when they talk about the assessments and...Commissioner Blais, you tell them to go to Morgan Gilreath, that man is doing his job and he is way more educated than all of us put together, that includes the City Attorney and everybody. That guy wrote the book on property assessment. He does it fairly and I wouldn't want anybody to do it any other way. The City has to know what the property is worth so they can set a fair rate. He is really disappointed. He changed his plans to be here tonight. He had some glimmer of hope that maybe one of the Commissioners and/or Mayor would have some compassion for the citizens that they pretend to serve. He has said his peace. He is not going to vote for this; he wants rollback. He thinks the citizens deserve rollback.

Commissioner Blais stated they have to learn from history. They don't need to repeat history. If they can come out this year then next year they can probably do something better for the citizens.

Commissioner Reed stated if they are any left, that would be great.

Commissioner Blais stated because right now, they just have to maintain the proper service that they have right now.

Commissioner Reed stated they are over staffed on police, whether Commissioner Blais realizes it or not; they are over staffed on police. God love them; they do a great job but he bets they can get away with two or three officers. They have firemen that are carrying around medicines that are probably out of date because they don't even use them. They have extra training and all of that stuff. Don't tell him there's nothing in the budget that they can't cut. If he was a financial director, he would go ahead and do that. If he had that college degree that Mrs. Gubernator has and had all that experience, he would go ahead and go through the budget and tell the Commissioners, "Here you go, here are your cuts." But he doesn't do that; he trusts a professional to do that. He tries to set a policy. That's where he is at.

Commissioner Penny stated he thinks Commissioner Reed's time to set policy is at the workshops. When...give me the floor, I listened to you. Commissioner Penny stated he challenged Commissioner Reed and he challenged the entire Commission at their last City Commission meeting. They have an excellent staff here. Yes, if the Commissioners had given staff direction to lower the millage rate, they would make a balance budget but what's going to suffer? The crumbling infrastructure? The leaking sewer pipes? What is going to suffer? He challenged the Commission to go to Mr. Forte and give him some direction. Commissioner Reed, where were your comments that we have too many policemen at the workshops? Where were your comments about the medicine at the workshops? That's the time to discuss these things. And yes, this is a public meeting and this is the time to discuss it too but these comments should have been directed to Mr. Forte sometime in the last 14 days since their last City Commission meeting. It's not fair to come up here and make these comments in front of these people and grandstand and then not have any solutions. Your job is to have solutions.

MINUTES

Commissioner Reed stated he is not grandstanding.

Mayor Via stated his history lesson is going to be a little different than Commissioner Blais' and my history lesson is deja vu all over again because he sat here nine years ago when he became a Commissioner, and they had a \$5.54 millage rate and he thought it was too high then. They went to \$5.51 the next year, in 1999 it went to \$5.25, they went below rollback, and in 2000 it went to \$4.09.

Commissioner Reed stated in those years that the Mayor is quoting there, their assessments also went up those years.

Mayor Via stated, absolutely.

Commissioner Reed stated that made it easier to go to rollback.

Mayor Via stated, exactly. However, their expenditures didn't go up either. In 2001 the millage rate was \$4.09 and in 2004 and 2005 they have been at \$4.08. Between the nine years, it's 28% less that they went down in their millage rate. He wants them to know that this City has operated lean and mean. Last year their expenditures dropped 6.7%. This year their expenditures are dropping 3.7% but their cost, on the average, according to their auditor's report, told them that the overall operating expenses are 11% more for the City this year. If they look at their TRIM notice, first of all, any TRIM notice they received is going to be less money because the County cut a bunch of their money out. The County was at \$5.6 for a number of years, they went to \$5.3 last year and then they went to \$4.25 this year. Why? They have a lot more money and they can afford to do it. The increase that the City is going to have in the General Fund is \$377,000; \$90,000 is going to go more into the Community Redevelopment Agency Fund. The City's total City millage rate is 22.46% minus \$4.08 – that means the citizens portion that they are paying the City, on their TRIM notice, is only 18%. Only 18% of that whole TRIM notice comes to the City which is not very much. Mayor Via briefly described what Save Our Homes is so that Ms. DeMeo could understand it. When they look at taxes, Port Authority, Inland Navigational, SJRWMD, Halifax Hospital district, County taxes, when they look at their TRIM notice, 40% of their tax bill is the School Board. Mosquito Control, the citizens voted in Volusia ECHO, which is for educational, cultural, heritage, and outside recreation. The citizens voted in Volusia Forever, the State voted in Florida Forever, and that is a fund to buy green space out in the middle of the County. Every time they buy green space with tax money, they are taking it off the tax rolls and then they are making the inland properties even more expensive. Mayor Via informed the Commissioners that three of their new police officers are paid with the CRA money. There was some discussion about the City having a blue collar identity; and being a bedroom community. Many of the people that have homestead exemption are going to pay less next year than they pay this year. To the eleventh hour, he came in to see Mr. Forte, Mrs. Gubernator, and Ms. Worde about the budget. He went through the budget with a fine tooth comb and he asked them what can we cut out? What can we not do? Is it a person? Is it a position? Is it a thing? Is it a service? He will tell them that he also got together with someone who is rather prominent in the banking industry and it's known that the next couple of years in the real estate industry is going to be rather flat. This person anticipates that values will drop somewhere in the neighborhood of 20%. Once that happens in comparables, which real estate

MINUTES

people and the assessor works with, the City may see assessments actually lower. Certainly, they won't go up a whole lot higher the next couple of years. There's going to be a leveling out period. This City just got found by the developers real quick. The City's expenses for insurance and medical insurance have gone up across the board. What makes government immune to price increases? They are not talking about raising taxes above the rate but they are gaining extra revenue. That is, by law, a tax increase. Any time you take more tax money in than you took in the following year. That's \$377,000. When they look at the percentages of the other cities, they are in the millions of dollars when they talk about a percentage. He hopes by the history that they have had on this dais, that's found in their auditor's book, that history tells them that they have operated in a very frugal and proper manner. The auditor gave the City a very clean bill of health not too long ago and also mentioned to the Commission, with their one-on-one talks, that the City had to do this increase; they had to take the extra revenue.

Commissioner Reed stated he would just like to point out one more thing, that this \$377,000 or \$460,000 if they add in the CRA money, that's such a small percentage of \$25 million. Going to that rollback rate, that's what they are going to chop off their budget.

Commissioner Penny asked Commissioner Reed where is he going to find it? You say its there...

Commissioner Reed stated those people find it, not him.

Commissioner Penny stated staff works on our direction.

Mayor Via stated he spent two hours...

Commissioner Penny stated staff works at our leisure. If you give them direction, they will get the job done.

Commissioner Reed stated he is trying to but you're not letting me.

Commissioner Penny stated your not giving them any ideas.

Mayor Via stated he spent two hours with Mr. Forte on Friday and he was even thinking that maybe they should go below \$4 or whatever but they have had a track record of what they have been doing in money and the \$4.08 is the bottom line for him.

The motion **CARRIED** 3-2 on roll call: Penny – Yes, Blais – Yes, Reed – No, Anderson – No, Mayor Via – Yes

Assistant City Attorney Scott Simpson took over the meeting for City Attorney Butch Simpson at this time.

MINUTES

7. PUBLIC HEARING – SECOND READING OF ORDINANCE 2782, ANNUAL BUDGET FOR FISCAL YEAR 2006-2007

Mr. Simpson read by short title:

ORDINANCE NO. 2782

AN ORDINANCE OF THE CITY OF HOLLY HILL, FLORIDA ADOPTING THE APPROPRIATIONS BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2006, THROUGH SEPTEMBER 30, 2007, PROVIDING FOR CONFLICTING ORDINANCES; AND ESTABLISHING AN EFFECTIVE DATE.

Mayor Via opened public participation.

Ed Perkins, 920 Riverside Drive, wasn't sure if he understood the 18% that the Mayor is talking about. It equates to \$377,000 to \$460,000, that's it.

Mayor Via stated he is talking about the total millage rate that they have on their TRIM notice is 22.46%; of that, \$4.08 happens to be 18.38% of the County's millage rate. But the difference in the money that the City took in last year to the money the City took in this year is 21.9% more.

Mr. Perkins stated he understands that. But they are figuring on these TRIM notices and the way that they are written that the total amount of new revenue that's going to come in is only going to be between \$377,000 and \$460,000.

Mayor Via stated it will be \$467,000 because of the CRA money.

Mr. Perkins stated but they are not figuring there's going to be any more of a windfall than that based on the assessments and based on the taxes that are going to be collected.

Mr. Forte stated not this year.

Mr. Perkins stated so the budget that they are doing is for the money that's already received or its money *to be* received?

Mr. Forte stated, to be.

Mayor Via stated because the City is just now getting last year's money.

Mr. Perkins stated, right.

Mr. Forte stated the estimates 98% collection of those taxes.

MINUTES

Mr. Perkins stated if there was a windfall...because the way that he looks at the numbers, and the realization that he has is that the City is going to see a whole lot more money than that come in once all the taxes are paid. What he wants to challenge the Commission on, is if they do, would they not spend it and report to the citizens what is the surplus? Mr. Perkins spoke briefly about the budget workshops. In what he is hearing now, between what has gone on in the budget workshops, could have been done a little bit better, on all parties. It could have been worked out a little bit better. He is suggesting is, we are all talking about having to tighten our belts, what he is saying if they can tighten their belts and keep the budget down so that next year they don't have to go through this again; no rate increase. That would be nice.

Commissioner Penny stated he would like to invite Mr. Perkins to come to the workshops.

Mayor Via stated he uses the workshops in a very open manner as long as they are orderly and conducive to something happening. He doesn't cut off public input.

Maureen Monahan, 215 – 5th Street, asked if the City ever recovered the FEMA money from the hurricanes cleanup.

Mr. Forte stated he requested Susan Rannie to give him a summary as to where they are on that. They have collected quite a bit of it but not all of it yet.

Ms. Monahan mentioned the CRA money that it's the bank; the \$6.3 million. They are paying just shy of \$500,000 for interest. How much are they getting on that money?

Mr. Forte stated he had these things at the last City Commission meeting; he doesn't have them tonight.

Mayor Via stated this is not a CRA meeting. They are making more money in interest right now off of that \$6.3 million.

Steve Smith, 1410 Riverside Drive, stated we all know what we have to do at home to manage our budget and he thinks what they would like to see here at the City level, the Commissioners is going to be in charge of spending the money for the next year, when these items come to you for a vote, we would like to see that we use the checks and balance system that's in place, we would like to see that they got three bids instead of one.

Mayor Via spoke about the bidding process. Keeping the cost down in the City means that they get the most work out of the people that's working here. Mr. Hurst will call extra people trying to bring them in but you can't force them to bid so at times they will only receive one bid.

MINUTES

Mr. Forte stated the bid process is a funny thing. If he can do without the bid process, he would love to do without it because he thinks it's the worst thing for local government. What the bid process does is it forces everybody to throw the numbers up really high. If he was able to negotiate contracts for the work that has to get done in this City, he would do a much better job. The bid process in this country is horrible when it comes to local government. Mr. Forte mentioned that every other year he changes the telephone system and it saves the City some money; everywhere that there is a possibility to cut money in this City, he has trimmed and cut. The City has been voluntarily nipping and cutting and trimming and combining positions. A lot of people compare the City to South Daytona but South Daytona has a lot more personnel than Holly Hill does and they also have \$100 million worth of assessed values more than Holly Hill and they have a higher millage rate than Holly Hill. Holly Hill can't be compared directly with South Daytona; they make a lot more money than Holly Hill. He wants Mr. Smith, the City Commission, and the public to know that this staff *trims every possible corner* they can to get the best price that they can and sometimes when they are forced to go the legal route, it cost the City more.

Mr. Smith stated this is the type of involvement that the public wants. They want to have people working for them that are trying to save money and trying to do a good job. He is sorry to hear that the bid process stinks because they all have to make too much money so they throw the bids up higher.

Mr. Berdegus stated there was a time he needed a permit for something and he had to get a dumpster from the City.

Mr. Forte stated the City has an exclusive contract with Waste Management.

Mr. Berdegus asked if the City is making money on that?

Mr. Forte stated not so much on the commercial side; it is profitable but not a great deal.

Mr. Kane asked what percentage of the budget has been set aside for employee salaries.

Mrs. Gubernator stated about 10%.

Mr. Forte stated the payroll comes from different budgets not just the General Fund because those that work in the Water and Wastewater Plant get paid out of that fund not the General Fund.

Mr. Kane asked what is the total number of employees in Holly Hill.

Mr. Forte stated 125 regular full-time employees.

Mr. Kane asked what is the population.

Mr. Forte stated 12,600.

MINUTES

Mayor Via closed public participation.

*Commissioner Penny moved **APPROVAL** of Second Reading for Ordinance 2782, seconded by Commissioner Blais.*

Commissioner Reed thanked staff for their hard work on the budget whether he agrees with the tax rate or anything else.

The motion **CARRIED** 3-2 on roll call: Penny – Yes, Blais – Yes, Reed – No, Anderson – No, Mayor Via – Yes.

Mayor Via recessed the meeting at approximately 8:55 p.m.

Mayor Via reconvened the meeting at approximately 9:00 p.m.

9. PUBLIC HEARING – SECOND READING OF ORDINANCE 2783, HISTORIC BOARD MEMBERSHIP

Mr. Simpson read by short title:

ORDINANCE NO. 2783

AN ORDINANCE OF THE CITY OF HOLLY HILL, FLORIDA AMENDING ORDINANCE 2646 BY DECREASING THE NUMBER OF MEMBERS TO THE HISTORIC PRESERVATION BOARD; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTING ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.

Mayor Via opened public participation. No one spoke.

*Commissioner Anderson moved **APPROVAL** of Second Reading for Ordinance 2783, seconded by Commissioner Blais.*

The motion **CARRIED** 5-0 on roll call: Anderson – Yes, Blais – Yes, Penny – Yes, Reed – Yes, Mayor Via – Yes.

10. RESOLUTION 2006-R-38, SPECIAL MASTER

Mr. Simpson read by short title:

RESOLUTION NO. 2006-R-38

**A RESOLUTION OF THE CITY OF HOLLY HILL,
FLORIDA, APPOINTING A SPECIAL MASTER TO
ENFORCE THE VARIOUS CODES OF THE CITY; AND
PROVIDING AN EFFECTIVE DATE.**

Mayor Via opened public participation.

Steve Smith, 1410 Riverside Drive, stated he knows that the Mr. Forte says he doesn't see any conflict with the Special Master the way it's going now but he has to ask them if either of these two men, Charles Cino and John Pascucci, bring a business to town and come before the Commission wanting a variance or an exemption, would that be a conflict and the Commission would have to excuse themselves from voting on that?

Attorney Simpson stated, no.

Mr. Smith stated it wouldn't be.

Attorney Simpson stated, no. Actually, State Law says the Commissioners have to vote on everything unless they have a voting conflict as defined under State Law and basically that means the Commissioner would have to have a *financial* interest in the item they are voting on. Just because one of these individuals come before the Commission or even another friend comes before the Commission for something, the Commissioners would have to vote.

Commissioner Reed stated, Mr. Smith, are you suggesting that should one of these gentleman become Special Master and then hypothetically they come before the Commission, would we treat them with special favor, is that what your asking?

Mr. Smith stated well, would it be ethical for the Commission to even *consider* it because they have been appointed as the Special Master which makes them part of City staff.

Commissioner Reed stated he believes if the Commissioners follow those recommendations for a Special Master, that they don't do business in the City, that they are not a resident then...

Mayor Via stated each of those incidences would have to be brought up to the Commission on an individual basis for the Commission to do that. No matter what they do for the City, they don't lose their civil rights and they can certainly petition the City for whatever they see fit. If Mr. Smith is implying by anyway, shape or form that Doug Kneller, the former Special Master, got special consideration, he is way off base.

Mr. Smith stated he is looking forward to having an ethical decision here.

MINUTES

Mayor Via stated he will stop Mr. Smith right there because you are inferring that we had unethical decisions and that's totally improper and wrong! But then again, your entitled to your opinion.

Maureen Monahan, 215 – 5th Street, stated she wants to know if they have these two people...can they have more than one Special Master, right?

Mayor Via stated there's two.

Ms. Monahan stated and they can have them come from outside of Flagler County, correct?

Mayor Via stated, sure.

Ms. Monahan stated they could even have them come from Tallahassee or some place from outside of the County area.

Mayor Via stated he would think they would have to be somewhere close because they are coming here.

Ms. Monahan stated she hopes that when they do have these several Special Masters participating with the City that they do hold true to the ordinance on that is on the books.

*Commissioner Anderson moved **APPROVAL** of Resolution 2006-R-38, seconded by Commissioner Blais.*

Mayor Via closed public participation.

The motion **CARRIED** 5-0 on roll call: Anderson – Yes, Blais – Yes, Reed – Yes, Penny – Yes, Mayor Via – Yes.

11. RESOLUTION 2006-R-39, RATIFICATION OF THE I.A.F.F. UNION CONTRACT

Mr. Simpson read by short title:

RESOLUTION NO. 2006-R-39

A RESOLUTION OF THE CITY OF HOLLY HILL, FLORIDA, RATIFYING A THREE-YEAR CONTRACT WITH THE IAFF, INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 3470; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTING RESOLUTIONS; AND PROVIDING AN EFFECTIVE DATE.

Mayor Via opened public participation.

Tom Massio, with the Holly Hill Local 3470, was here tonight representing the Union. As the Union, they would like to say thank you for bargaining good faith with the City, Council, and he City Manager. They don't ask to be the highest paid, they just want to be competitive with the other Local Unions and it's nice to see the City bargaining in good faith.

Mayor Via closed public participation.

*Commissioner Penny moved **APPROVAL** of Resolution 2006-R-39, seconded by Commissioner Blais.*

The motion **CARRIED** 5-0 on roll call: Penny – Yes, Blais – Yes, Reed – Yes, Anderson – Yes, Mayor Via – Yes.

12. TREE REMOVAL PERMIT – APPEAL – APPLICANT: DONALD LORT, RIVERSIDE DRIVE

Mr. Lort was not present for this item. Therefore, there was consensus from the City Commission to pull this item from the agenda and place it on the October 10th City Commission agenda.

13. RENEWAL OF AGREEMENT FOR THE PROVISION OF POLICE DISPATCH SERVICES WITH THE VOLUSIA COUNTY SHERIFF'S OFFICE AND COUNTY OF VOLUSIA

Mr. Forte mentioned that this is the renewal for this contract with the dispatch service with the County. There is an increase of 7% from the previous contract. There is language in the contract that caps the increase at 5% per year. They can't do it any cheaper than what they are getting now. It is a good quality service. Staff did address the issue about the telephone downstairs outside the Police Department so that will now ring to a live dispatch person.

*Commissioner Reed moved to **AUTHORIZE** the Mayor to execute the agreement, seconded by Commissioner Blais.*

The motion **CARRIED** 5-0 on roll call: Reed – Yes, Blais – Yes, Penny – Yes, Anderson – Yes, Mayor Via – Yes.

14. REPAIRS TO BOTH BIOLOGICAL TREATMENT UNITS (BTUs)

Mr. Hurst gave a brief presentation pertaining to the repairs to both biological treatment units at the Wastewater Plant. Florida Environmental Construction has done work on these units before and has given the City an estimated cost of \$17,350 for both repairs. This money is in the budget for 2006-2007.

*Commissioner Penny moved to **APPROVE** the Florida Environmental Construction to proceed with the necessary repairs at an estimated cost of \$17,350, seconded by Commissioner Blais.*

The motion **CARRIED** 5-0 on roll call: Penny – Yes, Blais – Yes, Anderson – Yes, Reed – Yes, Mayor Via – Yes.

15. REDEVELOPMENT DISTRICT LIFT STATION EQUIPMENT, CONTROL PANELS AND PUMPS

Mr. Hurst gave a brief presentation pertaining to the redevelopment district Lift Station equipment control panels and pumps for Lift Stations 1, 2, and 4. The purchasing of the pumps and control panels are part of the Redevelopment District Water and Wastewater improvements. The total amount is \$120,095.

Maureen Monahan, 215 – 5th Street, asked how do they know that this is a good price if all they have is what they are telling us.

Mr. Hurst stated they actually can compare that price to equipment they have bought in the past so they know that, in fact, it's well within reason for comparable equipment. They can't compare it against another bid directly but they can compare it against their experience.

*Commissioner Reed moved **APPROVAL** the purchase of the pumps and control panels for Lift Stations 1, 2, and 4 for a total of \$120,095, seconded by Commissioner Blais.*

The motion **CARRIED** 5-0 on roll call: Reed – Yes, Blais – Yes, Penny – Yes, Anderson – Yes, Mayor Via – Yes.

16. COMMITTEE REPORTS

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

Commissioner Blais gave a brief report regarding the MPO meeting. He spoke about the Bicycle Pedestrian Task Force; intersection of Mason Avenue and Ridgewood improvements; bridge study; Jimmy Ann Drive to Nova Road; and that he will be attending the How Shall We Grow? in DeLand.

MINUTES

Mayor Via gave a brief report on the TCC and briefly spoke about the bridge study and Mayor Fred Costello. There was some discussion on the following: East Central Regional Council; Smart Growth; leaving green space and urbanizing; he will be back in Orlando on October 20th; WAV meets tomorrow; Volusia League of Cities dinner is this Thursday in Orange City; Wal-Mart grand opening tomorrow morning at 7:30 a.m.; Be Charter Smarter and protect Home Rule.

17. COMMUNICATIONS

A. City Manager

♦ City Manager's Contract

Mr. Forte informed the Commissioners that his contract will be on the October 10th City Commission agenda. He is waiting on feedback from FRS. Mr. Forte mentioned the following: Historic Survey has come back on time and is satisfactory completed – Mr. Gutierrez is on vacation but he did call him to find out what they have to do next and they are actually ahead of schedule so Mr. Gutierrez will pick it up when he gets back on Monday; CRC – he would like to get the Commission's approval to put a "vote NO" logo for November 7th for the County Charter Amendments on the digital sign – there was consensus from the Commission to allow that; the blue fencing over at Marina Grande came out to the curb last week and that's because the construction of the water and sewer line and the Lift Station that is getting done in the right-of-way so they didn't want the dirt and debris to end up in the road so at their request and staff's approval they allowed the blue fence to be brought out to the street to hide that construction back in there. Mr. Forte briefly described Palm Coast's Citizens Academy and would like permission from the Commissioners for him to participate in that to see what it's about and see if it's something that can be done here for the citizens.

Commissioner Penny mentioned the SAC Committee meeting and mentioned Amendment One.

B. City Attorney

None.

C. Mayor & Commissioners

Commissioner Reed asked about having the budget on the Web site.

Mr. Forte stated it goes on the Web site. Right now the 2005-2006 Budget is on there and now Scott Gutauckis will start putting the 2006-2007 budget on there.

Commissioner Penny mentioned the grand giveaway over at Wal-Mart earlier this evening and they are a hometown business and they were concentrating on giving checks to organizations that do good work in Holly Hill. It was really refreshing to see all the organizations that Holly Hill has in this community and we are blessed to have that level of volunteerism and that level of service organizations in our community.

MINUTES

Commissioner Blais informed the Commissioners that tomorrow morning the Sea Breeze Band will be performing at the ribbon cutting ceremony at Wal-Mart at 7:30 a.m. That is a welcomed addition to this City.

18. ADJOURNMENT

The meeting officially adjourned at approximately 10:15 p.m.

Attest:

City of Holly Hill, Florida

Valerie Manning
City Clerk

Roland D. Via
Mayor