

ORMOND BEACH CITY COMMISSION MEETING  
HELD AT CITY HALL COMMISSION CHAMBERS

April 4, 2007

7:00 p.m.

Present were: Mayor Fred Costello, Lori Gillooly, Troy Kent, Ed Kelley, and Bill Partington, City Manager Isaac Turner, Assistant City Manager Ted MacLeod, City Attorney Randal Hayes, and City Clerk Veronica Patterson.

- 1) Meeting call to order by Mayor Costello.
- 2) Invocation.
- 3) Pledge of Allegiance.

- 4) **AUDIENCE REMARKS:**
- 5) **APPROVAL OF THE MINUTES** of the March 20, 2007, meeting.
- 6) **PRESENTATIONS:**
  - A) Employee-of-the-Quarter award to Dawn Conklin.
  - B) Presentation by the Loop CAG - Corridor Management Plan
- 7) **INTERGOVERNMENTAL REPORTS:**
  - A) Metropolitan Planning Organization
  - B) Volusia Council of Governments
  - C) Water Authority of Volusia
- 8) **CONSENT AGENDA:** The action proposed is stated for each item on the Consent Agenda. Unless a City Commissioner removes an item from the Consent Agenda, no discussion on individual items will occur and a single motion will approve all items.
  - A) Resolution No. 2007-38 approving and authorizing revisions to the City's fee schedule for certain cultural and recreational programs and facilities. (Elimination of the non-resident fee for participation in programs at The Casements)
  - B) Resolution No. 2007-39 approving an amendment to the Continuing Engineering Services Agreement between the City and Glatting Jackson Kercher Anglin Lopez Rinehart, Inc., for the limited purpose of acknowledging the correct identity of the entity providing professional engineering and related services under the agreement; acknowledging a name change from Glatting Jackson Kercher Anglin Lopez Rinehart, Inc., to Glatting Jackson Kercher Anglin, Inc.; acknowledging their new corporate office address; authorizing the execution of an amendment to the Continuing Engineering Services Agreement consistent therewith.
  - C) Resolution No. 2007-40 authorizing the execution of a contract between the City of Ormond Beach and Hall Construction Company, Inc., regarding the Nova gymnasium ceiling replacement. (Not-to-exceed \$66,704.74)
  - D) Resolution No. 2007-41 authorizing the execution of Change Order Number One (1) to that contract awarded to Thad Construction Co., Inc., regarding the Autumnwood Drainage Improvements project, by increasing the contract price by \$3,500; increasing the contract time by 20 days. (Additional cost for unexpected soil conditions - \$80,260 total contract price; 80 contract days)
- 9) **PUBLIC HEARING:** Ordinance No. 2007-07 annexing certain real property into the City of Ormond Beach located at 1110 John Anderson Drive and a portion of John Anderson Drive (CR 2803) right-of-way; setting forth zoning, privileges, and obligations of said property; providing for transmission. (0.768 acres) (Second Reading)
- 10) **RESOLUTION** No. 2007-42 a resolution of support regarding the authorization and commitment of the sum of \$150,000 as a grant for "Granada Woods" (Phase II) a portion of an affordable housing project to be developed and constructed in the City of Ormond Beach; providing legislative findings; establishing terms and conditions.
- 11) **DISCUSSION ITEMS:**
  - A) Property tax reform budget reduction options.
  - B) City Manager's plan to change the organizational structure of the Planning Department.
  - C) Review of goals.
  - D) Beach parking.
  - E) Amendments to the Destination Daytona development orders.

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F) Property tax reform white paper.

12) **REPORTS, SUGGESTIONS, REQUESTS:** Mayor, City Commission, City Manager, City Attorney.

13) **CLOSE THE MEETING.**

Item #1 - Call to Order

Mayor Costello called the meeting to order at 7:00 p.m.

Item #2 - Invocation

Mr. David Abee, Leisure Services Director, gave the invocation.

Item #3 - Pledge of Allegiance

Mayor Costello led in the Pledge of Allegiance.

Item #4 - Audience Remark

Personal Attacks

Ms. Lucille Bornmann, 6 Windsor Drive, stated Ormond Beach was a quality City, and people should not be allowed to make personal attacks and defame people's character at City Commission meetings as was done at the last meeting.

Mayor Costello stated he would prefer not to allow such statements, but he was informed by the City Attorney that he must allow all public comment.

Beachfront Parking Concept

Mr. Jeff Boyle, 614 North Halifax Drive, stated CAN DO supported Mr. Carter's beachfront park proposal, and they believed a willing seller could be created without the use of eminent domain. He presented an action plan that differed considerably from that presented by City staff. Mr. Boyle reported if the Commission decided a referendum was necessary, he recommended it be scheduled for the October general election rather than June 28. He noted this would save \$35,000 that could be applied to beach parking, and it would provide additional time to study the various options.

Blight on the Beachfront

Mr. Boyle expressed concern regarding the continued blight on the beachfront. He presented a recommendation to address the 50 parking spaces at the Harvard approach that were being appropriated each school day by Seabreeze High School students. Mr. Boyle recommended submitting a request to the County to erect signage for a three-hour time limit on weekdays with enforcement by the Beach Patrol.

Personal Attacks

Mr. Boyle stated the Mayor enjoys considerable latitude in running the meetings, and he encouraged and respected that latitude. He submitted that item number five and six on the comment card seemed to contradict the counsel noted by Mayor Costello.

Mayor Costello requested that the comment cards be reviewed and changed if they are not accurate.

Mr. Phil Maroney, 117 Atwood Lane, concurred with Ms. Bornmann, noting civility was important.

Beachfront Park

Mr. Maroney reported he enjoyed Mr. Carter's presentation and commended his initiative. He pointed out that Mr. Carter made the comment that as a government, the City had the "tools" to obtain any site they want, and Commissioner Gillooly asked for clarification to determine if Mr. Carter was advocating eminent domain. Mr. Maroney quoted Mr. Carter as follows: "If it comes down to that and we make an offer, and you can't get it, eminent domain is the answer." He stated Mayor Costello clearly stated he would not support eminent domain to secure a park site, but he was wholeheartedly in favor of pursuing negotiations with any willing seller. Mr. Maroney reported he hoped the Commission shared Mayor Costello's view. He advised he supported the City's efforts to pursue negotiations with a willing seller, but would save the final support for a purchase conditioned upon the cost and financing methods used. Mr. Maroney

urged the Commission not to pursue the use of eminent domain for a park, and he requested that Mr. Boyle clarify if CANDO supported the use of eminent domain.

#### Possible Budget Reductions

Mr. Marvin Miller, 40 Riverside Drive, referenced a newspaper article in today's News-Journal regarding possible budget reductions. He noted no one wanted to lose playgrounds, but police dispatch should probably have gone to the County two to three years ago to save a great deal of money for the City. Mr. Miller reported the article should have had the pictures and stories of those who are suffering. He stated the renters and small business owners were suffering the most. Mr. Miller pointed out the City had opportunities, such as Consolidated Tomoka Land Company property and the Bray and Gillespie plan, but they were now lost.

Mayor Costello reported on May 16 the Budget Advisory Board would be hosting a meeting in the chambers where they would be focusing on citizen comments. He noted there would also be many times when the City Commission would be welcoming comment from the residents.

#### Signage

Mr. Sherif Saad, 4 Highwood Ridge, reported he had numerous businesses and one was in Ormond Beach. He stated the City was trying to close his business because each time he would erect a sign or a flag to generate new business the City forces him to remove the sign. Mr. Saad pointed out other businesses have non-conforming signs, and they were not being harassed.

Mayor Costello asked the City Manager to provide a report in the Friday letter regarding this issue. He agreed the codes in Ormond Beach were very restrictive by design but he wanted to be fair to everyone. Mayor Costello urged that store owners contact staff prior to purchasing signage to determine if it would be legal in Ormond Beach.

#### Beachfront Property

Mr. Gregory Avakian, 161 Heritage Circle, presented an empty jar to Commissioner Kent and asked him to meditate on the contents of the jar.

#### Item #5 - Approval of Minutes

Mayor Costello advised the minutes of the March 20, 2006, meeting had been sent to the Commissioners for review and asked if there were any corrections, additions, or omissions.

Hearing no comments, Mayor Costello stated that the minutes were approved as submitted.

#### Item #6(A) - Employee-of-the-Quarter

Mr. Isaac Turner, City Manager, reported that many times one of the most important people in an organization was the first contact, and Ms. Dawn Conklin was that person for the City of Ormond Beach. He stated Ms. Conklin had a reputation of always being extremely helpful and polite. Mr. Turner advised Ms. Conklin had been with the City since 1992 starting in the Recreation Department and moving to the Support Services Department in 1998. He congratulated Ms. Conklin for being Employee-of-the-Quarter.

Mayor Costello congratulated Ms. Conklin and presented her with plaques honoring her as the Employee-of-the-Quarter, along with a watch with the City seal on its face.

#### Item #6(B) - Presentation by the Loop CAG - Corridor Management Plan

Mayor Costello stated this was a wonderful representation of Ormond Beach.

Mr. Joe Jaynes, Chair of the Scenic Loop Corridor Advocacy Group (the CAG), stated the CAG had worked for over two years and developed a Corridor Management Plan with defined goals, objectives and strategies. He explained this would allow future generations to have the opportunity to experience and appreciate what The Loop was all about. Mr. Jaynes noted the plan would protect and preserve and put into place necessary measures to take it far into the future. He pointed out The Loop was important and had value because of its unsurpassed intrinsic resources, beauty, and uniqueness in Florida. Mr. Jaynes reported this would change peoples' attitudes and perception of The Loop, establish a working foundation for protection and preservation, create the partnerships to accomplish the goals for The Loop, and save something worth saving.

Mr. Forrest Michael, TranSystems, stated the name "Ormond Scenic Loop and Trail" was an exceptional name. He noted this same PowerPoint presentation would be presented tomorrow

morning to the County Council. Mr. Michael reported the intent of the Florida Scenic Highways program was to preserve, maintain, and protect the resources of the scenic highway corridor.

Ms. Kristee Booth, TranSystems, stated some of the benefits of the Scenic Highways Program were community vision, increased funding opportunities, and partnering. She noted generally the Scenic Highways Program was non-regulatory; however, this included a restriction that no new billboard permits would be provided on DOT jurisdictional roadways. Ms. Booth explained there were three phases 1) eligibility; 2) the designation phase where the Corridor Management Plan was created; and 3) the granting phase which should occur in June. She stated there were actually two loops with the joining of the two groups. Ms. Booth noted this program highlighted many resources that a corridor would have such as scenic views, the fishing pier at the Granada Bridge, and nature. She stated the plan had a forward looking vision; goals, objectives and strategies, and an action plan.

Mr. Michael stated the group explored various options and a detailed listing resulted with trails, overlooks, landscaping, stormwater attenuation, and crossovers. He noted the group was seeking National Scenic Byway status, funding for action plan items, and a master plan to tie them all together to implement the CAG's ideas.

Mr. Jaynes thanked the consultants and Florida Department of Transportation's (FDOT) for the funding. He requested Mayor Costello sign a document confirming he and the other signatories were authorized to speak on behalf of the agency and organization they represent; their signatures denoted concurrence with all of the information and concepts presented in the designation document; verified that all information in the form and/or included in the designation documentation was, to the best of their knowledge, true representations of the corridor and resources for which designation as a Florida Scenic Highway was being sought.

Mayor Costello asked if there would be any reason not to sign the document if the Commission would make a motion to so direct him; whereby, Mr. Hayes stated he saw no problem in Mayor Costello signing the document.

**Commissioner Gillooly moved, seconded by Commissioner Partington, to sign the document.**

Commissioner Kelley asked if the Thompson Rule must first be waived; whereby, Commissioner Partington pointed out the document was on page three of the report.

Mayor Costello reread the document into the record.

**Commissioner Gillooly and Commissioner Partington withdrew their motion and second.**

**Commissioner Kelley moved, seconded by Commissioner Gillooly, to waive the Thompson Rule.**

Call Vote:	Commissioner Gillooly	Yes
	Commissioner Kent	Yes
	Commissioner Kelley	Yes
	Commissioner Partington	Yes
Carried.	Mayor Costello	Yes

Commissioner Gillooly asked if Mayor Costello would allow anyone in the audience an opportunity to speak since a vote would be taking on this matter.

Mayor Costello stated if anyone had comments or concerns they would be able to speak.

Ms. Pat Hughes Millard, 620 Main Trail, asked if this would allow more entrances into Halifax Plantation; whereby, Mayor Costello explained this would not have anything to do with allowing entrances into Halifax Plantation. He clarified Halifax Plantation was in the County, and the City had no control over that issue.

**Commissioner Gillooly moved, seconded by Commissioner Kelley, to sign the document to support moving forward with the designation.**

Call Vote:	Commissioner Kent	yes
	Commissioner Kelley	yes
	Commissioner Partington	yes
	Commissioner Gillooly	yes
Carried.	Mayor Costello	yes

Mayor Costello acknowledged all of those people who worked to save the loop.

Item #7(A) - Metropolitan Planning Organizations and Item #7(B) - Volusia Council of Governments

Mayor Costello reported he forwarded information relative to the Metropolitan Planning Organization (MPO) and the Volusia Council of Governments (VCOG) to the Commission. He noted the primary issue with VCOG was smart growth and property taxes.

Item #7(C) - Water Authority of Volusia

Commissioner Kelley stated Water Authority of Volusia (WAV) adopted the fourth interlocal agreement which would allow WAV to continue and work toward something that would be beneficial to everyone.

Item #8 - Consent Agenda

Mayor Costello advised that the action proposed for each item on the Consent Agenda was so stated on the agenda. He asked if any member of the Commission had questions or wished to discuss any one or more of the items separately.

Commissioner Gillooly requested removing Item No. 8(C) for discussion.

**Commissioner Partington moved, seconded by Commissioner Kelley, for approval of the Consent Agenda, minus Item No. 8(C).**

Call Vote:	Commissioner Kelley	yes
	Commissioner Partington	yes
	Commissioner Gillooly	yes
	Commissioner Kent	yes
Carried.	Mayor Costello	yes

Item #8(C) – Nova Gymnasium Ceiling Replacement

RESOLUTION NO. 2007-40  
 A RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT BETWEEN THE CITY OF ORMOND BEACH AND HALL CONSTRUCTION COMPANY, INC., REGARDING THE NOVA GYMNASIUM CEILING REPLACEMENT; AND SETTING FORTH AN EFFECTIVE DATE.

**Commissioner Partington moved, seconded by Commissioner Kelley, to approve Resolution No. 2007-40, as read by title only.**

Commissioner Gillooly stated while she commended the under-spending, she questioned spending the \$66,000 when a suggestion was made to completely eliminate facilities renewal and replacement. She explained the City Manager memorandum referenced this \$66,000 for the appearance and aesthetics; therefore, she recommended waiting a few months until it was determined what would occur with the tax issue and if the extreme cuts contemplated would be necessary.

Ms. Judy Sloane, Public Works Director, stated this was the final portion to fully improve the Nova gymnasium. She noted staff had been patching the insulation, and it presented safety issues when it falls, particularly during play. Ms. Sloane reported this was slated for this time period to have it completed before the summer programs start to use the gymnasium.

Mayor Costello stated he supported this expenditure. He explained this could not have been accomplished until the roof was replaced. Mayor Costello asked how much was spent on the roof, painting, and refurbishing the walls.

Ms. Sloane replied the City spent approximately \$150,000, which was considerably less than what was budgeted.

Mayor Costello pointed out that with this \$66,000 the City would have \$225,000 or less into a building that was to have been gone ten to 15 years ago, and it would keep the City from having to spend a couple million dollars for a new gym.

Commissioner Gillooly again urged waiting a few months before moving forward; however, she reiterated that she was not advocating that the work not be done.

Call Vote:	Commissioner Partington	yes
	Commissioner Gillooly	no
	Commissioner Kent	yes
	Commissioner Kelley	yes
Carried.	Mayor Costello	yes

Item #9 - Annexing 1110 John Anderson Drive and a Portion of John Anderson Drive

ORDINANCE NO. 2007-07  
AN ORDINANCE ANNEXING CERTAIN REAL PROPERTY INTO THE CITY OF ORMOND BEACH LOCATED AT 1110 JOHN ANDERSON DRIVE AND A PORTION OF JOHN ANDERSON DRIVE (CR 2803) RIGHT-OF-WAY; SETTING FORTH ZONING, PRIVILEGES, AND OBLIGATIONS OF SAID PROPERTY; PROVIDING FOR TRANSMISSION; AND SETTING FORTH AN EFFECTIVE DATE.

**Commissioner Kelley moved, seconded by Commissioner Gillooly, to approve Ordinance No. 2007-07, on second reading, as read by title only.**

Commissioner Kent asked if sewer lines were normally extended to a property when requested.

Mr. Clay Ervin, Planning Director, stated normally when areas are within the City's water and sewer service area where the City was obligated, through interlocal agreements, to provide those facilities, they are provided and then annexed.

Mayor Costello reported the City was not obligated everywhere on the City's borders to extend the lines, but where interlocal agreements exist, the City was obligated to provide service.

Call Vote:	Commissioner Gillooly	yes
	Commissioner Kent	yes
	Commissioner Kelley	yes
	Commissioner Partington	yes
Carried.	Mayor Costello	yes

Hearing no objection, Mayor Costello closed the public hearing on Item #9.

Item #10 - "Granada Woods" (Phase II)

RESOLUTION NO. 2007-42  
A RESOLUTION A RESOLUTION OF SUPPORT REGARDING THE AUTHORIZATION AND COMMITMENT OF THE SUM OF \$150,000 AS A GRANT FOR "GRANADA WOODS" (PHASE II) A PORTION OF AN AFFORDABLE HOUSING PROJECT TO BE DEVELOPED AND CONSTRUCTED IN THE CITY OF ORMOND BEACH; PROVIDING LEGISLATIVE FINDINGS; ESTABLISHING TERMS AND CONDITIONS; AND SETTING FORTH AN EFFECTIVE DATE.

Mayor Costello asked if staff was comfortable with the change from the State Apartment Incentive Loan (SAIL) to the Low Income Housing Tax Credit (LIHTC.)

Mr. Ervin explained that one of the conditions identified to award this \$150,000 grant was that it would be able to successfully gain approval from the Florida Housing Finance Corporation for SAIL funds; however, it was since clarified that SAIL was incorrect and should have been the LIHTC program. He recommended substituting the SAIL language with LIHTC.

**Commissioner Partington moved, seconded by Commissioner Gillooly, to approve Resolution No. 2007-42, as read by title only.**

Mayor Costello explained both the SAIL and LIHTC were State programs; therefore, this was not a substantive change.

**Commissioner Partington moved, seconded by Commissioner Kent, to amend the motion by substituting the SAIL program with the LIHTC program.**

Call Vote on the Amendment:	Commissioner Kent	yes
	Commissioner Kelley	yes
	Commissioner Partington	yes
	Commissioner Gillooly	yes
Carried.	Mayor Costello	yes

Commissioner Gillooly stated in the executive summary the applicant mentions the proximity to the hospital; however, the hospital will be gone at some point, and this should be made clear and not be a part of a point system.

Mr. Ervin stated Memorial Hospital would be moving in 2009, but they would be keeping the cancer treatment facility and the medical office building on site. He noted that as long as this would remain a medical facility it should be acceptable.

Commissioner Gillooly stated the permitting fees would be in excess of \$600,000. She reported this would not have to be a cash outlay and could be in the form of a credit or voucher for \$150,000 worth of building permits. Commissioner Gillooly noted providing a credit would not come out of the General Fund or budget.

Mr. Ervin clarified that the building permit fees are tied to a certain action. He noted there was nothing currently in City ordinances of land development regulations that would allow waiving the fees, so there must be a payment for those fees. Mr. Ervin reported if the Commission would direct staff to do so, staff could work toward allowing this; but to meet the deadline of April 10, the City could not go through the process of amending the codes and ordinances to have that ability in time.

Mayor Costello stated for the budget for next year the Commission could ratchet down the Building Department by \$150,000.

Mr. Ervin stated as the manager of the Building Department, he would not recommend that, but he understood the intent and would work on that. He noted that awarding the grant of \$150,000 to be used toward the building permit fees would be a method for Gatehouse to meet their credentials, and the City would be protected in that it would basically be an interdepartmental transfer.

Commissioner Gillooly recommended this formula outlined by Mr. Ervin could be used now, and by the time it would have to be enacted, it could be done the other way.

Mr. Ervin advised he would determine if that would be a possibility.

Commissioner Gillooly reported any commitment of funds identified by the City Commission would be conditioned on the successful approval of the application, but she requested adding a condition it be successfully approved by all City processes.

Mr. Ervin explained that if final site plans are not secured by the end of fiscal year 2007-2008, the money would not become available.

Mayor Costello and Commissioner Kelley noted this issue was already covered.

Mayor Costello reported the Commission also had the authority to extend the date if there were extenuating circumstances.

Mr. David Canepari, Gatehouse Companies, acknowledged the hospital would not be located at the same location in 2009, but they would keep some facilities, and there would be ample medical facilities adjacent to the property that would more than compensate for a senior community.

Mayor Costello expressed appreciation to Gatehouse for bringing this project to Ormond Beach's seniors.

Call Vote on the Underlying Motion:	Commissioner Kelley	yes
	Commissioner Partington	yes
	Commissioner Gillooly	yes
	Commissioner Kent	yes
Carried.	Mayor Costello	yes

Item #11(A) - Property Tax Reform Budget Reduction Options

Ms. Kelly McGuire, Budget Director, stated in light of the property tax reform discussions, the Commission requested a list of potential reductions. She reported this list was based on what was considered the worst case scenario, and staff would not necessarily support all of the options on this list. Ms. McGuire noted staff was not providing a recommendation tonight. She advised when the property tax reform was known, staff would make recommendations through the budget process.

Mr. Bruce Teeters, 567 North Beach Street, asked how much was set aside as reserves and whether it was true that for the last few years there was a budget surplus of \$1 million at the end of the year. He noted a newspaper article indicated that if the City went to rollback it would have a negative balance of \$297,000 with no increases in salary. Mr. Teeters advised the City gave 6% increases last year. He stated in private industry the salary increases have been 3% to 4%. Mr. Teeters asked what percent of the budget was made up of payroll. Mr. Teeters recommended using the reserves because the Commission can operate the City on the current revenues if they had the will to do so. He urged the Commission to not frighten people that services would have to be cut and control compensation this year and into the future because the focus was payroll.

Mayor Costello stated ten years ago the personnel budget was 60% and it was now 72%. He explained salary increases were settled three years ago, but contracts are coming up for negotiation this year. Mayor Costello stated to take \$297,000 out of reserves as a one-time saving expenditure to invest in a recurring expense was what got the City into the problems where three years ago a significant tax increase was needed because they did not have the recurring dollars to pay for the recurring expenses. He reported the fund balance was spent down to 10% from the mid twenty percent figure and the City was only now starting to build the balance back up. Mayor Costello explained considering the potential caps on continuing revenues, the employee costs would be more favorable for a more reasonable number this year because the employees and unions understand what was occurring. He emphasized that he did not consider the under spending as a negative because it was actually a great positive for which staff should be commended. Mayor Costello reported the City only funded 99% of staff costs for this fiscal year because of the continual under-spending for the past two years, which was primarily due to vacant employee positions. He pointed out that the City would not necessarily have that cushion that existed in the past because a great deal was removed in only funding 99% of the budget. Mayor Costello reported the City needed to cut a one-time cost or add recurring dollars rather than cut recurring costs with one-time dollars.

Ms. McGuire stated the General Fund reserve was \$5 million or 17%, and she agreed the City should not cover an ongoing deficit by pulling \$300,000 out of the reserves every year. She reported a great deal of the funds that were added to the fund balance were related to vacancy savings, and this year the City added \$600,000 of additional revenue that was not anticipated, which came from franchise fees. Ms. McGuire explained there was a rate increase put into effect after adopting the City budget; however, that would not occur every year.

Commissioner Kelley reported the cuts in the proposal are based on assumptions being made in Tallahassee which were not asking for rollback for this year, but based upon going to rollback for fiscal year 2000-2001. He noted the \$297,000 may seem insignificant, but the \$5.5 million cut was what these suggestions were based upon. Commissioner Kelley stated some of the non-spending of the budget was due to not spending the reserves. He explained one year the City budgeted to spend the reserves up to \$600,000 and those reserves were not needed; therefore, there was a type of savings and this made up a portion of the surplus. Commissioner Kelley stated what caused the Commission to need to increase taxes was paying huge salary increases ten to 12 years ago, and the City used the reserves rather than funding the increases.

Mayor Costello explained when the firefighters salaries were increased 19% the City did not raise revenues to pay for the increase and rather used saving to pay for it, but the savings ran out. He explained the \$297,000 was the rollback for next year and the \$5.5 million cut was the State legislature's plan to roll local government back to 2000-2001 expenses, which was after five years of rollback for Ormond Beach.

Commissioner Kelley showed a slide of his personal taxes for a home he purchased in 1999 where he paid \$3,051.41 in 2005 and \$2,833.73 in 2006, which was \$217.68 less taxes last year than the prior year. He advised the State called this a tax increase, but he actually paid less in taxes.

Mayor Costello stated Commissioner Kent, Commissioner Kelley, and he were in Tallahassee last week lobbying on the City's behalf. He reported there were two issues the State legislature was studying: the inequity amongst taxpayers and the quantity. Mayor Costello explained the inequity amongst taxpayers was to what Commissioner Kelley was referring. He reported homesteaded property owners taxes went down while non-homesteaded property owners taxes went up. Mayor Costello stated the renters and business owners need tax relief in that this was an inequity where their taxes were being raised dramatically to pay for the fact the homesteaded property owners were getting a tax decrease. He advised that Tallahassee needed to make all taxes increase or decrease rather than have some go up and some go down. Mayor Costello stated the Commission was lobbying for the State to fix the inequity issue that cannot be done at the local government level. He encouraged people to attend the Budget Advisory Board meeting on May 16. Mayor Costello noted there would be multiple budget hearings, and the Commission wanted to hear the comments of the public.

Item #11(B) - City Manager's Plan to Change the Organizational Structure of the Planning Department

Commissioner Gillooly stated she supported trying to retain a valued employee; however, this was a change in policy. She explained Mr. Turner took a Senior Planner position, changing it to a Chief Planner position for special projects. Commissioner Gillooly advised she had no problem with designating someone within the Planning Department to handle those larger projects, and if Mr. Ervin were to apply for that position, he would certainly be hired in that he had the necessary expertise without question. She questioned, however, why this position would answer directly to the City Manager when she would have him report to the Planning Director.

Mr. Isaac Turner, City Manager, stated the concept was to take advantage of a skill set that Mr. Ervin possessed and that if he were not with the City, the City would have to contract out for and to work with the new director allowing him time to familiarize himself with Ormond Beach's planning and building inspection needs. He reported there were major projects, such as Ormond Crossings, that were critical to the success of the community in critical phases. Mr. Turner noted currently Mr. Ervin, Economic Development Director Mr. Joe Mannarino, and he work very closely on this project; therefore, he segregated those items out and encouraged Mr. Ervin to provide leadership with those projects. He advised he would work directly with whoever would be assigned to these projects notwithstanding the structure. Mr. Turner stated there was a team working on these projects, but he would work with whoever was appropriate to get the job done. He advised he believe it to be important to have the ability to have direct contact especially for the immediate future for approximately three to six months. Mr. Turner reported he was considering studying the organizational structure to provide the types of services needed, particularly in the area of development activities. He stated he did not believe this would cause any degradation in the Planning Department. Mr. Turner explained he believed it important for the Planning Director to focus on systematic approaches to day-to-day operations of the Planning Department, building inspections, and to work with the Engineering Department. He stated he considered it important to separate out the major anomalies and possibly fold them together in the fall.

Commissioner Gillooly stated in any organization you do not create a position and a reporting structure for an individual. She noted this plan would take this new Planning Director out of the loop of the critical projects. Commissioner Gillooly stated it was vitally important the new Planning Director get on board as quickly as possible with the critical projects and not be kept out of the loop. She expressed concern in adding another layer of support for the City Manager. Commissioner Gillooly stated she considered it critical from an organizational structure and for the continuity of the projects to report to the Planning Director. She questioned if Mr. Ervin was not able to balance this job with his family obligations and decided to leave who would be in charge of the projects. Commissioner Gillooly advised there was no reason to change the organizational structure.

Mr. Turner clarified this was not a position created for Mr. Ervin. He explained the reason he recommended this was because Mr. Ervin had a specific skill set that if it was lost, some other accommodation would have to be made. Mr. Turner advised Mr. Ervin had contacts in various entities that were critical to obtain grants, obtain approvals, and move the projects along. He noted the question was whether it was more valuable to retain these skills or contract it out and the City would lose some expertise and history if the new Planning Director would take over. Mr. Turner reported the position and dollars are still in Planning. He advised the Planning Director would most assuredly be kept in the loop and would be fully informed about what was occurring with the major projects. Mr. Turner concurred that there were a number of employees who report directly to him. He reported he would ask the new Planning Director to examine the duties and responsibilities to decide where the divisions of labor should be placed. Mr. Turner

asked the Commission to judge him on how this well it worked, and if did not work, to alert him so he could correct it. He assured the Commission that he did listen to the Commission, but he was results oriented.

Mayor Costello stated he was excited Mr. Ervin would be in charge of special projects. He noted Ormond Beach had lost a number of talented senior members of the Planning Department. Mayor Costello reported he believed it was great to have someone with the background, expertise, contacts, and abilities to work on special projects and someone else to focus on interfacing with the boards and working with the Planning and Building Departments.

Commissioner Kelley stated there were organizational changes he would prefer. He noted Mr. Ervin's involvement would have to involve the Planning Director, and he did not believe this was an attempt to short circuit anything, but rather it was an attempt to make it work better. Commissioner Kelley reported he would give the City Manager the latitude to do this. The new person could not possibly be brought up to speed on everything in a short period of time, and he did not have the history Mr. Ervin possessed.

Commissioner Kent asked if Commissioner Gillooly's concern was to whom Mr. Ervin would have to report because Commissioner Gillooly made some valid points.

Mr. Turner stated who that position would report to was his responsibility. He noted his decision was made so the Planning Director could focus on basic planning issues and improve the process.

Commissioner Kent noted he was now more comfortable to go with the City Manager's recommendation.

Mr. Turner reiterated he would like to look at the organizational structure, particularly in the development services area, and bring recommendations back for the Commission to consider early the next fiscal year.

Mayor Costello stated three Commission members provided support for Mr. Turner's recommendation; therefore, no vote was needed.

#### Item #11(C) - Review of Goals

Mayor Costello stated staff delineated the goals well. He asked if any Commission member had any questions, issues, or concerns. Hearing none the review was accepted as presented.

#### Item #11(D) - Beach Parking

Mr. Turner stated staff had been working on this issue on a daily basis, and a number of issues have come to the forefront recently, such as Mr. Carter's proposal. He commended Volusia County for doing an outstanding job working with the City on beach parking issues. Mr. Turner advised the change in tone of working with County staff was greatly different with the new County Manager. He thanked Ms. Sloane for tracking these issues and coordinating with other staff members. Mr. Turner advised two categories were presented: the traditional approach with willing sellers and the other with the option of eminent domain.

Mayor Costello reported he would allow citizen comment since the Commission would probably give some sort of staff direction.

Ms. Sloane stated staff had worked well with Volusia County to identify what parcels or combinations of parcels were available with willing sellers. She noted the vision was for a Tom Renick-type park. Ms. Sloane reported staff examined five available sites. She noted the out parcel on Oceanshore Boulevard had an unwilling seller; therefore, staff did not obtain an appraisal. Ms. Sloane advised staff obtained appraisals for the other four properties. She explained that since negotiations commenced, the property owners at 325 South Atlantic Avenue withdrew their willingness to sell. Ms. Sloane reported the minimum asking price was well above the appraisals at 321 and 325 South Atlantic Avenue, and last week a sign went back up at 325 South Atlantic Avenue. She reported staff also examined two parcels on the west side of A1A to provide parking near beach approaches for future needs. Ms. Sloane noted the Rockefeller site was an open, clean site and under the appraised value. She stated the 620 South Atlantic site was a conglomeration of parcels combined by the Charles Wayne Group, which could be developed in phases. Ms. Sloane advised there was already a signal and restroom at that location. She explained rough estimates were made on Mr. Carter's proposal, but she was not able to fit as many parking spaces on the site, keeping the Land Development Code regulations, as Mr. Carter indicated. Ms. Sloane advised staff had not

looked at properties without willing sellers, but would do so if the Commission determined they wanted staff to pursue eminent domain. She reported 359 and 401 South Atlantic Avenue were for sale and would provide a nice parking and park location. Ms. Sloane advised if staff were to pursue 321/325 South Atlantic Avenue, 305 South Atlantic Avenue, which was between the two, could also be considered. She reported staff also provided a time schedule for the special election. Ms. Sloane stated there were prices for two parcels, and issues remain with the other two properties in that they were priced above the appraised value and negotiations were not completed. She advised staff was seeking direction as to what properties the Commission wanted staff to proceed with, whether staff should pursue the referendum on the schedule provided, and whether staff should pursue eminent domain. Ms. Sloane reported the cost split with the County was not completed, and management of the property after purchase and development has not yet been worked out with the County.

Commissioner Kelley noted this did not just develop after Mr. Carter came forward.

Ms. Sloane reported she had been working on this for months. She stated two appraisals per property were done, and some of that expense was shared by the County. Ms. Sloane noted when all of the appraisals were completed, City and County staff met to discuss which properties to pursue. She advised it was determined to pursue all four properties.

Mayor Costello stated the County Manager had been very diligently working on this project. He advised County Chair Frank Bruno, the County Manager, Mr. Turner, and he met regarding this issue, and the issue had been in the works for a long time. Mayor Costello reported the County gave the \$5 million estimate at least six months ago.

Mr. Turner stated the project and goal was in the works for years, but this latest effort was being worked on for eight to nine months.

Commissioner Gillooly stated on the 442 South Atlantic Avenue site the City could not guarantee a pedestrian signal; whereas, a signal already exists on the 620 South Atlantic Avenue site, and that must be considered. She asked if there was a requirement to move forward with a special election due to the current negotiations or if it could wait for the general election so the City would not need to incur the extra cost.

Ms. Sloane stated staff informed the property owners that they would be able to provide a decision by the June or July timeframe. She explained people would not want to hold their price and take their property off of the market for a long time period. Ms. Sloane noted the City would probably have a total of six months for due diligence to complete the contract, but the property owners needed some sort of assurance the City would have the funds to perform its portion of the deal.

Mayor Costello noted this did not necessarily mean the property would not be available after November, but it may not be; and it did not mean the price would increase, but it may not be available.

Mr. Turner stated the County Manager indicated the \$5 million would be available, but not indefinitely. He reported there was some discomfort amongst the property owners regarding tying up the property.

Commissioner Partington reported he would rather the vote be on the October election cycle to save the \$35,000, if possible. He responded to the three decision questions listed in the report by stating he did not favor pursuing contracts on the four identified sites; he did not wish to consider eminent domain; and he did not wish to pursue any or all of the three sites obtained through eminent domain.

Commissioner Gillooly agreed she would not support eminent domain.

Commissioner Kelley stated some of these concepts would cost \$118,000 to \$168,000 per parking space. He noted considering the austerity being experienced by the State, he was now not certain how receptive the people would be to the expense. Commissioner Kelley noted people needed to be made aware of the cost.

Commissioner Partington asked if this figure included the loss of tax revenue.

Ms. Sloane stated this did not include the loss of tax revenue, but they did include site costs such as demolition of the existing facilities and construction of the restrooms, playgrounds, and pavilions.

Commissioner Kent agreed the people needed to know the cost, but they should also know how much the sports complex improvements were costing.

Mayor Costello stated the parking on the 321/325 South Atlantic Avenue site would cost \$85,000 per parking space, and the Rockefeller and Ellinor Village site was \$25,000 per space.

Mayor Costello called for a short break at 9:07 p.m. He reconvened the meeting at 9:14 p.m.

Mr. Jeff Boyle, 614, N. Halifax Drive, stated beach access had always been a goal of the City Commission, but it never had a high enough priority. He reported the worse problems began when the County brought in the poles without consultation or input from the City. Mr. Boyle explained a problem with eminent domain was that by law the entity would have to pay the legal fees of the property owner, and the timeframe for the legal process could be so extensive it would preclude a timely solution to the problem. He noted the report indicated staff completed negotiations, presented options, and scheduled a referendum all without citizen input other than Mr. Carter's recommendation. Mr. Boyle commended the elements, but he contended the timeframe was off. He stated CAN DO overwhelmingly rejected any site on the west side of A1A in that they are dysfunctional because a traffic signal or pedestrian overpass would be needed. Mr. Boyle stated people will not use those sites and would go elsewhere where they would not have to use them. He explained the Neptune site was already working because few people can walk to the beach; Neptune had a traffic signal with only two lanes, which was far different from crossing four lanes in the commercial zone; and that was where the parking was needed. Mr. Boyle urged the Commission to reject the Neptune idea. He noted there were willing sellers on the west side of A1A because the west side had been economically dying ever since beach access became problematic. Mr. Boyle noted the staff report conceded that there was information missing. He reported he considered the dollar estimates were suspect, but the focus should not be on the estimates. Mr. Boyle questioned what free money was available, such as through the Race and Recreation Commission or the Community Development Block Grant (CDBG) funding. He stated rushing the referendum due to the timing commitments made to the few willing sellers did not justify the early referendum. Mr. Boyle recommended the Commission first assemble the funding, create willing sellers, and do not assume a property was not available just because it was not on the market. He stated if beach access could be obtained, the west side would again become alive, and the City could collect revenue from ongoing economic institutions. Mr. Boyle reported that what CAN DO favored about the Carter proposal was that the site would be a one-time solution to the beach access problem; whereas, it would be problematic to do it piecemeal or to build it on the west side and have it go unused.

Mr. Gregory Avakian, 161 Heritage Circle, stated Mr. Carter indicated there were private parties willing to provide up to \$2 million for this project, and he recommended obtaining letters of intent from those individuals along with the County funding to move this project along. He reported in response to his inquiry regarding taking the property off the tax rolls, Mr. Paul Lane, Finance Director, provided the assessed values and revenues the City generated from the identified properties. He pointed out not only Ormond Beach, but other taxing districts would also lose revenue, such as Halifax Hospital and St. Johns River Water Management District. Mr. Avakian stated he considered some of the properties to be under assessed, and the City would not be able to purchase them at the values assessed by the County. He pointed out the container he gave Commissioner Kent was supposed to represent empty air space, which was worth nothing to the citizens in the last election, while there was a potential to make it worth \$30 to \$40 million, and the City would not have lost taxable revenue due to transfer of density. Mr. Avakian stated the citizens were now being asked if they wanted to pay \$12 to \$14 million to purchase a park when they could have had three parks for free. He requested seeing the cost per parking space when a location was ultimately chosen, and that number should be given to the residents when they go to the polls so they can see exactly what they are voting on as reoccurring costs forever.

Ms. Pat Hughes Millard, 620 Main Trail, stated she moved to Ormond Beach to avoid condominiums. She reported there was no excuse for Ormond Beach not to have a place to park on the beach, and she was encouraged the Commission was finally serious about back parking. Ms. Millard advised that had the people know the Commission would vote for condominiums, they would not have been elected. She reported Commissioner Kelley informed her he was not interested in condominiums on the beach so she encouraged people to vote for him, but she was disappointed Commissioner Kelley was not truthful to her.

Mayor Costello clarified that the voters voted to place 14 75-foot condos rather than eight taller condos.

Commissioner Kelley stated he had always supported the 75-foot building height that was currently in the Land Development Code, but never mentioned condos. He reported he

supported the 75-foot building height being in the Land Development Code and not in the Charter because land development issues do not belong in the Charter. Commissioner Kelley concurred with Mayor Costello that the vote was not about condos, but placing a more restrictive building restriction into the Charter as opposed to keeping the 75-foot height limit in the Land Development Code. He noted most of the people did not understand that distinction.

Commissioner Kent stated the gift from Mr. Avakian was an empty jar, and Mr. Avakian indicated the cost of that jar was between \$30 and \$40 million; but he noted that considered jar to be priceless. He noted Mr. Avakian wanted the citizens to know there would be a cost every year by taking this property off the tax rolls, but he did not hear Mr. Avakian demand that information be placed on the ballot when Bray and Gillespie was planning on taking tracks of land off of the tax rolls for parks.

Mayor Costello clarified the land would not have come off of the tax rolls because the transfer of density would have kept all of the value.

Commissioner Kent stated Bray and Gillespie did not offer free parking because there was a price attached to the parking. He urged staff to pursue the contracts, but stated he would not support the use of eminent domain; therefore, he would not support the third question. Commissioner Kent stated 359 and 401 Oceanshore Boulevard were not feasible. He noted 321/325 South Atlantic Avenue were for sale and 305 had a “for rent” sign. Commissioner Kent reported he considered the best options were 321 and 325 South Atlantic Avenue with the opportunity of 305 South Atlantic Avenue. He advised if the City were to pursue property on the west side, 442 South Atlantic Avenue would be a better choice, but he was concerned about a serious accident; therefore, he would not support it. Commissioner Kent reported he did not see the tract next to the golf course as feasible. He recommended 321/325 South Atlantic Avenue, partnering with the County to take the opportunity to use the \$5 million that was now available. Commissioner Kent stated he would prefer saving the \$35,000 and waiting for regular election cycle.

Commissioner Kelley urged being practical because the asking price at 321 South Atlantic Avenue was half a million higher than the appraised value, and the County would not pay higher than the appraised value.

Commissioner Kent stated the City would never get a beachfront park under that scenario.

Commissioner Gillooly noted she believed that restriction was true with Community Development Block Grant (CDBG) money, but not with other funding.

Commissioner Kelley reported he was not indicating he was opposed to combining 321/325 South Atlantic Avenue, but that would be 50 parking spaces, which would not satisfy Ormond Beach’s needs.

Commissioner Kent noted 400 spaces would not satisfy the need if everyone wanted to go to the beach on a particular day, but 50 spaces were better than none.

Ms. Sloane stated the asking price for 325 South Atlantic Avenue was \$1.79 million and the appraised value was approximately \$1.3 million. She reported the cost would be approximately \$1.7 million for each of the two properties. Ms. Sloane advised she asked the County if they were restricted to pay only the appraised value, and they indicated they were not so restricted; however, there would be an economic decision as to how far above the appraised value they would be willing to go.

Commissioner Gillooly stated CDBG money would not allow paying over the appraised value. She reported she was glad the Commission was moving forward, and she favored pursuing the 321/325 South Atlantic Avenue site. She noted generally there was a desire to have the parking on the east side, but the Commission must be aware of the climate of taxpayer concerns. Commissioner Gillooly pointed out the parcels on the west side were \$85,000 for acquisition and development. She noted if the Commission considered any site on the west, the 620 South Atlantic Avenue site had the traffic light, which must be considered. Commissioner Gillooly advised the perpetual maintenance issue and loss of tax dollars must be considered. She reported it was sadly ironic the chairman of CAN DO found the beachside to be economically dying and in need of vitality when the City had the opportunity. Commissioner Gillooly advised she had repeatedly indicated that she had a great deal of difficulty with aspects of the Bray and Gillespie plan, but she favored the opportunity to negotiate. She noted the Commission was tasked to find those amenities that the citizens wanted, which would be evident from the vote if they wish to pursue this land acquisition. Commissioner Gillooly pointed out Mr. Carter specifically spoke about eminent domain, which she totally opposed. She noted the estimates

for Mr. Carter's proposals were totally out of sync for the cost per parking space. Commissioner Gillooly urged pursuing all of the phases she just mentioned regarding acquisition, development, perpetual maintenance, and the loss of tax revenue on the sites indicated in question number one and answered "no" to question numbers two and three. She stated Mayor Costello and Commissioner Kent wanted this in the budget so the Commission would be ready to negotiate for property at the best price, and the trade off was for a special election to have an answer to enable the City to move forward. Commissioner Gillooly noted while she did not want to spend the extra money, if it would place the City in a better negotiating position and honor the commitment with the County, she may be convinced to move forward with a special election.

Commissioner Kent summarized Commissioner Partington indicated "no" to question one and Commissioner Gillooly indicated she could support 321/325 South Atlantic Avenue. He asked about 305 South Atlantic Avenue.

Commissioner Gillooly stated she could support staff approaching the owner, but she would not be in favor if they were unwilling to sell.

Commissioner Kent stated he completely concurred with Commissioner Gillooly and would also not support eminent domain.

Commissioner Kelley reported he was not comfortable paying the money asked for the 321/325 South Atlantic Avenue site. He clarified that he did not object to investigating the 321/325 and 305 South Atlantic Avenue site. Commissioner Kelley advised he favored the 620 South Atlantic Avenue site to achieve the maximum amount of parking, but he would approve investigating every available option. He recommended including the address of the site, and if the people do not want to approve parking on the west side they could do so on the ballot; but this would be the best option economically, and a certain amount of revenue could be created to offset some of the cost.

Commissioner Kent stated optimum value did not always make good sense. He reported he was pleased Commissioner Kelley could accept pursuing the 321/325 and 305 South Atlantic Avenue sites.

Commissioner Kelley advised he would consider anything that was available. He noted he could not support obtaining only the 321 South Atlantic Avenue site.

Commissioner Gillooly stated she agreed this had to be considered from an economic point of view, but every option must be kept open. She questioned if two options could be placed on the ballot.

Commissioner Kelley stated the City could add as many options as they wished to place on the ballot.

Mayor Costello stated if staff had not already done so, he requested staff send a certified registered official letter to every property owner east of A1A indicating the City had money and was ready to purchase land, giving 30 days to inform the City of their interest in selling their property, assuming the Commission would agree with that proposal. He requested Mr. Turner contact Mr. Carter to determine if the \$2 million donor would approve the 321/325 South Atlantic Avenue site as an acceptable site. Mayor Costello reported this site would be much more advantageous in his opinion with the \$2 million of private money to help pay for the land. He expressed agreement regarding 305 South Atlantic Avenue; and if the landowners were not willing to sell at this time, he urged the City to attempt to get the first right of refusal on the land for the future. Mayor Costello advised he could support the 321/325 South Atlantic Avenue site if the \$2 million from a private owner would be guaranteed. He recommended a referendum with several criteria such as: should the City invest \$4,250,000 for the 321/325 South Atlantic Avenue site with the amenities outlined; should the City invest \$7 million for the land, \$1 million for construction or \$10.5 million over the next five to 15 years to gain 440 spaces at approximately \$24,000 per space at 620 South Atlantic Avenue; and if the City would be able to confirm the \$2 million donation, he would add a third option for 442 South Atlantic Avenue on the ballot. Mayor Costello reported the voters can approve all three sites, a single site, or none. He advised at this point he was not ready to support the full bill for the 321/325 South Atlantic Avenue site.

Mayor Costello advised he was discouraged regarding Mr. Boyle's comment that these negotiations were without citizen input because the City had been talking about beach property and access for a long time, and people have been urged to speak at the meetings regarding this issue. He only asked people not to ask the City to buy a parcel that was not for sale.

Mayor Costello noted Mr. Boyle also indicated CANDO overwhelmingly rejected any site west of A1A; however, he was confused since Neptune was working well and was being used. He stated that he accepted there was a difference between a two and four-lane road; but if it had a traffic signal, the site would work. Mayor Costello stated the 620 South Atlantic Avenue site needed to be considered because of the cost difference. He advised that he spoke to the chairman and members of the Race and Recreation Committee, and they did not want to even consider anything until a specific site was selected; however, that was not stating that the City would not obtain funding from them. Mayor Costello reported the City would go everywhere possible to obtain funding. He noted it bothered him when people state that the City had not investigated this issue when the City had been working hard on this for a long time. Mayor Costello advised he had not considered CDBG funding, but would investigate it if it were a viable option; however, Volusia County controls the CDBG funds, and they were already giving \$5 million, so he was doubtful they would provide additional funds. He stated Mr. Boyle stated “the thing we like about the Carter proposal was it was a one-time solution,” but he heard no solution in the proposal because the property was not for sale.

Mayor Costello clarified that when he described the Bray and Gillespie proposal offered as being “free” land what he meant was that the developer would not have to pay any money to give the land because they kept the development rights and the City would not have to pay any money to get the park land because the developer was planning on deeding it to the City and building the park. He noted considering the quality of life, that may have been a cost, but that was intangible and could not be measured. Mayor Costello explained the land was free regarding dollars; and if the developer were to build 75-foot buildings and give the land to the City, it would not be free and would cost a great deal of money. He clarified that in the proposal offered to the City, Ormond Beach did not lose any money, any ongoing tax revenues, or invest any dollars in buildings. Mayor Costello noted he was not trying to argue for that program at this point, but to clarify why it was described as “free.” He stated it could be argued that the quality of life was purchased at a cost, as noted by Mr. Avakian, at \$35 million.

Mayor Costello stated he believed the \$35,000 for a special election would ingratiate the City with the County who wanted to know if the City was ready to invest their \$5 million, since the County Manager indicated there were other places they could invest this money and they would not keep the money available forever; therefore, he considered the \$35,000 worth the investment for a special election. He questioned what the cost would be to extend the contracts if they would even be available in November. Mayor Costello advised he supported placing three specific properties on the ballot to include the acquisition cost, development cost, the estimated parking spaces generated, and the cost per parking space, but not the lost income which could be reported in other places such as the *News-Journal*.

Commissioner Kelley reiterated he did not support eminent domain. He reported he could support a special election because if that was to be done, but City could move forward specifically for 321/325 and 305 South Atlantic Avenue. He concurred that the County Manager stated the money was available now, but may not be available for long. Commissioner Kelley stated after May 5 he was not certain the money would remain available.

Mayor Costello advised he was quite confident in that the County made a commitment, but he was not confident it would remain after November.

Commissioner Kelley stated he would not oppose a special election if it meant it would give the people the right to vote whether or not they would want to support this acquisition. He questioned if the voters would want to know the loss of tax revenue and maintenance cost.

Mayor Costello advised he supported the loss of tax revenue and maintenance costs be well publicized, but he did not believe it should be on the ballot in that it would make it too confusing. He noted it may be advisable to indicate there was a traffic signal at 620 South Atlantic Avenue, but not at two of the other sites. Mayor Costello reported which side of the street the parcel was on should be clearly delineated.

Commissioner Partington reported he favored the regular election date in November. He stated in the spirit of full disclosure the ballot should include the loss of tax revenue and projected maintenance.

Commissioner Gillooly reported she favored a special election, three specific properties be included, and the ballot include the cost of acquisition, cost of development, loss of tax revenue, the proposed maintenance, and if a traffic signal was existing or not existing on the site. She expressed concern regarding the problem of the amount of words limited to each question.

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Mayor Costello indicated the number of words was not a problem in that this was not a charter amendment, and the City could use as many words as it wanted.

Mr. Randal Hayes, City Attorney, clarified that there were limitations.

Mayor Costello recommended calling this a “straw ballot.”

Mr. Hayes stated staff could publish the information to get the information out, but the form of the ballot was restricted by general law parameters even if it were to be a straw ballot. He noted a straw ballot would not place the City where it needed to be with the bond issue.

Mayor Costello recommended the bond issue be on the November election after the October straw ballot.

Mr. Hayes stated the City would then be paying twice.

Mayor Costello stated he wanted the people to have all of the information in a straw ballot, and once the Commission obtains that information, the Commission could then make decisions based on the will of the people; and the City could then place it on the November ballot at no cost.

Mr. Hayes advised there would be a cost for a special election and an additional cost at the regular election that would not exist if it were all done in October or in November. He stated staff could address Mayor Costello’s concern regarding providing information to the public through other publications.

Commissioner Kent asked why the Commission did not ask for a vote for the \$17 million for all phases of the Airport Sports Complex project, but that was going for a vote. He pointed out this project was for \$3 million of City funds, \$5 million of County funds, and grant money. Commissioner Kent requested a report on how much the City was paying per parking space at the sports complex, Nova Recreation, Central Park, and South Ormond Neighborhood Center. He advised he would prefer this be done at a regular election, but he could accept the special election. Commissioner Kent stated the Neptune approach worked because it was the only possibility in town, and it was only two lanes. He requested placing only east side sites on the ballot because that was what the people wanted.

Mayor Costello summarized three Commission members agreed on a special election so there would be a special election. He reported three Commission members agreed to place all of the options on the ballot including loss of tax revenue and maintenance costs. Mayor Costello noted the consensus was to place three specific questions on the ballot: 1) 321/325 South Atlantic Avenue on the east side and 305 South Atlantic Avenue would be added if information was received prior to the ballot being printed; 2) 442 South Atlantic Avenue on the west indicating there was no traffic signal; and 3) 620 South Atlantic Avenue on the west side with a traffic signal. He noted each would contain 75 words or less.

Ms. Veronica Patterson, City Clerk, asked if this was for a straw ballot; whereby, Mayor Costello clarified this was not for a straw ballot.

Mr. Turner stated in two weeks staff would bring specific contracts and detailed information that would carry this a step further. He noted for this to work the County Council would have to pass their components of the legislation, and there would be certain requirements that must be met for the bond counsel and other electoral needs. Mr. Turner stated the basis of issuing the bonds was for the election so the bond counsel would have influence as to what wording would be necessary. He responded the County Council would also have influence on the wording; therefore, Ormond Beach was not doing this alone. Mr. Turner reported the signal the City would send to the County Council and County staff was important.

Ms. Patterson asked if Mr. Turner would like to mention the type of election that could be held.

Mr. Turner reported there was an opportunity for the City to have the normal type of election or to do a mail-in ballot election, but this would be brought back to the Commission at the next meeting for consideration.

#### Item #11(E) - Amendments to the Destination Daytona Development Orders

Mayor Costello asked if any Commission member objected to including a proviso that associated with the condo/hotel development, Destination Daytona would be allowed to sell alcoholic beverages.

Mr. Ervin questioned if the Commission had any concerns which would be identified to the County staff for inclusion at the April 10 Planning and Land Development Review Committee and the County Council on May 24.

Mayor Costello reported no objection was heard. He explained this was acceptable because it was an associated use as would occur elsewhere with that same use.

Item #11(F) - Property Tax Reform White Paper

Mayor Costello reported he could support this and would even go further.

Commissioner Partington stated discussions were now going well and adding more paper did not seem advisable at this time.

Commissioner Gillooly agreed with Commissioner Partington. She stated while she appreciated the goal and did not consider it inflammatory, she had concerns regarding the analysis. Commissioner Gillooly expressed agreement with Commissioner Kelley that as a homesteaded taxpayer, her taxes were lower; but there was concern for the commercial interests, the renters, and the goal to attract businesses to the area. She noted this may be expressing a negative point.

Commissioner Gillooly thanked Commissioner Kent, Commissioner Kelley, and Mayor Costello for taking the time to go to Tallahassee and she understood that the legislature was listening. She stated it was important to inform the citizens that the Commission may need to consider some of the savings presented in Item 11(A), but she did not want to unnecessarily frighten the taxpayers.

Mayor Costello advised he supported signing this because, having been in Tallahassee, he witnessed some of the City's legislative delegation with their emphatic dismissal of the City's concerns, witnessed their emphatic position that they were going to do something, that they believed that local government had overspent and that they were going to come to the rescue of the citizens, and seeing other legislators shocked at his comment that the State government was responsible for more increases in property taxes over the last three years than any local government. He explained: 1) Ormond Beach had to invest through the County more money than it used to because the State had taken the funds for the Strategic Intermodal System (they now take 75% of the dollars and used to take 50%); 2) the State used to fund 60% of schools and now funds 47% while the required local millage the State imposes on the School Board skyrocketed; 3) the State acknowledged that the doc stamp taxes collected over 200% more than they did in 2001, but they see no need to roll that back because their costs have increased; however, City costs have also increased and Ormond Beach lowered the tax rate last year and raised it two years before so the City did not take the windfall from keeping the same millage rate as it was being accused of doing; 4) the State kept the same 6% sales tax rate as the costs increased, reaping a windfall from the taxes and considered it to be good government, but it is considered bad government when cities keep the same rate; and 5) SB360.

Commissioner Partington stated if Mayor Costello believed sending an angry letter would help, he would support it.

Commissioner Kelley agreed with Mayor Costello that he was ready to send the letter. He noted had Commissioner Partington been in Tallahassee and listened to the responses, he would agree that the State would admit the primary culprit was "Save Our Homes"; but nothing would be done about it, so the local governments were seen as the "bad guys." Commissioner Kelley reported rather than fixing the inequity, cities would be blamed. He noted there were two things that would adversely impact all homesteaded property owners: homestead and Save Our Homes when they try to sell their homes or leave the home to their children. Commissioner Kelley noted even if a person did not own a home, they were being adversely impacted because they could not afford to own a home. He noted the State had the mechanisms to do the right thing rather than a quick fix.

Commissioner Kent stated while the Commission may understand this issue, there were people listening tonight or who would be listening who may not understand. He advised that he was impressed with Mr. Turner in Washington, D.C., and Mayor Costello spoke to the legislators with much conviction. Commissioner Kent stated Ormond Beach definitely led the charge through Mayor Costello's efforts; and amazingly, the legislators were listening, and it was obvious they heard things they had not considered previously. Commissioner Kent reported he was impressed with Mayor Costello's abilities and knowledge of the facts. He commended Mayor Costello for a job extremely well done.

Mayor Costello stated he believed this needed to be done as a cohesive effort amongst the municipalities to let the State legislators know tax reform was urgent and they needed to concentrate on the inequities and allow the cities to work with their residents for the quantity and value. He advised three Commission members were in support of sending the letter.

Commissioner Gillooly advised she changed her opinion due to Mayor Costello's comments and would agree to send the letter.

Mayor Costello stated he could not say if this would be forceful or effective, but it would show a cooperative effort. He noted he was extremely proud of how Ormond Beach had worked with the budget and what was done over the past few years.

#### Item #12 - Reports, Suggestions, Requests

##### Organizational Structure of the Planning Department

Commissioner Gillooly stated she considered Mr. Ervin to be the perfect person for the position in the Planning Department and her only concern was strictly regarding the organizational structure and reporting element.

##### Affordable/Attainable Housing Task Force

Commissioner Gillooly thanked Mr. Ervin for his response on the Affordable/Attainable Housing Task Force. She noted she heard tremendous comments from those attending the first meeting on Monday.

##### Memorial Services

Commissioner Gillooly reported she attended two memorial services: one for Mr. Tippen Davidson and one for Mr. Al Matthews. She stated both of these men made a difference in the lives of people in the community.

##### Dedication

Commissioner Gillooly expressed appreciation for the passion Mayor Costello displayed in his efforts in Tallahassee and Washington regarding the tax situation. She commended volunteers who expend a great deal of passion in an effort to make their community a better place.

##### CDBG Funds

Commissioner Gillooly clarified she was not advocating using CDBG money when she spoke during the beachfront parking issue. She reported she was merely explaining that in purchasing lots for Halifax Habitat for Humanity she was aware that CDBG money could only be utilized to the appraised value.

##### Beachfront Sites

Commissioner Gillooly reported she would be pleased if the City had the opportunity to purchase beachfront property, and she wished to dispel Commissioner Kent's apparent belief the Commission would prefer the voter vote "no" on the questions on the ballot. She noted she was trying to be accountable regarding the taxes the residents would have to pay; therefore, it was vitally important for the people to understand the implications of the cost to them, and it would also be a help in the negotiation process.

##### Tallahassee Trip

Commissioner Kent thanked Ted MacLeod, Assistant City Manager, and Tom Lipps, Support Services Director, for their efforts in Tallahassee.

Commissioner Kelley agreed with Commissioner Kent that Mayor Costello did a great job representing the City and Volusia County pointing out the fact that Ormond Beach takes their budget seriously and that Ormond Beach residents paid less in taxes while the State called it a tax increase.

Mr. Turner thanked the staff and Commission members who traveled to Tallahassee.

##### Reception for Ric Goss

Mr. Turner stated there would be a reception for the new Planning Director, Mr. Ric Goss, on April 17 prior to the next City Commission meeting. He noted for the first couple of weeks Mr. Goss would be meeting residents in the community.

##### Mr. Earl McCrary II

Mr. Turner stated he attended a “Homegoing Service” this week for Mr. Earl McCrary II who was a long-time member of the School Board and principal at Campbell Middle School. He reported Mr. McCrary made a great contribution to the community.

Decorum

Mr. Randal Hayes, City Attorney, stated the rules on the back of the comment card came directly from the parliamentary rules the Commission approved. He noted the challenge for Mayor Costello as the chair was to balance the competing interests of what was considered protected speech versus civility and decorum. Mr. Hayes reported there was no definitive test he could provide for Mayor Costello to use as to what would be acceptable and what would not be acceptable.

Mayor Costello stated he understood he was not allowed to have any latitude in accepting any citizen comment, but if Mr. Hayes was now indicating he had latitude to stop personal attacks he would gladly do so. He explained his understanding was that the Commission decided he was not to stop commentary.

Mr. Hayes stated what the Commission would decide to do may be different from what was actually permitted by law. He advised Mayor Costello had some latitude, but there was no specific test on what should and should not be permitted.

Mayor Costello advised he wanted the highest level of civility, decorum, respect, and professionalism possible without being accused of trying to muzzle people or people misconstruing the intent. He reported if the Commission wanted to discuss this further or give him any different direction, they could do so at the closing comments of the next meeting.

Mr. Hayes cautioned not to regulate the content of speech, which was the challenge in balancing the competing interests.

Mayor Costello reported he would continue to allow all comments until the Commission directed him differently.

Property Tax Reform White Paper

Mayor Costello continued his comments regarding the property tax reform white paper. He reported the State decreased funding from Medicaid, forcing the counties and cities to pick up the remainder, and the local governments were picking up homeless and mental health issues that the State formerly picked up all the while they were asking the local governments to cut back. He requested the discussion on taxes be e-mailed to the *News-Journal*.

Item #13 - Close the Meeting

The meeting was adjourned at 10:59 p.m.

APPROVED: April 17, 2007

BY: Fred Costello, Mayor

ATTEST:

Veronica Patterson, City Clerk