

July 17, 2008

**REGULAR MEETING
LAKE HELEN CITY COMMISSION
CITY COMMISSION CHAMBERS**

July 17, 2008

7:00 P.M.

MINUTES

A REGULAR MEETING of the City Commission of the City of Lake Helen, Florida was called to order by Mayor Duffy at 7:05 p.m. Present were **Mayor Duffy, Vice Mayor Buddy Snowden, Commissioner Lou Benton, Commissioner Alan Cooke and Commissioner Ann Robbins**. Also present were **City Attorney Ken McIntosh, City Administrator Don Findell and City Clerk Nancy Wilson**

INVOCATION AND PLEDGE OF ALLEGIANCE:

City Attorney Ken McIntosh led the invocation and pledge of allegiance

Mayor Duffy said there is a modification to the agenda: move items B and C under Consent Agenda to H and I under Commission Consideration.

Minutes

No minutes available to be reviewed for this meeting.

Consent Agenda

Bills – **Commissioner Benton** asked about the \$3000 listed for road base. He thought the city had to spend somewhere near \$17,000 or \$18,000 on road base so he was curious about this figure. **City Administrator Findell** said the latest financial report he saw indicated that through the end of June, we had spent \$9,000 on road base so this is in addition to that. **Commissioner Benton** believed we'd spent more than \$9,000. **Commissioner Robbins** said she believed at the end of June, we'd spent \$11,000. **Mayor Duffy** asked if this is the road base that they get in bulk. **Commissioner Benton** didn't know; he's asked before if we are being charged by yardage or by the truck load – there's a big price difference between the two. He also questioned the bill for "All Quality" but then realized it was for material used at the Boys and Girls Club. **Commissioner Robbins** said she'd talked to both Janet and Cheryl about the auditing bills being split. They should be split 75% and 25%. **Commissioner Benton** asked **Commissioner Snowden** if our maintenance department contacted the tree company he had recommended. On the bills, there was a charge of \$2070 for tree work. "All kidding aside, we should get different prices for some of this work because they're a lot of people who are lowering their prices because they don't have work. Ricky (Mullen) should be calling to get multiple prices for jobs. **City Administrator Findell** said that the contact information should be given to the City Clerk to

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pass on to Ricky (Mullen) so he can follow up on it. **Mayor Duffy** said that Ricky Mullen does get three prices but she doesn't know about the tree work.

Commissioner Snowden said that "in future staff meetings, we should caution the department heads to be very in tune to our financial situation. If they have large expenses they should run those by the commission instead of just spending the money." **Mayor Duffy** agreed.

Commissioner Benton said he voted against it when the commission voted for Ricky's spending budget - that doesn't require that he get bids or commission approval - to be raised from \$2500 to \$5000. The commission should rethink this because of the budget now. He thinks any expenditure over \$2500 should be presented to the commission. He said the \$2500 limit worked well for many years and he thinks it should go back down to \$2500. **City Administrator Findell** said the limit was raised to avoid the expense associated with sealed bid advertisements and the review process. If the commission wants to have individual proposals or quotes brought back to the commission they can certainly do that, but the threshold was raised to expedite the process so work could be performed in a reasonable time. **Commissioner Benton** said he understands what Don (Findell) said but 90% of the stuff that gets advertised already goes through the commission. But setting a limit of \$5,000 means that any of the departments can spend \$5,000. That's basically how everybody's interpreting it. **Mr. Findell** agreed but asked if he wants to put additional restrictions on spending above \$2500 by coming to the Commission first. He said the Commission can set the limit at any level they feel is appropriate and then decide if they want bids over that amount or just require the request to go before the Commission. **Commissioner Benton** said they don't have to be advertised bids, they just have to go before the Commission. When there are bids, anybody should be able to walk into City Hall and see what the bids were. He reiterated that the city must restrain spending and he thinks this is a good start.

Commissioner Snowden moved to approve the bills.

Commissioner Cooke seconded.

All zones and the Mayor voted yes.

Presentations:

A presentation by Jessi Smith and Renée Tallevast from the River of Lakes Heritage Corridor

Mission: To foster and share awareness of West Volusia County as a distinct place to visit, live, work and play by preserving, protecting, enhancing and promoting the historical, cultural, agricultural, archaeological, scenic, natural, recreational and scenic resources of the River of Lakes Heritage Corridor region.

They were happy to be in Lake Helen to present a project that they've been working on for 3.5 years. They're getting very close to finalizing the project along with all of their partners. They undertook a scenic highway designation some years ago along with a lot of community partners. *They present a PowerPoint presentation and read from that.*

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They were in Lake Helen about two years ago during the eligibility phase and appreciated the support Lake Helen provided in the form of a resolution of support for that particular phase of their program. They came tonight to ask again for support in the form of a resolution which would include adopting their vision, their map and their goals into Lake Helen's future comprehensive plan amendments as well as appointing a member to their Corridor Management Entity. When the application is finalized and goes to Tallahassee they'll get back to us to ask for our signature on that application.

Commissioner Cooke said he thought the corridor went down CR4139 not down SR44 to Prevatt Avenue. Renee answered that the route goes up SR44 to Prevatt so they could include the Agriculture Center and the Fairgrounds but it does cut through Lake Helen via CR4139 and continues to Cassadaga. **Commissioner Cooke** said there is funding available for other parcels other than just the roadways that we can benefit from if we join. As far as other grants for different things, is that correct? Renée Tallevast answered yes. The money that comes through the national scenic byways program is millions of dollars. That money is dedicated to scenic highways. That's where the majority of the money will come from for our projects.

Commissioner Cooke had one more question: Since Hwy 17 is up by Putnam County, where do we stand time-wise as far as trying to get some improvements in Lake Helen? Do we have to wait for three to five years or can we push to try to get some things done in the city of Lake Helen before Hwy 17 is finished. Renée Tallevast answered that work isn't performed simply from north to south and said that's one of the reasons why it's important to have a representative on the committee. That person will be the voice for Lake Helen. The corridor management entity will become the board of directors once we're designated. Prior to that time we will work on developing an action plan because the action plan has to be part of the designation. We have a goal setting or action plan workshop scheduled for August and we have already talked to Commissioner Robbins about attending. At that time, we will start prioritizing our action items based on the initial list of goals and strategies. That's one way you can have your voice heard, by saying "we want this for Lake Helen, we want that for Lake Helen." Then the corridor management entity and the corridor advocacy group will prioritize those. So you don't have to wait, even though Hwy's 17 and 17/92 are the main roads, every single little feeder road or ancillary road is considered the Scenic Highway. There's no priority for one road over another. Jesse Smith said Scenic Highways can have multiple grants going on in one year. Renée said in one year, a lot of the Scenic Highways had three and four projects that they got funding for. **Commissioner Benton** asked if they knew that we'd completed our bicycle trails? Renée said one of the things they're emphasizing is trails development. We're working on one of the newest trails with the county which is the St. Johns River to the Sea Blue Trail. We hope that will become a priority. We realized through research and by talking to other communities that the economic benefits to communities that have trails are great.

Approve Resolution 2008-2009 endorsing the designation of the "River of Lakes Heritage Corridor Scenic Highway".

Commissioner Cooke made a motion to approve Resolution 2008-09

Commissioner Benton seconded. *Mayor Duffy read the resolution.*

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All zones and the Mayor voted yes

Mayor Duffy continued the River of Lakes Heritage Corridor Scenic Highway, Corridor Management Entity agreement. This agreement is made and entered into on the 17th day of July 2008 for the River of Lakes Heritage Corridor Scenic Highway. Corridor Management Entity and the parties represented by the signatures below. **Commissioner Robbins** was kind enough to volunteer to be our representative for Lake Helen.. **Commissioner Snowden** thought that the appointment should have been brought before the Commission instead of a unilateral decision being made. **Commissioner Robbins** assumed no one else would volunteer. Renée said anybody can participate and if any of the other commissioners would like to come and participate, they would welcome their input but there's just one vote and that is the designated corridor management representative for the city of Lake Helen. The appropriate papers were signed by the appropriate parties.

Commissioner Snowden asked since the project is starting at the northern end of Highway 17 and moving south, will the Wal-Mart project impact them in any way? Renee answered that the only thing they are planning on doing, especially for the small cities where the widening will bring such disruption, is bring in a consultant to work on designs for the communities so they're not ripped apart by the widening. The Scenic Highway can't control something like that but since it is a Department of Transportation program, they do have some influence in how it is widened and the design impacts. They plan on using that leverage. **Commissioner Benton** asked if Commissioner Robbins would keep them informed. She said she would

The City Auditor, Alex Kish, will present the audit report for fiscal year 2006/2007

Alex Kish was reporting on behalf of Brent Millikan to discuss last years' audit. He is quoted verbatim:

"My presentation tonight shows the entity wide overall financial position of the city as a whole rather than each individual fund or each individual operating activity. The purpose of that is to look at it in a manner similar to what you would see in a private business. Looking at the entity-wide combined financial operations makes it a little simpler to discuss and also to understand. I also want to point out that we have new reporting requirements (implemented in 2000) that have been put in place. One of the downsides to the new reporting requirements is that you don't have the opportunity to look at comparative data. One thing we'd like to point out to you is that the only opportunity available to you to see comparative data is at the very front section in the management discussion and analysis narrative. So there is some comparative information but it's very limited. That's one of the downsides. There are no ethical provisions for reporting on more than one year at a time so it's very difficult to make any comparisons when the information is not, in essence, allowed to be reported to you in that format. So what I'd like to do is talk about the actual report. It's broken down into three major sections that I'm going to hit on briefly with you. I'll spend more time on the financial section that contains the Audit Report, to Management's discussion and analysis narrative, your basic financial statements, your notes to the financial statements, your government fund activities, your

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business fund activities and your fiduciary fund activities. The supplemental section in the back includes budgetary fund comparisons for your governmental fund operations. Also there's information regarding some of your pension or fiduciary fund financial statements. In looking at the back section of the report, we call the supplemental audit report section that contains our opinions and required communications with you with respect to the requirements of the Auditor General of Florida. It discusses primarily your fiscal operations, grant operations and includes a management letter in the back. So let's flip to page 1 and talk about the actual independent auditors report. In this report, this is the only page that's ours other than the reports in the back where we actually discuss with you your financial position. We've rendered an unqualified opinion on your basic financial statements that you see on pages 1 and 2. Really the key thing to point out to you is that there are no exceptions or inconsistencies or qualifications or any items that require adjustment in your financial statement. So we call that an unqualified opinion which is the best type of opinion you can receive on your financial statements. The key things to point out a to you is that we did perform an audit, we did perform an audit in accordance with not only the generally excepted auditing standards but also government auditing standards required by the GAO. The auditor general of the state of Florida requires an additional level of audit standards be employed on local government unit audits. In the third paragraph we state to you our opinion on the financial statements indicating to you that they present fairly, in all material respects, your financial position, results of operation and changes in financial position for the year ending September 30, 2007. And to follow that up in the back, is information indicating to you that there are other reports that are included in the back that need to be read and incorporated in conjunction with the reports overall. On page 3 through 10 is the management's discussion and analysis documentation. I urge you if you only have one opportunity to review the financial information I urge you to concentrate on this section. It provides a narrative overview and walk-through of your financial operations. It is very detailed and it fits a boilerplate required disclosure format. So it tells you everything you need to know about your financial condition and results of operations for the year. The only place you'll be able to look at comparative data is on pages 6 and 7. Compare '07 operations with '06 operations and that is also broken down into two major sections: your governmental or citizen service type of operations and what is called your proprietary operations like water utilities. A key thing to point out on pages 6 and 7, looking at your statement of net assets, they've been prepared in the top level of financial statements in the same format as a commercial operation. They include your capital assets, any long-term debt, and depreciation but they don't include principal payments on long-term debt. We had a slight increase in net assets in the year ending 2007. Total assets are right at \$6.8 million compared to \$6.45 million at the end of 2006. Total liabilities actually increased slightly, up from \$1.85 million to 1.94 million at the end of the year. Here's an increase in equity or net worth up from \$4.6 million at the end of 2006, to \$4.9 million at the end of 2007. When we look at asset growth we see a \$400,000 increase in gross assets. Typically it can only be funded from one of two sources. You either go out and borrow money (have assets that are acquired through debt) or you generate them from internal surplus funds. You can see that the bulk of your increase this year was from increases equity rather than debt. In other words you didn't go out and borrow a lot of money giving you a false increase in assets overall. On page 7 you can see the compositions of how our financial position changed during the fiscal year. If you'll notice here

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you'll see overall revenues of the city as a whole were \$2,611,000 compared to \$2,716,000 the year before – that's a decrease in gross revenues, the bulk of that being from grant participation in prior years.

Also keep in mind that you received \$154,000 in grant revenues that you have deferred. You actually received that money from the grantors but you hadn't earned it yet since you hadn't expended the resources. Lake Helen is a little unusual compared to most entities in that you actually receive your grant funding in advance. Most cities I work with have to go out use their money and spend that money and then receive a reimbursement after the fact. That's what caused your increase in liabilities this year because that money was received prior to being earned so it's being deferred and will be recognized in next year's operations. So that's what is primarily attributable to the decrease in revenues recognized in 2007. However, if you'll notice also, there was a decrease in expenses in 2007 as well, so we had a slight reduction in revenue and we had a slight reduction in expenses. However, when we look at the total net for the year, we see that the increase in net assets was \$286,000 compared to about \$365,000 the year before. We had a positive year, we increased net equity by about \$286,000. In your statement of activities, I mentioned we had a slight decrease overall, but the bulk of that decrease in the activities was a result of activities with your operating and capital grant activities that were in place. Utility fund operating revenues actually declined in 2007 as well but by a very small amount - about \$27,000 - indicating a decline in water demand. In today's world that's good. You have the same number of customers but you're using less water; your conservation tactics are actually working. Another key thing to point out is that we did have a slight increase scheduled and that was primarily to provide resources to finance your FDEP loans that you have for the construction of a water treatment facilities that was put in place a couple years ago. On fiduciary funds we'll take a look on page 20 and 21. We have the assets and activities for the municipal police officers retirement trust fund. Please note that is just for information purposes. It is excluded in the report but is not incorporated into your numbers. It is considered a pension trust fund and is reported separately from the city's financial activities. You have \$422,000 in assets held for pension benefits at the end of the period. That number had increased by approximately \$92,000. On page 22 to 37, we have notes to the financial statements. Again, as a governmental unit, you do in fact account for items differently than the private sector. As a result, we have to have additional note disclosures so the readers of your financial statements fully understand how you account for items. That's why you have more pages of notes than you do financial statements. One of the notes that we've had for almost every government was on a subsequent event with the restrictions that came as a result of the investment trust that the state of Florida, the local government investment trust, had converted a portion of your funds to their pool b and that interest earnings for a short period of time in November 2007 were forfeited as a result of the draws that were taken on that account. That's noted on page 37. You did receive the bulk of your money out of there. You don't have any exposure to anything other than the fact that it was pulled out subsequent to year end. That's just a disclosure to let the reader know that you didn't have any significant risk associated with that.

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We have the budgetary statements and supplemental audit reports in the back. A key thing for me to point out is that the report we have on page 44 is the report talking about the auditing standards that are mandated by the Auditor General of the state. There are some additional oversight requirements and standards that are involved in performing audits. The key thing to point out here is that we don't have a whole lot of significant issues. We did have 4 findings related to internal control and 1 finding related to compliance. As you'll note in here, what we have done this year is given management ample opportunity to go through these and provide a response. Normally you get a communication, or what we call the rebuttal to the management comments but they've been incorporated into the report. The purpose of that was to give you more information. In the management letter on the back on page 50 there are a few items that we brought to your attention. We've walked through all of these with management and we feel you have a corrective process in place to handle these things. The key thing to point out to you, as the commission, is looking at financial trends I don't think you are any different from anybody else in Volusia or probably statewide. Looking at negative trends in the local government sector for 2007, we did have negative trends when we compared Lake Helen's operations with the average of your peer group - the peer group that's been established over the last three, four or five years. It's difficult to understand how the Auditor General established your peer group. In the last year, they've gone the extra yard to try their darndest to make your operations more comparable to other cities out there. And I think they did a fine job in 2007 of actually coming up with that. Every year they refine it and make it better. The key thing to point out here is that I don't want to slam this to death to say we've got negative financial indicators. It's difficult to quantify what negative financial trends mean. The primary thing to look here is equity. You have roughly 35% of your funds retained in unreserved equity. That's a fairly high number. Most cities operate in the 15% to 20% range. You have 128 to 130 days of operating funds in cash at the beginning of the fiscal year. That's good. That number has declined from 150 to 140 to 130 but it shows up as a negative financial trend though it is a still a good figure. Your financial structure is still fairly strong. You're not dealing with a problem. You've retained good solid equity, almost 40%. That's a very strong financial condition rolling into 2008/2009. They're going to be some tough times ahead you just need to plan for that. You experienced moderate growth during 2007 in a period of time when most of your counterparts have not had moderate growth in the last year and they probably aren't going to experience growth in 2008 either. You've had growth on both your operational sides: governmental and proprietary operations. You looked fairly strong looking at your financial position at the end of the year. I'd like to answer any questions you have."

Commissioner Cooke said he was happy with the report. He said with the improvements we've done in 2006 and 2007 he was pleased to hear that we're still so stable, especially considering how much money we've spent the last couple of years given the improvements we've made to our buildings. Auditor said that the grants were very well handled so the grants didn't hamper your other operations. It gave you the money upfront so your match and everything else was irrelevant because you used your funds along with their funds as the need progressed and as production commenced. He said the advanced funding from our grants was very helpful. He's worked with a lot of cities locally and you just don't find a lot of pre-advance funded grant programs. There are not very many of them out there and you've been successful in getting the ones that are. **Commissioner Robbins** said she hadn't had a chance to look through it. Alex

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Kish said he's just 15 minutes from here if anybody wants to walk through the audit, he's available. There are some issues that we've indicated in the management letter in the back that are going to be new. "We have new risk assessment requirements and they do in fact dictate to you as a city a greater role in the accounting and financial reporting process. The responsibility is greater defined as a result of problems we see in the financial sector that are going on. So there are some additional requirements and issues that you need to be fully aware of that we've discussed with management." He repeated that he's available if somebody needs to have some questions answered. **Commissioner Snowden** wanted to emphasize that Lake Helen is still a successful community.

Bi-Monthly Reports

City engineer - "I'm going to give you a progress report on a few projects. On the consumptive use permit, as I mentioned to you previously, we're at a point where the St. John's Water Management District staff is looking at a regional analysis that they dictated we had to do. I talked to them a couple weeks ago and it's not a high priority on their table and it's no real risk on our part. We'll just move along at whatever pace they dictate. I did tell you that I would request a time extension and we received a letter granting that again. I'm not sure if we'll need to request another extension. They are happy that were moving forward with this. I'll just keep giving you a progress report. At some point they're going to come back and we'll have to do something to supplement whatever it is they come up with. At that point, I'll come back and discuss it with you. On the SRF loan program, as you know, our loan has been approved and everything is in line. They're just waiting for us to come forward with a request for some money. As soon as that happens we'll move forward.

We have two projects associated with that; one is the automation and the interconnect. We're waiting to get a revised submittal back but the changes are minor and I felt we needed to get the project underway. They've authorized them to go ahead and put the equipment together, get it fabricated and into panels and then they set it up in their shop to simulate Lake Helen's system before they send it out here to be installed. We're probably six to eight weeks away from actually getting the equipment shipped here. Once it gets here there's about a month of installation time associated with that. The other piece of that is getting the emergency generator at the John Street well site. We have a contractor, LCS Electric, working on this project. That contract was for 180 days so they'll be finished before the end of December, probably sooner. The third project that we're involved with is the cleaning and inspection of the tank. We did determine that the pressure tank at the John Street well had deteriorated to the point where it really needs to be replaced and I told you last time that I would come back with a proposal for you since we need to move forward on that as expeditiously as possible. I told you at that time that I had checked it with DEP and they will allow us to utilize the additional funds in the loan that we have that we were not utilizing for the other two projects which is going to be approximately \$40,000 to put toward this. I've done an initial estimate. Labor costs are dropping but material costs are rate rising. The cost of actually fabricating the tank itself fluctuates; steel prices are up one day and down the next. For this reason, people are reluctant to give definitive quotes. We have the old tank out there, so we'll be able to get credit for the steel when we dispose of it. The cost per pound credit is also hard to figure out; I've gotten prices ranging from \$.10 to \$.18 a pound for steel. Having said all that, I'm

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expecting it to be in the range of \$75,000 to do the whole project - get the new tank, get it installed, remove the old tank and so on. As I said, we had something in the order of \$40,000 leftover from the SRF loan so that's going to leave something in the order of \$30,000 to \$35,000 that we'll need to get from another source. I'll get quotes from at least three contractors. I'm hoping to get that done by the end of August so I can report back to you during your first meeting in September with my recommendations so we can proceed on that. I've presented a proposal to cover the work we just discussed.

I would request the RFP and I have four contractors who are interested in supplying a price for doing this. We want to fund this in part with the loan program so I'll need to communicate back to them. I explained to them (SRF) that I felt that we would be able to include the full cost of it so he would be taking money from that loan and using it together with city funds to get this done. Once we get the tank in place, I'm expecting that it will probably take about 90 days from the time we go ahead and get that contract signed until we have the tank in place and hooked up. That's a little bit of a guess on my part. I've given you that proposal and in doing this work I'm looking to do this as inexpensively as I possibly can and take advantage of anything I can and we'll do absolutely no more than we need to do to replace the tanks. Fortunately, the controls that we're going to be using are already in the budget for the controlled automation. I respectfully request that you approve the proposal so I can move forward."

Commissioner Benton asked if he'd gotten any numbers back about how much the loan was going to cost the city every month? Steve Provost said that we have a quarterly payback but he doesn't know what it is but it's in our contract with FDEP. **City Administrator Don Findell** said the annual cost is about \$16,000. **Commissioner Benton** said "that's not including the tank, right?" Steve Provost said it is because the loan agreement is set up on the maximum amount so when you actually finalize and get all your costs in, you write your final document with the exact costs. **Don Findell** said that the loan agreement will not cover the entire cost of the installation. **Commissioner Benton** then asked if the water department has the remaining \$30,000 in reserve to pay for this. **Don Findell** said they have a small reserve but he's not sure how much. **Commissioner Benton** inquired if the water department cleaned those tanks more often, would that eliminate this deterioration? Steve Provost said yes. He said he'd come back next year with a recommendation about getting into an annual maintenance contract that will do that. He continued by saying that half the cities in the state work out annual contracts like a six-year contract or an eight-year contract with an annual amount paid on a monthly basis. Under that contract, they come out every year, clean tanks and included in that first contract would be any remedial work that's identified as of today which are in those reports we talked about last time. He wasn't ready to talk about that because we need to know where we're going with this tank then we will be in a position to talk about that. **Commissioner Benton** said he has a concern about basic maintenance being performed that would prevent rust from starting. He thinks the water department should know about the importance of routine maintenance on the outside of the tanks. Steve Provost said he'll talk about a program that will cover that after all this is done. He said we've got to figure out how we can afford to do it but he thinks it's the way the city should go. **Commissioner Cooke** asked if the tanks get inspected once a year? Is that how we found out that the rust was getting worse inside? Steve

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Provost said the FDP requirement now is that you have to do an exterior inspection every year. Every five years you have to drain the tanks and inspect inside. Prior to five years ago when the rule was changed, there was no requirement to do that. So now you're legally obligated to drain every tank once every five years and inspect it on the inside and have an annual inspection on the outside.

Commissioner Cooke made a motion to approve the proposal for going forward on the tank project

Commissioner Robbins seconded

All zones and the Mayor voted yes

Steve Provost introduced Steve Danskine who was in the audience, as his backup on all of this work. He said Chris Fagerstrom's signature is on the contract. He is the New Smyrna Beach Office Manager and signs contracts for the firm.

PLDRC – no report

Historic Preservation Board – no report

Parks & Recreation – no report

Commissioner Benton said everybody has praised the company that did the fireworks and they were \$2500 cheaper. **Mayor Duffy** brought pictures of the fireworks on a poster board to show people. She didn't hear any negative comments either and for \$5000 we got "a darn good show." **Commissioner Cooke** thought they were only going to last 5 minutes because of how quickly they were being set off but it lasted for about 20 minutes.

Mayor Duffy said \$5000 wasn't much for the show we got. She heard that there were cities cancelling their shows and some cities paying \$70,000 so we got a really good deal. She sent a letter to our vendor thanking him and has scheduled him for next July so we have to start collecting money. **Commissioner Cooke** wants to go back to the Historic Preservation Board. He wants to mention that thanks go to Nancy (Wilson) and the Mayor for clearing out the future museum, the room is completely cleaned out and the carpeting has been pulled up so we're in a position now to get bids.

Ad hoc cemetery - Ed Blackman: "The steel arrived at LeMoine's yesterday afternoon and we're grouping together now to proceed forward so hopefully at the next meeting I'll be able to say that we have some of those columns up and were progressing forward. Thank you very much."

Commissioner Cooke asked what preparations they were making to start working on the sections as far as getting the rust removed. Ed Blackman said they've discussed many things. The sections are terribly heavy, so what they've decided to do is erect them the way they are and go along with an air compressor and de-scaler. The next step will be to apply Hammerite at which point, they can be painted. **Commissioner Cooke** said he thought it would be easier to do it when they are lying flat. Blackman said Tammy had one idea Lemoine had another idea about how they wanted to do it. We wanted to move those panels as few times as we had to. If there is a point along the way that either at Tammy's shop or on-site we just haven't

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decided yet how that's going to happen. We've determined that this compressed air device is going to be the best way to get the loose rust off and then this Hammerite product, that's like an encapsulater or a heavy-duty primer, will be applied. Chris Lemoine suggested that the steel is going into the ground surrounded by concrete should have a primer on it also. There are last-minute things we're working on but it's finally going forward. **Commissioner Cooke** says that time-wise, it would be a lot quicker to work on them before we put them up, and if we're paying for the labor to do this, that should be a considered. Blackman said we haven't determined yet how many he's going to be putting up at a time, they're still working out the details. **Commissioner Cooke** said we do have the tractor and he'd really like the bottoms to be done before we put them up. Ed Blackman said "noted".

Public Forum

Diego and Sharon Micheo, 825 Sand Crane Lane

He has lived here for the past 30 years. He said they have a problem on their street. There's a small problem in their neighborhood. He understands the only way it can be taken care of is through the commissioners, Mr. Findell and the City Attorney. We have one neighbor who wants to close part of the road. The road has been there since 1984. We spent most of the day and the police department has spent a lot of time over there because this person was to close the road without a permit. Now she has pretty much done things her way. She's put up a big pole in the middle of the road and blocked part of the road at the end. It affects a neighbor who is elderly and he has heart problems and the fire trucks cannot go in. He's asking for the city to please check on this. Just to make sure that things are being done right. He said Mr. Snowden and the police department knows what's happening. **Mayor Duffy** said she was on the planning board when that area was annexed and she knows that it's a road. City Attorney Mr. McIntosh has "been formally notified by Jerome D. Mitchell, an attorney representing individuals that live in the area of Sand Crane Lane. The matter was discussed today with the City Administrator. We have a survey in our hand. An analysis will be conducted with reference to a field study with regard to the problem and we will be getting an answer to the individuals that are affected by that conduct which is being conducted presently. They are on Sand Crane Lane and Mr. Clarino has likewise been notified of the situation. The City Administrator, Mr. Clarino and I will be determining where we stand and will let the commission know as soon as possible." **Commissioner Cooke** asked where she's putting the pole. Mr. Micheo answered, at the end of the road between her and Mr. Thompson who lives at 810 Sand Crane Lane. Right now she's just put a metal pole that's about 3 feet tall in the middle of the road. **Commissioner Cooke** asked why she put it at the end of the road. If she wants to block the road why isn't it at the beginning? Mr. Micheo responded that she wants to take away 20 ft of easement. This only affects one neighbor but he's elderly. The fire truck came today and said they'd be able to make it through but that's beside the point. **Commissioner Cooke** asked **Mr. McIntosh** if in a situation like this, isn't she restricted from putting this up until it's proven that she can? Mr. McIntosh responded: "My clients are in the process and are planning to vacate that portion of Sand Crane Lane located at the southeasterly corner of their property since it has no use to others. The vacating of that portion of Sand Crane Lane will effectually result in the north half claim coming to my clients and the south half claim going to the southerly half of those neighbors to the south. Then the statement is also

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made, with reference to the situation, that the property directly to the south of my clients will always have access to their property on the southerly most portion of Sand Crane Lane. That specific width of property as we looked at it in on the survey is approximately 20 feet. Those are the matters that are in issue, currently, that we will be looking at and that we will respectfully request that those people who are affected by non-access by garbage trucks or by fire and rescue vehicles, make it known to Mr. Clarino.” Mr Micheo hated to call the police and hates having to get the city involved but he felt he had no other choice. He asked that the city please help and do whatever they can do. **Mr. McIntosh** said the Mayor brought this to his attention asking that the matter be handled as quickly as possible. **Commissioner Benton** said he’s concerned about the pole in the middle of the road, this could endanger someone’s life. Mr. Micheo said one of our officers asked her to please move the pole. She told the officer that if they persist, she’s going to make an harassment charge. He said the whole street is backing him up. **Mayor Duffy** hoped Mr. McIntosh could do something in the short term to get that pole removed for safety reasons. **Mr. McIntosh** responded that he will do what he can to protect the health and welfare of the citizens in that area. Mr. Micheo said he has another question about the same neighbor. He said somebody made a report about a sign over a month ago. Can you tell us what has happened? **City Administrator Don Findell** said “**Mr. McIntosh** also has correspondence from the attorney regarding the sign and at this point their attorney has said that they are considering the matter and have not decided whether they are going to comply or contest the notice of violation given by the Code Enforcement Officer. If they don’t comply, the Code Enforcement Officer can move forward with the code enforcement procedure (unless it’s a public health, safety and welfare issue situation that is an egregious or an immediate situation) that can take several months to resolve. Mr. Micheo asked about the stake in the road. Mr. Findell said that’s a public welfare issue and it can be addressed immediately. The issue that doesn’t affect public welfare takes longer to wind through system because of due process requirements.” **Commissioner Cooke** asked if the sign is illegal and shouldn’t be up there, why do we have to go through a lengthy process? Mr. Findell said that Ms. Pierce has been advised and has between 14 and 30 days to comply. If she doesn’t comply, then to Code Enforcement Hearing Officer has to establish a date for the Code Enforcement Hearing Master to hear the case. He has to determine if a violation has occurred and once he does, he can enter a judgement and a notice of fine. He then gives a certain period of time for compliance so you can see how this can turn into a lengthy process. The alternative to that is to issue a citation. The person is given “x” number of days to correct the issue. If they don’t, they can contest it in county court and that process is also lengthy. So, if it’s something that’s not of immediate impact that affects public health, safety and welfare, the due process statute provides a mechanism that takes an extended period of time.

Richard Blum, 821 Sand Crane Lane

None of his property abuts Sand Crane Lane. He has never seen or spoken to that lady who is responsible for the letter. The letter from her lawyer was intimidating and he felt it was harassing. In that letter, she said they throw beer bottles and things. He’s had that property for ten years and has never had a problem with his neighbors. He said his neighbors have been harassed for the last two years with unfounded complaints and he hasn’t seen the city nor the City Attorney question her about making false accusations. Who’s to say when she’s having a

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bad day, that she won't hit herself in the eye and accuse him of doing it? They don't have any defense against her. He'd like a copy of all police complaints that she's made in the neighborhood so they'll all know where they stand and what the Code Enforcement Officer's actions have been. He believes in equal protection under the law. This is the first time he's been involved with this woman and he's never even spoken to her. **Mr. McIntosh** said, "Please understand, the City of Lake Helen is not the addressee of this letter. We've just been furnished a copy of it for information purposes. It's addressed to the neighbors on Sand Crane Lane. This is a matter that exists between property owners. At the current time, the allegations are very voluminous with reference to misconduct of those property owners who are in the immediate area of her property. There is notification under Chapter 479 that they intend to take action in the event that any sign that's been placed there by a surveyor or if any surveyor is harassed. They have indicated that they intend to notify Mr. Clarino and he will, pursuant to instructions from the City Administrator, make an investigation to determine what's going on out there in order to see if any resident who's being denied access by our vehicles is afforded that opportunity. We're not in this lawsuit yet, we're in enough lawsuits." **Commissioner Benton** thought there was a statute that states once a right-of-way is established, it can't be taken away. **Mr. McIntosh** said yes there is but there's a lengthy legal process that needs to be carried out first. **Mr. Findell** said these are private roads, not public. We have no right-of-way in that area. **Mr. McIntosh** concurred. **Commissioner Robbins** recounted a similar situation in her youth. **Commissioner Benton** said that right-of-way has been established for 24 years. **Mr. Findell** said the important thing to note is that this is a property owner vs. property owner issue.

Alisha Lee, 140 E. Michigan (business address)

She said they've received donated property on McKenzie Avenue for their community farm. They've cleared an acre and put in a crop. They've talked to a lot of people about some future needs, making a point to hire from within Lake Helen. Some of these needs include a well, irrigation, structures, etc. They're working on a master plan so they can get an all encompassing permit. They are also working on their non-profit paperwork with a goal of completing it by August 1st. She spoke with the Teen Program, the Boys and Girls Club and the Food Bank in town and we're hoping to work hand-in-hand with them on educational and charitable programs. They're all very excited about it. Chris talked to someone at the children's home in Enterprise and we will help them as much as they will help us. They have three fundraisers planned before September 20th. They'd like to have a big kick-off barbeque and she's spoken to Betty O'Laughlin about maybe using the Equestrian Center. They've started receiving donations and she just wanted to share with the city that it is happening and they welcome any advice or comments. Wendie (Levings) called to let them know about some restrictions. They are going to be a membership based farm.

Heather Lindsey, 222 Tangerine Avenue

Some handouts were delivered to those on the dias. "I would like to request that the statement I'm about to make is added to the minutes verbatim." **Commissioner Benton** asked why he and **Commissioner Cooke** didn't get any information. Ms Lindsey replied, "I don't choose to recognize you. I request, if it's possible, that these minutes that I've given Nancy

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(Wilson), be put in the minutes verbatim.” **Don Findell** said for something to be placed in the record verbatim, the city commission has to make a motion and the motion has to be seconded and three of the commission members have to vote affirmatively. **City Attorney Mr. McIntosh** said “it would be improper for any request to be made for any verbatim recordation for your statement in that you have not furnished it to two members of the commission. We would like to know for the record why you have not furnished two members of the city commission of the city of Lake Helen.” Ms. Lindsey said it's because “she doesn't recognize them after what information I gave you last week.” **Mr. McIntosh** continued, “let me bring to your attention that this matter has brought to my attention from an authority and pursuant to article 8 of the Florida Constitution, Section 2B in Chapter 166 and the home rule powers under Chapter 73 129. The City Administrator and I have been instructed to immediately investigate the allegations that you and others have presented with reference to two members of the city commission of the city of Lake Helen. You may proceed in any fashion that you desire but these gentlemen have appropriately been sworn in as members of the Lake Helen City Commission and I stand here, ma’am, intending to protect their integrity until this investigation shows otherwise. We are not listening to anything if Mr. Benton and Mr. Cook are not going to be included.” Ms. Lindsey gives them copies of the same thing the other commissioners had.

Mayor Duffy said when you give the commission a packet like this, at this late date, without time to review, we can't digest and discuss it in this venue. This is supposed to be given to the commission prior to the meeting. I'm confused about what action you think we can take. We cannot vote on any of this because we have not had time to study it. **Mr. McIntosh** said “it would be appropriate to table this matter until the next meeting at such time you would have full opportunity to give attention to the matter that has been presented to you on this date, July 17, 2008. As I view it, it contains 6 pages and I further indicate to you Mayor that an investigation has been commenced with reference to the allegations contained in this document and the allegations that were relayed to us at the last meeting.”

Ms Lindsey begins: “I want to note that I did call the Nova Casualty Co. in New York and talked to them about the surety bond - you all have the documentation there. The five years is up and you've got 20 days from the 23rd of June and I don't feel the surety bond is adequate from five years ago of \$238, 950, it doesn't reflect the prices today. You have 20 days from today to put in a letter of default, otherwise, I'm sure **Mr. McIntosh** knows Lake Helen's taxpayers will foot the bill. “

Public Hearings: None for this meeting

Commission Consideration:

A) *Consideration of request by the Saddle Club to build a horse wash rack adjacent to the stalls at the Equestrian Center. (nobody was present from the Saddle Club to discuss this issue)* Mayor Duffy said they've provided all the back-up material. **Commissioner Snowden** said he had a number of questions concerning this project and nobody was there to represent them so

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he requested that this item be tabled. Mayor Duffy tabled this until the next Commission Meeting which is August 7, 2008.

B) Revisiting the consideration of request by Commissioner Benton to sell one of the Murphy Act Properties. Tabled from last meeting pending receipt of rerecorded deed.

Commissioner Benton wants to sell the Murphy Act piece of property on the corner of Ohio and Day Care Center Drive for \$36,000 which is the price we paid for all the properties. He said that would pay for all the Murphy Act properties. The other storm water property that the city bought would then be free and clear and we could put the \$36,000 back into the reserve fund.

Mayor Duffy asked how much he recommended we ask for that piece of property.

Commissioner Benton responded \$36,000. **Commissioner Robbins** said she doesn't agree with **Commissioner Benton**. She said she thinks it needs to be appraised to find out its true value.

Also, it's a fairly small parcel of a much bigger piece so we should probably contact the owners of the large piece to see if they're interested in buying it. They should be given first option. It would make a 10 acre parcel that they could subdivide and I think it would be more valuable to them than anybody else. **Commissioner Benton** said he's not disputing her comments but said the appraisal has already been done. **City Administrator Findell** said there was an appraisal done by an appraiser out of Orlando who contracts with the state to prepare appraisals associated with the sale of state property. That appraisal was done approximately a year ago.

He talked with Mr. McIntosh about this and he indicated that it would be in the city's best interest to get a current appraisal for the property because of the change in property values over the last year. Other than that, I don't know if there are any restrictions on the sale of the property. **Mr. McIntosh** said there are no restrictions. The only recommendation is to initially have an appraisal made to determine the value of the property. **Mr. Findell** said the reason you do that is because you are basically disposing of city property and you're trying to establish for the public, who you're acting on behalf of, a fair price for which the property would be sold.

The best way to do that would be to seek a current appraisal. **Commissioner Cooke** said he agrees with **Commissioner Robbins** regarding the owner of the larger parcel. We should make an attempt to talk to him. **Commissioner Benton** is simply interested in recouping some of the money we used to buy the Murphy Act properties and in the process, maybe get some property tax income if the sold property is developed. **City Administrator Don Findell** suggested we contact a few appraisers and move forward on getting a current appraised value for that property.

Commissioner Snowden made a motion to seek appraisals for the Murphy Act property on Ohio Avenue and Daycare Center Drive

Commissioner Robbins seconded.

All zones and the Mayor voted yes.

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C) Revisiting the consideration of request by Mayor Duffy to acquire a new phone system and equipment from Embarq. Tabled from last meeting pending more information.

Included in the agenda packets was a breakdown of costs for a new phone system.

Commissioner Cooke suggested that the commission move forward and pay for this outright rather than making payments. **Commissioner Robbins** asked **Don Findell** if this could be taken out of impact fees especially since we haven't had a new phone system for 10-12 years. He said it would be worth looking into though, generally, impact fees can't be used for maintenance or replacement. Commissioner Benton agreed with Commissioner Cooke – we shouldn't pay 16.5% interest to lease the equipment but should buy it outright.

Commissioner Cooke made a motion that we use impact funds if they are available to purchase a new phone system for \$7264

Commissioner Benton seconded.

All zones and the Mayor voted yes.

Commissioner Robbins wanted to make sure we have the funds available first if we're unable to use impact fees. If we can't use impact fees she thinks it should be a line item expense next year. **Commissioner Benton** agreed with Ann (Robbins), somewhat, but he hears a lot of complaints about the phone system. **Don Findell** said if you want to purchase a new phone system, it would be best to do it now. Pushing the expense forward to next year won't make it any more favorable.

D) Consideration of request by Mayor Duffy to add a digital recording device to our audio equipment.

The City Clerk described the equipment, how it works and the benefits: For many reasons, including the fact that cassette players are disappearing from the landscape, almost all municipalities have moved from taping minutes on cassette to taping minutes on something called a flash card. A flash card is a storage device that, in our case, would store audio files. These files could then be downloaded to our computers and safely archived. Making copies would be a matter of simply copying the file to a DVD and would only take a couple of minutes; while you wait taped minutes or emailed minutes would be possible. The DVDs could also be indexed to allow for direct access to information. The entire audio of our meetings could be posted to our website seconds after a meetings' conclusion. Finally, and probably most beneficial, is that the audio of our meetings would be played back on our computers allowing for easy portability and manipulation of playback speed. This would eliminate the time consuming <stop>, <rewind>, <play>, <pause>, etc., for transcription purposes and shorten the process. Orange City's website provides audio minutes if anybody is interested in checking that out. This audio recording device would cost the city approximately \$2,000. It was determined that we don't need a wireless microphone which was included in the quote. **Commissioner Benton** asked if we could table this until next week during which time we could determine how to pay for it. **Don Findell** suggested that we use either impact fee funds as a first choice, or unemployment reserve funds to pay for this equipment.

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Commissioner Benton made a motion to use either impact fee funds or unemployment reserve funds to purchase the audio equipment and to exclude the wireless microphone.

Commissioner Cooke seconded

All zones and the Mayor voted yes

E) *Salaries were discussed at a workshop on June 26th; consideration of request by Mayor Duffy to make a motion to vote “yea” or “nay” on each salary adjustment and title change.*

Mayor Duffy stated that they had a Salary Workshop on June 26, 2008 and had discussed this topic thoroughly. She suggested that the Commissioner not go over all that again.

Commissioner Robbins – Ms. Robbins read from a document that is recreated here: *After the June 26th meeting to discuss employee wages, I was grossly misquoted in the Deland Beacon. It stated that I suggested raising Chief Chester’s pay a bit more from \$28.52 to \$30.44 and a \$2.75 per hour increase and title change for Lt. Walker. Those suggestions were not mine nor was the \$3.15 per hour and title change for Wendie Levings. I had simply done a wage survey of cities our size and did 3 spreadsheets – 1st) showing current wages with a complete total including all benefits; 2nd) showing the proposed increases provided by Mayor and Ad-Hoc Administrator with complete totals including all benefits; and 3rd) a compromise with each employee receiving and across the board 50 cents/hr which also showed totals with benefits. The Beacon article also stated ‘the payroll for the city’s 20 employees including benefits now runs just under \$130,000 a year out of a \$2.9 million budget.’ The correct amount should have been \$1.3 million, not \$130,000. The paper did correct the online edition. I had several people who inquired of me, ‘if that was my proposal.’ Those people know of my conservative approach and told me they couldn’t believe I would make such suggestions.*

While some of the Commissioners who have been around for awhile, I don’t feel that this touches each of you the same way it does me. Having worked with most of these for the biggest part of their employment, this puts me into a whole different picture than it does the rest of you. I am sure some of the employees will refer to me as a ‘traitor’ but I feel that if they look at the whole big economic picture, we may only be able to give a 3% raise but on the other side of the coin, we are not talking of cutting any benefits, i.e., health insurance, cutting jobs or layoffs.

I don’t know if any of you have had a chance to look at the budget for next year but it includes \$67K from reserves to balance the budget. On page 59 of tonight’s financial report made by Mr. Kish, it states, ‘The preliminary results of our assessment procedures indicate that the city is continuing to experience deterioration in it’s financial condition.

As a result of this, I would make a motion to not act on these raises until the 08-09 budget has been critiqued by the full commission.

Commissioner Robbins moved that they not act on any raises until the 2008/2009 budget has been completed.

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Commissioner Benton seconded.

Commissioner Benton said a lot of cities are cutting jobs, medical benefits and retirement benefits. He said the economy is bad and we can't afford to give any raises. **Commissioner Cooke** agreed that there have been a lot of cuts statewide but he still feels that seven people who didn't get a raise last year, are entitled to one.

All zones and the Mayor voted yes.

Mayor Duffy addressed the day after Christmas holiday that the employees want instead of Veteran's Day. **Commissioner Benton** said everybody else works this day and he doesn't understand why the City of Lake Helen grants all these days off. He said we had gone through all this in 2006 making the holiday Veteran's Day, now we're changing it again. **Commissioner Cooke** said he doesn't care what other cities are doing, he cares about our employees and what they want.

Commissioner Cooke made a motion to exchange the Veteran's Day holiday for the day after Christmas which is what the employees want.

Commissioner Robbins seconded.

All zones and the Mayor voted yes.

F) Consideration of request by City Administrator Don Findell to establish budget workshop dates.

City Administrator Findell said there are statutory requirements for the preparation of the budget and for submission of information to the property appraiser's office and to the State Department of Revenue. Our next critical date is August 4th since it is the last day the City Commission can submit to the property appraiser's office the tentative millage rate for the coming fiscal year. Once the temporary millage rate is established, it can't be raised though it can be reduced. We usually have two meetings before we submit this information.

The dates that the Commission finally agreed upon were July 22rd and July 31st.

G) Consideration of request by Mayor Duffy to hire a part-time recording secretary to fill-in as necessary.

It was determined that a vote wasn't necessary since the Commission had approved the hiring of a part-time recording secretary several months ago.

H) Approve Resolution 2008-10, calling for municipal elections to be held in the City of Lake Helen.

Mr. McIntosh read the Resolution with changes.

Commissioner Benton made a motion to approve Resolution 2008-10

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Commissioner Robbins seconded.

All zones and the Mayor voted yes.

l) Approve Resolution 2008-11, appointing clerks and inspectors for the City's municipal elections.

Mr. McIntosh read the Resolution.

Commissioner Robbins made a motion to approve Resolution 2008-11

Commissioner Cooke seconded.

All zones and the Mayor voted yes.

Commission Discussion: none for this meeting

Staff Reports

- a. City Attorney – no report
- b. Police Chief – no report
- c. City Administrator – no report
- d. Code Enforcement Officer – no report

Mayor's Report and Commissioners Reports by Zone

Mayor Duffy discussed the success of the July 4th festivities. Also, regarding the flag Commissioner Robbins had in mind for Melissa Park. She responded that a flag similar to what we have in the Commission Chambers would be good.

Zone 1: Commissioner Robbins wanted to ask the City Attorney where we stood with the Charter Amendment since it has to be ready for the ballot by August 26th. **Mr. McIntosh** said "one signature". **Mr. Benton** said he would help Nancy (Wilson) get that signature. She also wanted to report that she went to a meeting in Deltona and talked to John Mica about the wall that the people in Lake Helen still want and he responded "it's still on the list." **Commissioner Robbins** said, "so, folks in zone 1 and zone 2 may still get their wall. It may not be in one or two or three years but it's on his list and if he's re-elected....he's the Chairman of Transportation."

Zone 2: Commissioner Cooke has set up a meeting to talk to the head of DOT about moving the sign to the other side of the retention pond and adding about \$8,000 more for the plantings behind that last house so there would be plantings behind all those houses. He said we need to decide what we want to do.

Zone 3: Commissioner Snowden said he loves this community. He referred to the "Callahanagram" and how some people are misquoted and misrepresented. He also said we

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owe a debt of gratitude to our City Administrator, he has continued to serve us well during this trying time.

Zone 4: **Commissioner Benton** said we need to reinstate the policy that the City Clerk serves as the “clearing house” for information that goes in the Commissioner’s boxes. Anything that the public wants to have placed in their boxes should be given to the Clerk, whereupon, she makes copies and distributes them accordingly. **Mayor Duffy** said the public is no longer allowed in the mail room. **Don Findell** said it’s appropriate that the City Clerk distribute this information because it’s public record and she should also keep a copy for herself.

MEETING WAS ADJOURNED AT 10:30 pm