

**CITY OF DELTONA, FLORIDA  
CITY COMMISSION WORKSHOP MEETING  
MONDAY, APRIL 28, 2014**

A Workshop Meeting of the Deltona City Commission was held on Monday, April 28, 2014 in the City of Deltona's 2<sup>nd</sup> Floor Conference Room at 2345 Providence Blvd., Deltona, Florida.

**1. CALL TO ORDER:**

The meeting was called to order at 5:30 p.m. by Mayor John Masiarczyk.

**2. ROLL CALL:**

Mayor	John Masiarczyk	Present
Vice Mayor	Heidi Herzberg	Present (5:36 p.m.)
Commissioner	Webster Barnaby	Present
Commissioner	Zenaida Denizac	Present
Commissioner	Fred Lowry	Present
Commissioner	Chris Nabicht	Present
Commissioner	Nancy Schleicher	Present
City Manager	William D. Denny	Present
City Attorney	Becky Vose	Present
Deputy City Clerk	Mitch Honaker	Present

Also Present: Finance Director Robert Clinger; Public Works Director Gerald Chancellor, Parks & Recreation Director Steve Moore; Economic Development Manager Jerry Mayes; Deputy City Manager Dale Baker; and VCSO Captain Dave Brannon.

**3. PLEDGE TO THE FLAG:**

The City Commission and staff said the pledge to the flag.

**4. BUSINESS:**

Mayor Masiarczyk opened and closed the meeting for public comment.

**A. Discussion regarding the City's Residential Rental Business Tax Program.**

Deputy City Manager Dale Baker gave a brief presentation covering a list of what the City is trying to accomplish with the residential rental program and requested guidance on how to proceed with Code Enforcement budget forecasts for FY 14-15. He discussed hiring more enforcement officers to enforce City ordinances, possibly increasing the residential rental business tax fee, or eliminating Ordinance No. 11-2007.

During the presentation the Commission and staff discussed not eliminating Ordinance No. 11-2007, current enforcement procedures, what an additional two (2) code enforcement officers would be used for, the need to add more code enforcement officers to enforce all City ordinances, what would make the program successful, the City Attorney thoroughly reviewing all ordinances before the Commission approves them, what the City has to do before it can raise residential business tax receipts, when officers are primarily dedicated to a specific tasks, ways to measure the success in

enforcement of Ordinance 11-2007 if the City hired two (2) more code enforcement officers, current enforcement procedures, Deltona having approximately 3,200 rental properties, rental homes not being eligible for a homestead tax and already pay a higher annual tax, condominiums and apartment buildings not having to pay the residential rental business tax, the ordinance being too invasive, not being able to eliminate the ordinance and completely rewrite it because it is controlled by a State Statute, the City getting ahead on the future increase of residential rental homes, the Commission being the body that puts "teeth" in code enforcement fines by not reducing the fine, having extra officers that can do the needed face to face contact with residents, defining what is meant by "beautifying the City", different opinions of what is aesthetically pleasing, citation collection procedures, the City not being able to legislate personal pride in the appearance of residences, what to do about repeat ordinance violators, checking into the possibility of prohibiting a land owner from renting property that is in violation of the ordinance, prohibiting utility hook-up if a property owner is in violation at one of its other rental properties, a City lien being subordinate to a mortgage, Special Magistrate and Volusia County Court fine processing procedures, the amount of time it takes for a code enforcement call to be scheduled due to a lack of code enforcement officers, where the funds to pay for two (2) more code enforcement officers would come from, making the problem (violators) pay for code enforcement violations to deter bad behavior and to cover the costs of more officers, the Commission needing more statistical data/facts before making a decision, the ordinance needing to zero in on making the community better and a business license being the cost of doing business.

There was discussion regarding the business tax receipt process and how long it takes to raise the fee, the City Attorney preparing bullets on how long the process for raising the business tax receipt would take, and the desire to have the information before the budget process begins, but being able to adjust the budget during the budget review process if the information was not available.

**After discussion, the Commission concurred to support hiring two (2) additional code enforcement officers during the budget process, rewriting Ordinance No. 11-2007 to give it more "teeth", and the City Attorney writing bullets on the process for raising the business tax receipt fee.**

**B. Discussion regarding the City's transportation needs and potential funding sources.**

Public Works Director Gerald Chancellor gave a presentation on the City's transportation needs.

The Commission and staff discussed currently funded street and road projects, planned signalized intersections on SR-415, unfunded street and road projects, future transportation funding needs, Tiger Grant project funds, how to fund the remaining unfunded projects, how the ranking order of unfunded projects was developed, the transportation fund being a separate fund not supported by any property taxes, and the annual recurring transportation fund surplus for City projects of approximately \$400,000 dollars.

The Commission and staff discussed the pros and cons of three (3) transportation funding options; option one (1) to use the annual surplus on a pay as you go basis, option two (2) to refinance the existing bond with no change in annual debt which would raise about an additional \$10 million of new money, and option three (3) to refinance the existing bond for an additional debt service which

would raise about \$17.4 million of new money, but the annual \$400,000 dollars would not be available for pay as you go projects.

Also discussed, the City's current transportation bond, possibly putting some of the revenue from options 1 and 2 as presented by staff in reserve, quickly getting infrastructure in place, options 1 & 2 buying time to sort out other transportation revenue sources, possibly getting a voter approved debt service millage rate increase, being able to verbalize the importance of the service millage rate to residents, and raising the millage rate by 0.68% which would equate to an approximate cost to residents of \$2.00 per month per household.

Commissioner Barnaby stated that he appreciated staff's hard work, he is against raising the millage rate under any circumstances, he believes the City needs to build more sidewalks for the safety of children walking to schools, that he could go with either option 2 or option 3 presented by staff, the City needing to get the roads situated as quickly as possible, and he apologized that he had to depart early.

Commissioner Barnaby departed at 7:00 p.m.

Commissioner Denizac stated that at first glance she feels pretty comfortable with option 2 as presented by staff, the City really does need to invest in putting in more sidewalks in accordance with the City's school radius plan, she will not support raising the millage rate, and she apologized that she had to leave early.

Commissioner Denizac departed at 7:00 p.m.

The Commission and staff discussed the Commission's sidewalk policy, the total costs to complete the sidewalks needs in today's dollars being approximately \$14.35 million, sidewalk shortfalls in Deltona, elementary schools being the majority of the costs to complete a two (2) mile radius around all schools in Deltona, only needing \$215 thousand to complete sidewalks within ½ a mile radius from elementary schools, costs of sidewalks at various distances from elementary, middle and high schools, all new road projects to install sidewalks on both sides of the road, an increase of one (1) percent in the millage rate raising approximately \$1.2 million, sidewalks being a safety issue more than a resident complaint issue, the Commission staying strong about having sidewalks installed in a neighborhood for safety issues even if the neighborhood residents do not want a sidewalk, dedicating sidewalk funds in the FY 14-15 budget, working off the Commission approved sidewalk priority list, the General Fund being the only source for sidewalk projects, possibly bonding out the entire sidewalk project, the current contract with a local sidewalk company, the transportation bond can only be used for transportation projects and not sidewalks, obtaining a voter approved service millage increase to fund sidewalks, what other cities are doing to fund sidewalks, home owners who have already paid into the Sidewalk Fund, the City having 460 miles of roads, all residents needing to pay for sidewalks, how to make the importance of raising funds to put in sidewalks more palatable to residents, doing what is morally right, finance determining the most economical way to fund sidewalks and the Commission agreeing on a sidewalk plan, developing a five (5) year sidewalk plan, using a portion of the reserve for funding this year's sidewalk projects, sidewalks being part of future road widening projects, sidewalks being needed on neighborhood roads and not major thoroughfares, the Commission not designing

the project, agreeing on the dollar amount to spend and to take out of reserve for putting in sidewalks with the emphasis being on finishing a ½ mile radius around all Deltona elementary schools, and that this year's sidewalk fund has been depleted.

**After discussion, the Commission concurred to support taking money out of reserve for funding this year's sidewalk projects, with emphasis on putting in sidewalks within ½ mile radius of Elementary schools.**

**C. Discussion regarding FY 14/15 budget strategy.**

Finance Director Robert Clinger gave a brief presentation on the current status of the FY 13-14 budget, Deltona's 10 year history of property tax revenue collected by the City, revenue not going up in the past 10 years, property taxes not being increased by the City, the apparent millage enigma and millage being the most widely misunderstood part of the budget, annual cost increases being attributed to providing services, analysis of typical County resident property tax bill, population of a city being the most significant factor that determines the need for municipal services, looking at the cost of services divided by a city's population, the cost of services per resident is essentially the same for all Volusia County residents, a comparison of what city's revenue would be if every city collected the same millage rate, Deltona having the highest population with the lowest property taxes collected, challenges and new funding issues facing the City in the FY14-15 budget process, the Commission deciding what is most important to fund, and the City finishing under budget again for the FY 13-14 budget year.

During the presentation the Commission and staff discussed putting numbers to the upcoming FY 14-15 budget, being too cautious in estimating revenues in prior years, not seeing any change for this coming year in the status of the communications tax legislation, a grant of \$550,000 dollars for Deltona storm water projects is approved in the legislative budget, but it needs to be watched to see whether or not the Governor's office veto's it or not, making sure the City has matching grant funding set aside, unencumbered reserves being approximately \$4.5 million, and the Commission commended the Finance Director for being very good with forecasting and monitoring the budget.

The Commission discussed Community Redevelopment Areas (CRA) and other cities creative funding sources, the value of homes in Deltona, the effect of property values on the budget, how a large business like the power plant in DeBary provides a City with the ability to keep a low millage rate, the complexity of the annual tax rate, the effect of the Homestead Act on the budget, and property taxes only being able to increase by 3% per year.

**After discussion, the Commission concurred to have staff move forward with the proposed FY 14/15 budget strategy.**

**5. CITY MANAGER COMMENTS:**

City Attorney discussed getting rid of the residential rental business license tax ordinance and establish a regulatory license assessment policy, funds from the assessment fee could only be used for Code Enforcement.

Mr. Denny stated that he has decided to retire and he requested the Commission extend his current contract from June 30, 2014 until the end of August which would see the City through the budget process, he would then retire at the end of August. He stated the Commission and staff needed to discuss the types of advertisement and procedures to use to hire a new City Manager, and that he would be available for the new City Manager should he/she have any questions, concerns or comments.

**After discussion, the Commission concurred to set a date for a workshop to discuss methods to use to search for, and hire a new City Manager.**

Commission Nabicht asked if the City could charge a business located outside of Deltona a business tax license fee to do work in the City, and Mrs. Vose replied that she would look into it.

Commissioner Nabicht discussed the Deltona Economic Development Advisory Board (DEDAB) being assigned the task of researching the idea of a performing arts and historical facility in Deltona.

**After discussion, the Commission concurred to have the City Manger ask DEDAB to research the idea of a performing arts and historical facility in Deltona.**

**6. ADJOURNMENT:**

Mayor Masiarczyk opened and closed the meeting for public comment.

There being no further business the meeting adjourned at 7:57 p.m.

  
Mitch Honaker, Deputy City Clerk