

**SPECIAL BUDGET MEETING
LAKE HELEN CITY COMMISSION
CITY COMMISSION CHAMBERS**

**JULY 31, 2008
7:00 PM**

The Special Budget Meeting of the City Commission of the City of Lake Helen was called to order by **Mayor Joan Duffy** at approximately 7:00 PM. Present were **Vice-Mayor Buddy Snowden, Commissioners Lou Benton, Alan Cooke, and Ann Robbins**. Also present were **City Administrator Don Findell** and **City Clerk Nancy Wilson**.

A) Continuation of consideration of Draft FY 2008-2009 Budget

Mayor Duffy explained that the first objective was the continuation of consideration of the draft budget of 2008/2009.

Commissioner Ann Robbins said, *"On the general fund revenues – with the taxable value of \$126,687,000 – Don, I'm looking to you – I'm showing that as \$532,085."*

City Administrator Don Findell concurred and added, *"When I prepared the budget I estimate the taxes at a slightly lower amount than what the total tax revenue ought to be. The state regulations regarding establishing your budget say that you have to account for the property tax revenues at least at a 95% rate. I calculate them at somewhere around 97-98-99% - just depending on what the previous history is. So it reflects a little lower amount and in actuality we'd get a little bit less than what we budget for."*

Mayor Duffy asked if anyone else had any comments on the general fund.

Commissioner Benton queried **City Administrator Findell** about the rising amounts for Waste Pro.

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City Administrator Findell answered, *"I tried to explain this briefly at the last meeting and I indicated at that time that as I was going through the past information, as it related to the franchise fee income that we were receiving from Waste Pro, I identified some anomalies that didn't make sense to me."* He added that he realized that he needed to work with Waste Pro and with Cheryl (finance manager) to be sure that the city was receiving all the revenues it was entitled to.

City Administrator Findell continued, *"For this budget sake, in this point in time, I budgeted for a lower amount than what I think we ought to be receiving. Until I know exactly what it is that we ought to be receiving, I don't have a figure to put in there. I expect that figure to change but I don't know by how much."*

He added, *"On the other hand, if the anomalies I've seen in the franchise fee revenue are, in fact, true anomalies, and the city is entitled to a larger franchise fee revenue, then the revenue that is reflected in the franchise fee column for solid waste, would go up."* He explained that amount would have no effect on the solid waste revenue coming in and the solid waste expenditures going out.

City Administrator Findell thanked **Commissioner Benton** for bringing that to his attention and indicated that he would check the franchise agreement.

Commissioner Alan Cooke concurred with **Commissioner Benton** and asked **City Administrator Findell** for clarification concerning the amount of money that is in question.

City Administrator Findell and **Commissioner Robbins** agreed that the amount was 10%. Then **City Administrator Findell** added, *"Plus it also, includes the revenue we receive from recycling."*

City Administrator Findell and **Commissioner Robbins** concurred that the amount would be in the neighborhood of approximately \$25,000 but agreed the 10% could be on the \$1794 figure instead of \$1994 as **Commissioner Benton** suggested.

City Administrator Don Findell pointed out, *"It's important to note that because we're going to have to adopt a resolution next month that provides for the property appraiser, the actual amount we'll be charged for solid waste."*

Mayor Duffy indicated she was curious why the Progress Energy amount had dropped and noted that it was less than the 2006/2007 amount.

Commissioner Robbins reminded **Mayor Duffy** that **City Administrator Findell** had said that it was because of the milder weather.

City Administrator Findell clarified that if the upcoming three months were hotter than normal, the amounts may change but that at this point in time, he didn't know what the weather would be like.

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Commissioner Benton noted that the city had used more electrical power this year than previous years.

City Administrator Findell agreed that the city had more facilities than last year and said, *"We obviously hope that I am wrong"* and added that it was simply a calculated guess based on information that he had been working with. *"I try not to be overly optimistic when projecting the revenues."*

City Administrator Don Findell added, *"Here's the practical effect: If in fact, the revenues are under estimated, then remember we have to go through all these columns and consider all of the revenues in total as it effects the city budget but if in fact, we have under estimated the revenues at this point, and we receive greater revenues during the coarse of the year, the budget will obviously, reflect that and it will have a positive impact on the budget. Whereas, if we over estimate them, and the revenues are not realized, it will have a negative impact on the budget."* He added, *"I'm simply trying to be cautious at this point in time."*

Commissioner Benton said he realized the revenue would be lower because of the economy but wanted to know how much money would the three city departments actually cut back to pull the city out of the red. **Commissioner Benton** said that he figured the amount should be \$433.00 a week to balance the budget. *"How much waste do we literally have in the departments or how much over-stock do they have?"*

Commissioner Benton indicated that an inventory had not been done since the previous supervisor retired so the city doesn't know if there is an over-stock of anything.

City Administrator Findell said he thought that Ricky (Mullen) knew the majority of what was or was not in stock.

Commissioner Benton countered, *"Who knows in city hall?"* He added, *"I can't go to anybody in city hall and ask for it. If he does inventory, that inventory should be brought to city hall to be recorded. There should be a file set up for it. There's no control."*

City Administrator Don Findell answered, *"I think that if you're going to take that approach, then you're going to be asking all of your departments to prepare an inventory because all of your departments order consumable supplies and they order supplies that are not necessarily consumable over a year but they all order. You can't pick just one department."*

Commissioner Benton indicated that he was trying to give an example of what he was trying to explain. He added, *"There's \$433.00 a week that needs to be cut in spending (by each department) to balance the budget."* **Commissioner Benton** reiterated that city hall staff does not know what it has in inventory or equipment or anything else.

Commissioner Robbins explained, *“Those kind of things though are operating supplies, Lou. You don't just go out and buy them every day.”* She noted, *“The only thing, in all the years that I was here, that gets inventoried is Ricky's (Mullen) water supplies. That is what was inventoried on September 30th of each year.”*

City Administrator Findell clarified what the auditor had stated since then. He said, *“The auditor has indicated that the value of those supplies is insignificant enough that it doesn't bare the cost of performing the inventory.”*

Commissioner Robbins concurred but added, *“I'm not saying that you shouldn't be accountable for the supplies that you buy.”* She cautioned that a supervisor shouldn't over-buy.

Commissioner Benton said that all businesses that he ever knew had always had an inventory of supplies and equipment. He pointed out that if a department had a new drill, he would want to know what happened to the old drill.

Mayor Duffy said that last week Ricky (Mullen) told him verbally what he had *“right off the top of his head.”* She indicated that Ricky knew what was worn out and what needed to be replaced. **Mayor Duffy** added, *“But I will have him do an inventory.”*

City Administrator Findell reiterated that all departments will need to perform the same task.

Commissioner Benton insisted that it was extremely important to have an inventory to avoid accusations of impropriety. He added that it was not only to protect the city employees but also, so the commission was aware of what was going on.

City Administrator Findell explained, *“You have a statutorily required inventory that is required for audit purposes for somewhat of the same thing you're mentioning – to insure that equipment doesn't just walk away. Anything beyond a certain dollar amount, which at this point is reasonably high – probably in the neighborhood of \$750 – as to what is considered to be a capital item, you do maintain an inventory of that. What you're asking for is an inventory of basically everything else, that you know how that equipment is disposed of in some future point in time.”*

Commissioner Benton stated, *“All kidding aside, that's how you control spending. You have to know what you have, what you don't have, and what you need. That's control on spending.”* He reiterated the need for obtaining bids and comparing prices to limit spending. **City Administrator Findell** concurred.

Commissioner Lou Benton added that if the taxpayers have to tightened up on their spending habits, then the city should too.

Commissioner Buddy Snowden said, *"I think you see the same things we all see. I know at the last commission meeting the commission asked the mayor, in future staff meetings, to advise the department heads to be very sensitive in their expenditures."* He indicated he has relied on the mayor to pass that word down to the staff.

Commissioner Benton agreed and said he was sure **Mayor Duffy** did what she said she would do but stressed the economy is continuing to move downward. He said he felt things would become even worse in the future.

Commissioner Cooke said he had three questions to ask **City Administrator Findell**. *"Don, on the municipal fuel tax revenue – 2006/2007 – it has zero, correct? Is that the tax on fuel that goes into fuel tanks in the city?"*

Commissioner Robbins answered, *"It's the gas tax that we pay on the gas. We have to file a report once a month to get 12.1 cents on gas and 28 cents on diesel. It got mis-coded for this past year. It got put in under the utility tax – gas, fuel, and oil. So Cheryl was made aware of it and I brought it to Don's attention when I was first looking at the budget."* She added that Cheryl would be making the necessary adjustment on it.

City Administrator Findell replied, *"That's why it's reflected in 2007 and 2008. It's not reflected in 2006 or 2007."*

Commissioner Cooke asked if the amount was approximately \$1,000.

Commissioner Robbins answered, *"It runs between \$150 and \$250 a month."*

Alan Cooke continued, *"The next thing Don – the storm water permits in 2006 and 2007 – we're looking at about \$2,800. This year and next year we're dropping it to \$500?"*

City Administrator Findell said, *"It's directly related to activity in the construction industry. So \$2,800 is what our financial statements from the auditor reflect for 2006/2007. The \$500 that's projected this year is in the neighborhood what it ought to be based upon the revenue that I see as of June 30th, and I'm not projecting that it's going to be any better next year. That's why it is reflected as such."*

Commissioner Cooke asked his next question which involved residential and commercial permits and storm water permits.

City Administrator Don Findell answered, *"A commercial activity can have a storm water permit requirement attached to it. However, it is largely reflected in the construction of homes."* He indicated that if a home was involved in a large remodel effort, a storm water inspection may be required. He also, advised the commission that an adjustment would be made involving the general budget.

Commissioner Robbins asked, *“On that same item, under the storm water utility fund budget: Is there a storm water checking account?”*

City Administrator Findell acknowledged that there would be this year. *“It is accounted for as a separate revenue and there will be a separate account for it this year.”*

He explained, *“The storm water utility was established by the city in the mid-1990's and the enabling legislation indicated that it should have been operated very similar to the water utility. I discovered that when I first came to work for the city or shortly thereafter. As the result of that, we set the program up as a separate program for accounting purposes so that we could do a couple of things – so we could track storm water expenses, storm water revenue, and so that we could assign those revenues to specific projects. Whereas, historically, they just plowed that money back into the general fund. There was a legitimate purpose for doing that though and a legitimate reason but it was harder to track. We just set up a different accounting mechanism for it.”*

City Administrator Findell continued by indicating that it made the accounting a little bit *“cleaner”* because the city could show that it paid storm water expenses with storm water revenue.

Commissioner Cooke said he had another question referring to solid waste management and asked **City Administrator Findell** if he would explain it to him – the expense escalating every year.

City Administrator Findell answered, *“Yes. Solid waste management is accounted for on the revenue side in two places; one is the franchise fee from Waste Pro. That's the actual real income we derive from the franchise agreement.”* He explained that one of the columns is the amount the taxpayers pay on their tax bill that is transmitted to the city. The city uses that money to pay Waste Pro for the services they provide. **City Administrator Findell** added, *“You also have to realize, that sometimes the revenue that is generated through the payment of those solid waste non-ad valorem assessments doesn't quite cover the cost of the service provided. It's suppose to but if you don't get all of the revenues by people paying all of the taxes, there'll then be a disparity between the two.”*

Commissioner Robbins said she had an article from the News-Journal dated March 25th, concerning *“at risk properties”*. She noted that the article mentioned that, in Lake Helen, there were 320 foreclosures, 111 repossessions, and 71 bank-owned homes.

The city commission discussed the possible ramifications of this.

Commissioner Robbins said she had another question regarding the storm water budget. *“Under salaries, I know the \$7,900 is part of **Don's (Findell)** salary, but why are we not putting in there the streets people who are out there actually doing the work?”*

City Administrator Findell indicated that it was because of the difficulty identifying what work each employee is doing at any given time. He added, *"In the years between the mid – 1990's and the early 2000's, the city simply plowed all the storm water money back into the general fund budget."*

A generalized discussion took place concerning what employees did for storm water management plus the bookkeeping aspects of it.

City Administrator Findell said, *"One of the things that I have done with this year's budget – you'll notice at the bottom it says, transfer to general fund, \$36,500."* He added that he noted to reimburse the general fund for the purchase of those properties. *"Each of those properties have some storm water management value. It doesn't mean that it'll be turned into a storm water facility this year or next year, but the properties are available for storm water usage in the future. So, by doing that, if we have a surplus in the storm water utility fund that we can transfer to the general fund for a legitimate purpose, it will reduce that expense in the general fund this year which will have a positive impact on the general fund."*

Mayor Duffy indicated that she had called several appraisers to ask them about their fees, but no one called back.

Commissioner Robbins said, *"Under department 521 (police department), Keith (Chester) and I spent an hour and a half today talking about the budget. Is "special services" for such things as computer repairs, upgrades to the computer?"* **City Administrator Findell** answered, *"Typically."* Robbins continued, *"Have we heard anything from Volusia County in regard to dispatch as far as what the fee is going to be for next year?"*

City Administrator Don Findell answered that he didn't remember and added, *"I know the last few years, it seems to be a 5% increase each year."*

Commissioner Robbins noted that Deltona thought the sheriffs' department was going to be more costly. *"Also, one of the things we talked about was the age of the A/C (air conditioner) down at the police station and the possibility that it might need to be replaced during this year. The addition was put on in the late 80's and it was the unit that was put in then."* she indicated that it probably was not as cost effective to run as a newer unit. She added, *"Keith (Chester) and I talked about the age of the vehicles."* She indicated that one of the vehicles was manufactured in 1998 but the mileage was unknown.

Commissioner Lou Benton stressed that if the the vehicle is maintained properly, the mileage isn't as important. He added, *"Excuse me Ann for interrupting, but why does the police department have to send their cars out to Boulevard Tire to get the oil changed?"* He asked, *"Why can't it be done by one of our city employees? We don't have that many police cars and we've got the lift. It's not just the price of the oil change but also the cost (in gas and employee time) to take it there and back."*

City Administrator Findell commented, *"It's easy enough to say that one of the employees can do it but the experience that we had back in probably 2001/2002 was that the guys in public works had plenty of other work to look after and was expected to do and as a result the police cars were not being maintained on the same schedule that they ought to be so in order to allow public works to keep up with all the things that they're required to keep up with and insure that the police department vehicles were serviced routinely, we sent that service out."*

Commissioner Benton said he understood that and wasn't speaking of major repairs but about a simple oil change. *"We've got a mechanic that works for us, so if one vehicle is done a week, what are you talking about? To change the oil and grease a vehicle is what, a maximum of an hour?"* He stressed that the city would be saving money and that the city should utilize the mechanic that is working for the city.

City Administrator Findell responded in the negative.

City Administrator Don Findell then asked **Police Chief Keith Chester**, who was in the audience, *"When you selected Boulevard Tire to do your routine maintenance several years ago, if I remember correctly, you checked with several different vendors but Boulevard Tire gave you best price, did they not?"*

Police Chief Keith Chester answered in the affirmative. *"It's like a government rate – the same rate DeLand gets, sheriff's department, highway patrol, and so forth. So it was checked into at that time."*

City Administrator Findell said, *"The next question I would ask is if a member of the audience, Wray (Schaffer) – are you still doing oil changes?"* Wray answered in the affirmative. **City Administrator Findell** continued, *"Is that work you could be competitive with rather than sending it out?"* Wray answered that he probably could. **City Administrator Findell** asked, *"Is it work that you would like to do?"* Wray answered that he would if he weren't busy.

Commissioner Benton said that **City Administrator Findell** was missing his point and reminded **City Administrator Findell** that the employees (and city hall staff) wear a lot of hats. He said that the city spent approximately \$3,000 for a lift so he didn't understand why cars were being sent out of town for an oil change. **Commissioner Benton** reiterated his stance on the matter.

City Administrator Findell suggested that before a decision was made about the subject, that **Commissioner Benton** should have a discussion with the public works superintendent, Ricky Mullen concerning this.

Commissioner Benton answered that public works was not the boss of city hall and that public works takes direction from the city commission.

City Administrator Findell explained, *“You have reached a conclusion which may, in fact, be correct. That conclusion that you have reached was not born out by the facts, if you will, of the city's experience several years ago. That may have changed but I think that it would be appropriate for you to ask the public works superintendent, that if, in fact, changes occurred that allows that to be done simply with no adverse impacts.”*

Commissioner Benton stressed he was trying to save money.

Commissioner Cooke said that he had a question. He asked **Police Chief Keith Chester** if the price of an oil change was approximately \$21.50 and **Chief Chester** answered in the affirmative. *“My question is, does that include the oil or not?”* **Chief Chester** answered in the affirmative. **Commissioner Cooke** said that if the price of the oil and filter were removed from that price, there was very little left over for labor. He added, *“What I'm trying to get at is, I'm not talking about the labor of \$21.50 – with the cost of the oil and the oil filter. . . All they are trying to do is get you in there so they can fix something else for you and bring in business. That's what the idea of an oil change like that is.”*

Commissioner Benton reiterated his stance reminding **Commissioner Cooke** about the cost of the employee to take the car to Boulevard Tire and back plus waiting for the car, plus the cost of the gas that it takes to get the car there and back.

Commissioner Alan Cooke then told **Commissioner Robbins** that he agreed with her concerning the air conditioner at the police station.

A generalized discussion took place with **Police Chief Chester** about the three air conditioners.

Commissioner Cooke suggested that bids be obtained so that the commission would know what it would cost to replace them.

City Administrator Findell commented, *“I was looking at the expenditure history for building maintenance for the police department. In 2003 it was \$619; 2004 - \$1,035; in 2005 it was \$868; in 2006 it was \$1,745; in 2007 it was \$514. So I was taking a rough average of the expenditures and recognizing that \$1,000 here and there is not very much.”*

Another discussion took place about the expenditures. **Commissioner Benton** disputed the expenditure of \$1,745 in 2006.

Commissioner Robbins indicated that she and **Police Chief Chester** discussed the possibility of cutting back on office supplies by having the same model of printers throughout the departments so that cartridges could be purchased in volume.

Mayor Duffy concurred and indicated that she had similar discussions in staff meetings where the idea of purchasing paper in bulk to supply the different departments was discussed. She explained that the city could start out with the same printers but eventually,

as the printers wore out and were replaced, the same model would not be available so the city would not be able to save money that way.

Commissioner Robbins suggested laser printers and remarked about the age of the laser printer in the finance department that was purchased in the early 1990s.

Commissioner Cooke suggested that the company that is servicing the air conditioners could provide an estimate on the cost of a new unit or units prior to the present air conditioner(s) breaking down.

Commissioner Benton indicated that it would have to wait until the next fiscal year.

Commissioner Cooke reiterated his stance on the matter as **Commissioner Benton** disagreed.

City Administrator Findell clarified, *"What is budgeted in the repair and maintenance for equipment for this year is \$12,000. However, through June 30th, we have spent \$11,366 for repair and maintenance for the police department equipment"*, noting that the figure concerned primarily vehicles.

Commissioner Cooke reiterated his stance once again noting that getting estimates would not cost the city anything.

Police Chief Chester spoke from his seat in the audience but was primarily inaudible.

Mayor Duffy said, *"There are many ways to "go green"*. She indicated that it might cost more *"up front"* but that the savings would more than make up for it later on.

Commissioner Robbins said she had another question under department 541 – roads and streets. *"I know there's nothing earmarked specifically, unless it's under "other current charges and obligations". For sidewalk repair, for replacement trees, and for trimming – does trimming come in under contractual services?"*

City Administrator Findell answered in the affirmative. He added, *"You also have to remember that what is reflected in here may not have been accounted for – just in here. So, in response to the question, does that also include trees – yes, it can but it may not be reflected in here. It may be reflected in contractual services and general government. It depends on how it was coded. It gets accounted for in one place or the other."*

Commissioner Robbins reminded everyone that Lake Helen was a *"tree city"* and a conversation took place concerning the the rules and expenditures for being a *"tree city."*

Commissioner Ann Robbins asked, *"Sidewalk repair?"*

Commissioner Buddy Snowden answered, *"Ricky just bought a new machine that is supposed to be up to snuff on building sidewalks."* He added, *"They are taking a systematic approach and going down the sidewalks and looking to see which ones need repair. Public works has taken this on as a project, according to my conversation with him."*

Commissioner Benton asked, *"What did that machine cost us?"*

Commissioner Snowden replied, *"Nobody else knew about it either until. . ."*

Commissioner Benton interjected, *"I know he bought one but what did it cost? Does anybody here know?"*

Commissioner Cooke, *"Oh by the way, just a quick one on the trees – Did you see the tree that went down on Main Street?"*

A conversation took place concerning the hazards, some of the trees present to the city.

Mayor Joan Duffy asked if there were any further questions.

Commissioner Robbins responded, *"Under parks and recreation: We've got an old 1988 Chevy truck that's probably under repairs and maintenance of equipment."* She said that there was a previous discussion about the truck possibly needing an engine but there was no allotment for that.

Commissioner Benton asked, *"What's wrong with it? The truck still runs good."*

Mayor Duffy continued, *"Parks and rec. What else do you have on that Ann ? Anything special?"*

Someone spoke from the audience about Henry Whites but was inaudible.

Commissioner Lou Benton, *"Wait a minute. I realize that it's up to them to put a budget together and come in front of the commission every year."*

Commissioner Robbins responded, *"They took it before parks and recreation last year and whatever happened, it never got to the city commission."*

After some discussion, **City Administrator Findell** said, *"That's what the \$12,500 is for – all the activities like that."* He explained that it was up to the commission's discretion as to how they want to spend it.

Commissioner Benton commented that the commission was not concerning itself with the matter of how the city could save money. *"It seems like spending, spending, spending."* He reminded the commission that the city was "in the red" by \$67,750 and commented that all

he was hearing was *“spending, spending, spending.”* He concluded, *“I don't understand it. Nobody's cutting. Everybody's spending. So, what you're saying is, we'll just dig into the taxpayers' pockets?”*

Mayor Duffy denied that was the case.

Commissioner Benton continued, *“**Don (Findell)** has it right here in black and white, \$67,750 that we are over-budgeted by this budget and all I've heard so far is spending money. I haven't heard anybody say where we can cut.”*

Commissioner Robbins asked **Commissioner Benton** if he had any ideas on where the city could bring in additional revenues.

Commissioner Benton asked, *“Why make the deficit higher? You're not looking to balance it because you're looking to spend more money. I don't understand it.”* He added, *“You have not conserved a dollar here yet tonight.”* He continued to reiterate his stance on the matter.

City Administrator Findell said, *“But just to illustrate a point, that's exactly why this budget reflects no expenditures for capital equipment. We've talked about some potential capital equipment expenditures. That's already been taken into account – saving the city money but putting off those capital equipment expenditures until a future year. That's part of what's been done already.”*

Commissioner Cooke commented, *“There's a certain cost factor to run the city. That's what we're riding on right here and now.”*

Commissioner Benton responded, *“And there's waste in the city.”* He said that people know that there is a lot of waste in the federal government, the county government, and all the cities' government. He once again said, *“I haven't heard any suggestions from anybody about where we can save money. I made some suggestions and I got knocked down.”* He reiterated his stance that the departments each needed to cut back \$433 a week to balance the budget.

City Administrator Findell said, *“The commission has listened to you and said that's a good goal.”*

Commissioner Benton added that what he heard was the suggestion to buy new air conditioners to save money. He said he understood the position that the new units would save on energy but noted that the expense would be an addition to the \$67,750 deficit. *“So where are you going to save the money to do this?”*

City Administrator Findell responded, *“And you're exactly right. You may not save any money at all this year.”* He indicated that an investigation should be conducted. *“Things that should be done in that investigation is an analysis that indicates how much it's going to*

cost and how long it's going to take you to recover that cost and then achieve savings beyond that. It's just simply planning ahead. It doesn't mean that you necessarily have to spend the money next year."

Commissioner Benton said that Lake Helen is the only city he knows of where city employees are mowing the grass in front of homes.

Mayor Duffy explained that they were mowing the city's right-of-ways.

Commissioner Benton answered that all cities have right-of-ways but that in all other cities, if there is a city right-of-way in front of a home, the homeowner mows it. *"That's how all cities do it."*

City Administrator Don Findell stated, *"I will tell you that in Casselberry, it also maintains the right-of-way"* but conceded that they may only do so twice a year.

A general conversation took place concerning cities who do or do not mow residential right-of-ways.

City Administrator Findell said, *"Sometimes other cities have adopted ordinances that are specific to this particular subject; where the ordinance requires the property owner to maintain the right-of-way in front of their house. If the city of Lake Helen chose to adopt such an ordinance, then it can be enforced and that would lessen the burden of the city maintaining the right-of-way."*

Commissioner Cooke indicated that most homeowners that have a decent home would cut the grass when they cut their front lawns.

City Administrator Findell added, *"But that's one way the city can take a positive position – by adopting an ordinance that requires that maintenance to be performed by the individual property owner."*

Commissioner Robbins commented, *"We can't do that Don, because it costs money to do ordinances."*

Commissioner Benton indicated that it was costing more money to run, maintain equipment and pay employees to mow the right-a-ways.

Mayor Duffy, *"Thank you. Anything else?"*

Commissioner Robbins responded, *"We've got time to talk about the Creative Arts Café."* She said that she and **Police Chief Chester** discussed the restaurant and noted that certain expenditures should be itemized.

City Administrator Findell said, *"It's probably obvious to you why I didn't do that initially."*

Commissioner Robbins, *“Because you don't have the information.”*

City Administrator Findell answered in the affirmative and added, *“But I'll be working with Cheryl on that and we'll expand this table. There are also some issues that we need to work through before I can be fully confident in what's presented.”*

Commissioner Robbins said, *“I did a little analogy last night on the computer on volusia.org.”* She indicated that there were fourteen (14) houses that are occupied in the Woods of Lake Helen. *“And over the course of a one year period, they have been devalued to the tune of \$1,484,800. Some over \$100,000 in one year.”*

Mayor Duffy asked, *“How does that effect their taxes? Are they still taxed on the original amount?”*

Commissioner Robbins answered in the negative and **City Administrator Findell** said, *“I think what that reflects is, for lack of a better word, the exorbitant pricing structure that was originally established for the subdivision when houses were selling before they finished them as compared to what the market is now. It's reflecting a truer value today than it was two years ago.”*

Commissioner Robbins indicated that one of the houses was accessed, last year, at \$359,500 but now it's accessed at \$230,300. She then commented on how some homeowners taxes came down while others went up.

A conversation concerning that situation ensued.

Commissioner Cooke asked **City Administrator Findell** what the homes in Woods of Lake Helen were originally going to sell for during the planning stages that brought about another discussion concerning the matter.

B) Consideration of proposed millage rate for FY2008-2009 (proposed millage rate provides basis for the tentative property tax notices that are sent out by the Property Appraiser's Office)

Mayor Duffy asked, *“Is there any other questions on this?”* She then said, *“We need to move on to consideration of the proposed millage rate.”* She indicated that Lewis Long had proposed a millage rate last year of 4.2. *“We have the option of staying at 4.2 or moving it up to 4.61168, which is almost 4.7.”*

City Administrator Findell clarified, *“Each year the property appraiser's office prepares a figure that basically says, what would your millage rate be today if you were to generate the same revenue that you generate the previous years.”* He added that the roll-back rate

would have been less than the millage rate each year. *"This year it flipped because the property values went down from \$147,000,000 to \$126,000,000 and as a result the property tax revenue at 4.2 went down as well."* He explained in minute detail how the figures were generated.

Mayor Duffy added, *"And just for your information, this is from Don's memo – for each 1/10th mill change for the rate of 4.2 mills, the property tax revenue projections contained in the budget increased or decreased by approximately \$12,668."*

Commissioner Buddy Snowden said, *"Last year, in this preparatory state, we were advised that this is just the beginning. We don't expect a recovery to come any time in the near future and I think if we make rash decisions now to (inaudible). We've got to become accustomed to tightening our belts as that whole move last year was to break us into that mind-set."* He indicated that the rate was established and he encouraged the commission to continue on with that as he felt it was a wise decision at the time.

Commissioner Robbins asked if the 4.61168 would balance the budget.

City Administrator Findell answered, *"Not quite, but it would be close."*

Commissioner Benton indicated that if the commission wanted to do it the right way, they should have the departments cut back on spending. *"Isn't it better for the city government to cut spending wherever they can, than raise the millage rate or take it out of the reserve for the sake of balancing the budget?"* He said that the departments needed to learn to be conservative. *"It's up to the city government to cut the spending, become conservative, find the waste, eliminate it, and then try to balance the budget."* He reiterated his stance against raising the millage rate or taking money from the reserve to balance the budget.

Commissioner Cooke recalled what all took place on the city commission at this time last year. He felt that since the commission adopted the 4.2 millage rate last year, it was best to continue on with that rate this year for the sake of the taxpayers. He said that next year, the commission can look back to determine if the city had moved forward or backward.

Commissioner Robbins said, *"Buddy (Snowden) is right and everybody does have to tighten their belts and think twice before they spend any money. It's bad now but it's probably going to get worse. I feel bad that we can't give everybody a big raise."* She added that the city employees deserve raises but they understand how the economy has affected the city's budget.

Mayor Duffy said indicated that she had talked to the city employees, too and said that she had cautioned them about spending money *"more than once."* **Mayor Duffy** asked, *"Are we ready to take a vote on it?"*

City Administrator Findell said, *"If I may inject a thought here so that you are thinking*

ahead – just remember at whatever millage rate you ultimately end up adopting in

September, will be the constraining factor for your budget the next year. It's not just a simple matter of just saying "where are we next year." The millage rate might be better or the revenues might be better. Some of your revenue stream might be better, your revenue sharing, your gas taxes, franchise fees and some of those things but your property tax revenue will continue to be constrained by whatever millage rate you establish."

Mayor Duffy indicated that the new property tax cut will also be going into affect.

MOTION by **Commissioner Lou Benton** to leave the millage rate at the present 4.2;
SECOND by **Commissioner Buddy Snowden**. **MOTION** carried unanimously.

Someone in the audience made a comment that was inaudible. **Mayor Duffy** thanked him for his comment and then turned her attention to the agenda.

C) Consideration of future budget workshop dates

Mayor Duffy said that the next item on the agenda was the matter of consideration of future budget workshop dates.

City Administrator Findell explained, "You can have any number of either budget workshops or special meetings to discuss the budget but you have to have two public hearings to adopt the budget." He indicated that it was done by ordinance and said that it was usually done on the second (2nd) and third (3rd) weeks of September.

Mayor Duffy named the dates of 11th of September, which is a Thursday night and the 25th, another Thursday night.

D) Consideration to establish the date for a Special Meeting to hold a public hearing to set the tentative Millage Rate for FY 2008-2009

MOTION by **Commissioner Ann Robbins** that the Special Meetings for the Public Hearings on the budget to be held September 11th for the first reading and 25th for the second reading. **SECOND** by **Commissioner Alan Cooke**. **MOTION** carried unanimously.

A discussion took place as to if future workshops were needed but since the millage rate had been decided on, **City Administrator Findell** didn't feel any work that was unfinished would change the budget.

The Workshop Meeting of the City Commission of the City of Lake Helen, Florida was

adjourned by **Mayor Duffy** at approximately 9:05 p.m.