

City of Palm Coast

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Meeting Minutes City Council Workshop

Mayor Jon Netts
Vice Mayor Jason DeLorenzo
Council Member David Ferguson
Council Member William Lewis
Council Member Bill McGuire

Tuesday, August 26, 2014

9:00 AM

Council Conference Room

- >Other matters of concern may be discussed as determined by City Council.
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A. Call to Order

Mayor Netts called the meeting to order at 9:00 a.m.

- B. Pledge of Allegiance to the Flag
- C. Roll Call

Records Coordinator Barbara Redline called the roll. All members were present.

Present: 4 - Mayor Netts, Vice Mayor DeLorenzo, Council Member Ferguson, and

Council Member McGuire

Excused: 1 - Council Member Lewis

D. PRESENTATIONS

1 14-310 RESOLUTION 2014-XX AUTHORIZING THE CITY MANAGER TO

NEGOTIATE A CONTRACT WITH BILLY CASPER GOLF FOR THE

MANAGEMENT OF THE PALM HARBOR GOLF CLUB

Attachments: Resolution for Palm Harbor Golf Club Management

RFP Evaluation - Preliminary Rankings

RFP Evaluation - Final Rankings

Ms. Luanne Santangelo, Parks & Recreation Director, gave a PowerPoint presentation (attached to these minutes). Mr. Chris Quinn, Finance Director, was

available for questions.

-Evaluation Team Process:

VM DeLorenzo - He believes Cypress Head is a municipal golf course; are the other ones municipal golf courses also? Ms. Santangelo - Ocala is yes, Plantation is a public course but with memberships.

-Evaluation Team Ranking:

CM McGuire - How much of a differential would you say exists between Billy Casper and Kemper? Ms. Santangelo - The real difference was based on the information they provided and our goal of continuing to have our Palm Harbor Golf Club be sustained for our future, and we felt that Billy Casper Golf provided to us an opportunity to reach that goal at some time in the future; it was really about long term sustainability.

CM McGuire - The decision was more of a subjective one than a statistical one? Ms. Santangelo - Yes, based on the information they provided and proposed; based on the programs, marketing; all of that information. We did not look at the financial information and budgets knowing that is something we will look at as we negotiate a contract.

-Why Billy Casper Golf:

CM McGuire - Looking at programming strategies, what is Billy Casper going to do that Kemper doesn't already do? Ms. Santangelo - It wasn't so much what one does over the other, it was what they were proposing to implement at our facility and that was really a variety of pricing and benefit options. Player development for example, they had different tiers and structures for those who wanted to develop their game with a low price point offering basic type of service, whereas a higher price point would offer amenities or benefits and open use of the driving range, etc.

Mayor Netts - What is the proposed term for this new contract, is it another 5-year or 3-year contract? Ms. Santangelo - 3+1+1 probably.

Mayor Netts - If we go with Casper, he is assuming we are going to lay out the same objective to move this thing to break even; do they start at ground zero? Ms. Santangelo - Yes, they are looking at an increase in rounds of play initially and basing that on their ability to bring new players in, course conditions; those areas to bring people in to play at Palm Harbor Golf Club and play more; that is part of their strategy to grow more players at our location.

Mayor Netts - Does the proposed contract, either with Kemper or Casper, have some kind of incentive built-in and if they don't deliver they will lose this or won't get that? Ms. Santangelo - There is in the current agreement that we have, the incentive program and it was proposed within the submittal with Billy Casper Golf; that incentive once they reach a certain revenue dollar value over the net revenues of the course, that the incentive will come into play and that was in their proposal.

CM Ferguson - Have we been able to audit (see or has it been disclosed) the other 9 municipal golf properties whether they are break even or profitable or unprofitable? Ms. Santangelo - We asked them for some information regarding where they have come in, transition to their management and of their results of those transitions; we do have information. Mr. Quinn - Specifically with the Ocala Golf Course (similar to ours wrapped inside a neighborhood), they have lost money over the last few years but there has been an improvement trend there; they fully anticipate doing even better this year. One of the things that was interesting from our standpoint was that they (Billy Casper) acknowledge that the industry is struggling and hard for municipal

golf courses to break even. They had all these different strategies in place to push play to the golf course; that was the thing that what was a little different about their presentation and conversations we had with them.

Mayor Netts - Stated he received 40-50 emails, they cite very positive reaction to the existing program; they like the staff, service level, the restaurant, wait staff, food, etc., when you change management companies at what level do existing employees go out with the old. Is there any guess as to how many of the existing staff will be rehired by Casper? Mr. Quinn - With our existing Kemper contract basically, if there is a turnover the only folks that we can't (without Kemper's permission) offer a job to is the general manager, golf pro and the head groundskeeper/superintendent (top 3 positions).

CM McGuire - Have you met the person who would manage this facility; has that person been identified? Mr. Quinn - No, they would have to bring to us here are some people that are our top candidates to manage our facility; typically that is how it works.

CM McGuire - This was a good presentation by Luanne but it is basically the same as the Kemper presentation; what makes Billy Casper better than Kemper? It seems to him that one of the things is, what is the quality of the manager that is going to come in and manage this facility, because in his experience that is the deal breaker.

VM DeLorenzo - Ocala Golf, how long has Casper managed that? Ms. Santangelo - They have been there since 2009. Mr. Quinn - They have renovated the facility also; still operating at a loss but the loss has decreased.

Mayor Netts - How does that compare to Kemper's track record? Mr. Quinn - We have actually going a little bit the other way; our negatives have been slowly increasing the last couple of years; difficult comparison - course to course.

VM DeLorenzo - The administration was not happy with the management team that was there (Ocala Golf) so they were trying to improve it? Mr. Quinn - Yes.

VM DeLorenzo - How is Cypress Head doing financially? Ms. Santangelo - Financially, they are probably one of the few golf courses that is in the black and have been for at least the last 2 years.

VM DeLorenzo - It's an older course, right? Mr. Quinn - Yes, we established, you're actually allowed to drive the golf carts through the neighborhood to the golf course; differently dynamic; he thinks the people that move there specifically for the golf course.

-Why Billy Casper Golf?/Local Regional Team:

Mayor Netts - How does that compare to Kemper's regional management? Ms. Santangelo - The regional manager is in South Florida and the majority of the other staff are located in Chicago.

-Transition:

CM McGuire - The 70 transitions we are talking about he assumes these are operations that Billy Casper took over from someone else. Do they have any other stories; how many contracts have they been excused from? Ms. Santangelo didn't know that number but will get that number for the next meeting.

CM McGuire - Have you had input from Matt Dunn from the TDC (Tourist Development Council); does he have any experience with Billy Casper? Ms.

Santangelo - He did not mention Billy Casper but did mention his work with our golf staff now for upcoming events, etc.

-Evaluation Team Recommendation:

CM McGuire - Would this contract include any escape clause; subject to an annual review for example? Ms. Santangelo - Yes, changes made would be a greens committee to get a full overview of all the services being offered regardless of who the manager may be at the golf course.

Mayor Netts - His sense is that we are not going to improve profitability by squeezing more rounds out of our existing players; they are already happy, enjoying their experience, like the restaurant, etc. It seems to him, how do we increase the rounds of play and that is by attracting new people and is not sure he sees that addressed by either Kemper or Casper; what is your sense on that? Ms. Santangelo - She thinks we would have the opportunity to work with Casper because that is a priority and she equated that to Tennis; they implemented a U-10 program (youth tennis) to make it more enjoyable for kids. Golf hasn't made it there yet.

Mayor Netts - In the literature that the City distributed, it indicated that the selection committee interviewed golfers; can you get the names of the golfers interviewed? Mr. Quinn - We didn't ask names we just asked people on the golf course.

CM McGuire would like to see a resume` from the tentative manager of Palm Harbor Golf Club; he wants to see who Billy Casper Golf would put in; he doesn't want Palm Coast to be a training ground for new golf managers. Ms. Santangelo and Mr. Quinn agreed.

CM Ferguson - We talk about sustainability, but what we are really talking about is how much we can subsidize for golf; he has a history of playing golf; there is this issue of Billy Casper promising to be less penalizing to the City. How much of the staff's committee was based on this feeling that maybe over 3-5 year period the City would have to put out less money to subsidize the golf course? Mr. Quinn - It is certainly a concern; the idea being that we didn't want to put anyone (City Council or management) in the position to say that the golf course is just drawing too much on general tax revenues: that the City Council is forced to consider selling it and closing it or anything like that. We want to get to that point where the golf course is as sustainable as possible. What struck him as part of the review committee was that they have a whole list of specific type programs that we are not doing now. They also had a more scientific approach to their marketing than he thinks we are getting right now. They spoke of these ways to improve the revenues at the golf course. There is no guarantee and Casper was clear on that but they were telling us what they were going to do that was different to try to help us get there. We did not get that level of discussion or detail from the other candidates while going through this process.

CM McGuire - Was the committee unanimous in this recommendation? Mr. Quinn - He didn't know who voted for who but the results of the voting was Billy Casper was number one and the other two were tied for second.

Mayor Netts - Was it a numerical ranking? Mr. Quinn - Yes.

Mayor Netts - Having a good viable golf course is part of the overall package that we provide; right now his sense is that the group in the red shirts present (audience) is happy with the golf course as it currently exists; it would be disastrous to change management companies and have the quality of the golf course go down. The only reason in his mind is the possibility of increasing rounds of play and increasing profitability but with the assurance that the quality of the experience doesn't go down.

Obviously, we would like it to be as close to break even as possible or even make money; the less we have to depend on tax dollars the better off we are going to be. What he is looking for from Casper (or staff from dealing with Casper) is that they can assure us that the quality of the experience will not be diminished (frontline folks). He would like to hear some assurances that if Casper should get the contract; not just to say retention is one item on the list but that becomes a real factor, motivation, intent and promise because that is where your quality of golf comes from; it's the people aspect and secondly the quality of the course itself. He asks staff to talk to Casper and Kemper to hear more about that.

VM DeLorenzo - Did you talk to other municipalities about their experience from a management to manager point of view? Ms. Santangelo - She did reach out to Ocala (which is under their Parks & Recreation as well); but she has not yet been able to talk to them to see what her experience is with Billy Casper Golf.

Mayor Netts - What is the proposal going forward? Ms. Santangelo - Tennis, we are looking to rebid for services; people who were interested didn't have time to respond to the proposal.

The Resolution was Continued.

E. WRITTEN ITEMS

2 14-302

RESOLUTION 2014-XX APPROVING PIGGYBACKING THE GSA CONTRACT #GS-07F-9711G WITH BREATHING AIR SYSTEMS, INC., FOR THE PURCHASE OF A BREATHING AIR PURIFICATION SYSTEM

<u>Attachments:</u> Resolution - Breathing Air System

Contract Summary -Breathing Air Systems

Quote - Breathing Air System

Mr. Gerard Forte, Deputy Fire Chief, gave an overview of this item.

Mayor Netts - What is GSA? VM DeLorenzo responded, "General Services Administration."

CM McGuire - Is this comparable to a scuba diver tank? Mr. Forte - Same concept but different connecting parts that go into it.

CM McGuire - But the amount of psi (pounds per square inch) put in the tank is that comparable? Mr. Forte - It is still compressed air, same breathing concept. He expressed they would have to get the part that would satisfy the regulations.

Mayor Netts - What do you do with the old compressor? Mr. Forte - It is in good shape; we don't necessarily need to get rid of it (it is just not up to the capacity to fill the new air bottles); it can go to a backup condition at Fire Station 24 (Palm Harbor station), because we still have some air packs left over from the new purchase that we can still use for training, etc.?

CM McGuire - What about the air compressors the County Fire Department or Flagler Beach uses, is this compatible with theirs? Mr. Forte - Their bottles are also 2,500 or more so they also have the larger system. Our system was a 2,216 air pack so our air packs were at 2,200 psi.

CM McGuire - So if you go out on a large forest fire, where you are working with the County or other municipalities you want a piece of equipment that is compatible with what they use? Mr. Forte - Correct and for the most part these all work interchangeably and what the County has is a mobile trailer that we have in a large scale that we could always call out at any point.

VM DeLorenzo - How many psi? Mr. Forte - That is a 6,000 psi trailer with the bottles.

VM DeLorenzo - Why can't we do an interlocal agreement? Mr. Forte - Because the availability of having that trailer taken out, it's always housed at the County, and we are regularly filling our bottles within the City on our own.

VM DeLorenzo - How often do you use the bottles; and how long? Mr. Forte - We use them every day; it usually less than 10-15 mins. to fill a bottle; you have to fill it slowly.

CM McGuire - What exactly are we piggybacking here (multiple purchases)? Mr. Forte - This is part 1; the air packs that are being purchased in the near future are coming off of a grant, so in order to get the air packs we had to go out to bid, the bids will come back on 9/2/14. What you are seeing today is the compressor which is going to supply the capacity air towards the air packs when we get them. City Attorney Reischmann - The contract being piggybacked is the one between Breathing Air Systems, Inc., and the GSA. Mr. Forte - The compressor itself is a Bauer which is the same compressor that we use today that we have had success with.

The Resolution was Continued.

3 14-303

RESOLUTION 2014-XX APPROVING A CONTRACT WITH FLORIDA METER SERVICES, INC., FOR TESTING AND REPAIR OF REVENUE AND WELL METERS

<u>Attachments:</u> Resolution - Meter Services

Contract Summary - Florida Meter Service

Bid Opening Tab-Meter Services

Mr. Randy Zaleski, Utility Systems Manager, gave an overview of this item.

Mayor Netts - Revenue meter, being? Mr. Zaleski - Revenue meter being for big complexes like condos or big user (master meters); not residential, anywhere from 4" up to 10" and we also have, for the interlocal agreements, we have with Flagler Beach and Bunnell and Hammock Dunes where we have those emergency interconnects where they can supply us with water in an emergency and we can supply them water in an emergency.

CM McGuire - Potable water? Mr. Zaleski - Yes.

Mayor Netts - Out of curiosity, what is a well meter? Mr. Zaleski - A well meter is, each well is metered, so we have to (per CUP - Consumptive Use Permit) maintain, give them report of how much water is drawn from the ground, how much of a processing and how much is sold.

CM McGuire - How much money are we talking about? Mr. Zaleski - This year \$57,000 for the two divisions that are having the work performed

Cm McGuire - How is that budgeted? Mr. Quinn - Any of the meter maintenance is

budgeted within the departmental budgets.

The Resolution was Continued.

4 14-308

RESOLUTION 2014-XX APPROVING A CONTRACT WITH GEM STONE CONTRACTORS, INC., TO PERFORM LOCATES OF UNDERGROUND UTILITY LINES AND FIBER OPTIC NETWORK CABLES

<u>Attachments:</u> Resolution - Underground Utility Locates

Contract Summary - GEM Stone Contractors

Bid Opening Tab - Underground Utility Locates

Mr. Zaleski gave an overview of this item as well as the previous item.

VM DeLorenzo - It seems like it is split between three departments (Information Technology, Utility Distribution and Utility Collection) and the total is \$310,000? Mr. Zaleski - Yes it is this year, and this is an estimate too.

VM DeLorenzo - \$67 per call? Mr. Zaleski - No. It is \$67 but that is a total of the locate (\$7 and there were three other items on there) so to make it the most equitable way that we could tell who was the lowest bidder was we had a compilation of all of the four of them (locate, asking for extra ground penetrating radar services, vacuum excavation and for wire line services). In the documents attached it has it broken down.

The Resolution was Continued.

5 14-314

RESOLUTION 2014-XX APPROVING A FLORIDA DEPARTMENT OF TRANSPORTATION LOCAL AGENCY PROGRAM AGREEMENT FOR THE RIGHT-OF-WAY ACQUISITION PHASE OF THE OLD KINGS ROAD WIDENING PROJECT

Attachments: Resolution-Old Kings Road Widening FDOT LAP Agreement - ROW

FDOT LAP Agreement-ROW

Mr. Carl Cote, Construction Manager, gave an overview of this item.

No Council comments.

The Resolution was Continued.

Public Participation

In accordance with Section 286.0114 Florida Statutes, any member of the public interested in speaking on any proposition agendaed or that Council discusses or considers during this workshop, will be afforded the opportunity to speak during public participation at the next City Council Business Meeting. Contact the City Clerk's office for the meeting date, time, and location at 386-986-3713 or cityclerk@palmcoastgov.com

F. DISCUSSION BY CITY COUNCIL OF MATTERS NOT ON THE AGENDA

CM McGuire mentioned he and CM Ferguson and he named a list of others were at the canvassing board meeting at the Supervisor of Elections (SOE) office on 8/25/14 and the SOE remains extremely critical of the way the City handles the situation at the Community Center relative to voting and the biggest criticism to the reserved parking. Her allegation is that because other events are happening concurrently, that people are pulling into those handicapped parking spaces and they might be there for three hours or more and she feels the other activities should be discontinued during early voting and that was discussed at great length. Also discussed in that meeting, was the ballots that were being given out at the polling places, there have been several that said they were given the wrong ballot. The SOE asserted that it is the voters' responsibility to make sure they get the right ballot and not the SOE's responsibility. There are still some issues regarding voting. When this voting period is over, we as Council need to take a look and see what, if anything, we can do to make voting even better then it is. He has gone down and met with Ms. Santangelo every day during early voting and it was going very smoothly. She conducts an hour by hour account of how many ballots were cast. He thinks the biggest hour to date was 29 votes cast during that hour. The question comes up how many parking spots should be reserved for voters and what about the handicapped parking facilities, those remain hot buttons for the SOE. One of the things he is going to suggest before the next election which will be in November, is taking the golf cart from Indian Trails and putting it down at the Community Center and anybody who can't park in a handicapped parking space for any reason, we would have a shuttle service available and he would like the Council to consider that prior to November.

VM DeLorenzo - The River to Sea TPO (transportation planning organization) meets tomorrow 8/27/14 and we are officially a voting member so on the agenda for tomorrow is the priority projects list and some of projects are on there; fully funded is the Old Kings Road Extension, and partially funded projects include: Old Kings Road Widening (Palm Coast Parkway to Forest Grove), Old Kings Road Extension Phase 2 (Matanzas Woods Parkway to Old Kings Road) and Matanzas Woods Parkway 4-Laning and State Road 100 Widening as well as from a different pot of money, the Seminole Woods Path.

CM McGuire - The Old Kings Road Extension, is that the one that goes behind the high school to connect with Matanzas Woods prior to the overpass? VM DeLorenzo - That is correct.

CM Ferguson - What about the timing for the Old Kings Road Widening, is that stated in there that it is funded, priority? VM DeLorenzo - It is fully funded so he thinks it has moved up in the schedule. Mr. Cote - The extension is fully funded for the first phase that from Forest Grove to Matanzas, but the widening, there is no construction funds for yet. That is where it is on the priority list, to seek construction funds.

Mayor Netts - Driving over the I-95 overpass they are pouring the nice new guardrails/concrete dividers and then they stop and there is an old existing one 6 ft. further south; what is going on there? Mr. Cote - There is going to be a barrier between the traffic lane and the sidewalk.

Mayor Netts - So the old barrier that is further south will remain on the bridge itself? Mr. Cote - Correct, with a chain link fence.

Mayor Netts asked the City Attorney to speak of the court hearing 8/25/14. Attorney Reischmann - As you may be aware, there has been a lawsuit filed sometime in the past by Plaintiff, Mr. Dennis McDonald who made certain assertions about a project and alleged we were in violation of various laws; the City responded and defended that lawsuit and ultimately it was dismissed. At that point in time, under the Council and City's direction we sought from the plaintiff and his attorney, recovery on behalf of the taxpayers, the money that had been spent to defend that lawsuit on the

grounds that it was not supported by viable law or facts. That motion had been scheduled previously (5/2/14) and it was continued because of non-appearance of the plaintiff. It was rescheduled for 8/25/14. Our office appeared, plaintiff's attorney was there and stipulated to the City's entitlement (bifurcated or divided process which means that an award to the City of costs that the spent in the litigation and an entry of an order where the Court specifically found that the lawsuit was indeed superfluous; it was not supported by law or fact and that the Court would schedule a hearing if necessary to determine the amount of those fees that the City should be entitled to from the plaintiff and his attorney to be repaid back to the City and into the general fund for the monies that have been spent to defend this superfluous lawsuit.

Mayor Netts said in the news media Mr. McDonald is now contending that we somehow forced the issue and he was not given adequate time. Who set the date for yesterday's hearing? There was responses from Attorney Reischmann and CM McGuire how the hearing was scheduled for 8/25/14, which was the judge called from the courtroom on speaker phone to plaintiff's attorney and asked if certain dates would be acceptable to him and 8/25/14 was decided on.

Mayor Netts stated even if we receive a full refund, we have wasted a lot of staff and attorney time and a waste of public resources.

G. DISCUSSION BY CITY ATTORNEY OF MATTERS NOT ON THE AGENDA

No comments.

10:07-10:12 a.m. five minute break.

H. DISCUSSION BY CITY MANAGER OF MATTERS NOT ON THE AGENDA

The City Manager was excused from this meeting.

6 14-265 PRESENTATION OF FINAL PROPOSED FISCAL YEAR 2015 BUDGET AND MILLAGE RATE

Mr. Chris Quinn, Finance Director, assisted by Ms. Lina Williams, Budget & Financial Analyst, gave a PowerPoint presentation (attached to these minutes).

-2014 Millage Rates:

CM McGuire - So, when you talk about the millage rate, if you had a public service tax that is not part of your millage rate? Mr. Quinn - It is not part of your millage rate.

Mayor Netts - Can you estimate if we had a public service tax, what would our millage rate be assuming derive extra revenue? Mr. Quinn - It was just under \$4 mil. that would be collected with the public service tax, so basically our millage rate would drop by at least a third.

Mr. Quinn presented property tax example charts (attached to these minutes) based on his house which is an average house in Palm Coast.

-General Fund:

CM McGuire - That purchase (Bulldog Drive/Ajram property) has been consummated, has it not? Mr. Quinn - Yes, all done.

-Golf Course Fund:

CM McGuire - What is the operating transfer, Mr. Quinn - That is the funding from the general fund to make up for any deficits in operations.

CM McGuire - That is how much the taxpayers are subsidizing the golf course? Mr. Quinn - Yes.

-Tennis:

VM DeLorenzo - Charges for services, they are the fees paid at the Tennis Center right? So, we have increased revenue by \$18,000, but we have also had to increase the transfer by \$15,000. Mr. Quinn - For this particular year, yes. What has been happening over the last couple of years is some of the maintenance costs were not being born by the Tennis Center (but Parks & Rec), so it is a little skewed because of that and now we are trying to get it all consolidated into one place

-Information Technology (IT) Fund:

CM McGuire - How do you decide how much to take out of here and put into the fleet fund? Mr. Quinn - First we took a look at what we had for all of our existing communications equipment; what the value of that equipment was and how quickly we wanted to recoup that money and build up that replacement fund for that equipment.

CM McGuire - But IT Department is set up like a stand alone business, so how do your reconcile the transfer of funds from here to the fleet fund; wouldn't it be better to allocate the other way around? Mr. Quinn - What was happening was in this particular IT fund those transfers were being transferred from all the other departments to the IT Fund, so instead we just redirected those transfers to the fleet fund.

-Building Permits Fund:

VM DeLorenzo pointed out that the change from \$1.2 mil. to \$1.5 mil. (permits, fees and misc. in FY 2014) is economic growth. Mr. Quinn - Absolutely, a major indicator of commerce within the community.

-Utility Fund:

CM Ferguson - Rate increase effective the last part of October is 4%, so that would reflect the full year? Mr. Quinn - Yes, it's 4% on average, the overall rates went up a little higher; the wastewater rates went up a little higher than the water rates went up so it doesn't come across as a straight 4% increase because of that. The amount of rain we get really affects the amount of revenue we have because the less water we produce affects both water and sewer revenues significantly. This revenue comes right out of the rate study.

VM DeLorenzo - Why such a large increase in customer service expense? Mr. Quinn - One of the big things we are trying to add is advanced billing services; where your bill actually shows up at your bank online; we budgeted for it in case we are able to get it to work out.

-Utility Fund/Water Operations Summary slide:

CM McGuire - Will ZLD (zero liquid discharge project) cost be ongoing or is that a one time shot to get it converted? Mr. Quinn - Ongoing; this is the additional operating costs in chemicals, electricity, etc.; this is our best estimate right now; we will know more after a year.

-Stormwater Fund slide:

CM McGuire - Storms have knocked out a lot of electrical equipment for stormwater; do we budget for that? Mr. Quinn - Hopefully, insurance will cover a lot of that.

-CDBG (Community Development Block Grant) Fund:

CM McGuire - The \$54,000, that is not spent; does that roll over into the following fiscal year. Mr. Quinn - Basically, it rolls over and we show it to Federal Government - CDBG folks.

CM McGuire - Are you allowed to go out to bid for administrative costs? Mr. Quinn - Yes. and we do.

-Police Automation Fund:

CM McGuire - How do you estimate the revenues for this fund? Mr. Quinn - Historical.

CM McGuire would like to know how many lapel cameras are in play right now. He thinks it is a good idea to for all Sheriff Deputies to have lapel cameras.

-BAC (Business Assistance Center) Fund:

CM McGuire - Thought we were dealing with the Intracoastal Bank on that (City loan program)? Mr. Quinn - We have been trying to deal with Intracoastal Bank, but they primarily do commercial loans but related to real estate; not necessarily lines of credit, etc.

-Health Insurance Fund:

Mayor Netts - Have we done any comparisons over the last couple of years between the City's (MediQuick) and the County's (Care Here) programs? Mr. Quinn - He is not sure about the County, but the School Board has a similar model to ours and is ending their first year of doing that. He has had a few discussions with the finance director there and hoping that once we get to September or October we will be able to find out how their program worked. We can certainly ask questions.

Mayor Netts - He likes our model because it is local. Mr. Quinn - Brown & Brown, our insurance broker, still holds out Palm Coast as a model for this kind of thing; we are ahead of the curve.

-Fleet Fund:

CM McGuire - Transfers from the utility and general funds are pretty sizable changes; what happened there? Mr. Quinn - When a department requests a new piece of equipment that is not currently in the fleet, they have to pay for it. The fleet fund doesn't have the money to buy a piece of equipment that we haven't had before; it's just there to accumulate funds to repair and replace existing pieces of equipment.

-Fleet Fund/Capital Improvement Plan:

CM McGuire - How are fuel charges capital? Mr.Quinn - These are not capital, the fuel charges, the actual expense is down (on the slide) in operating. At least half the fund is capital; it's really a hybrid plan.

-Utility Capital Improvements Fund:

CM McGuire - Will the additional water produced by the ZLD program, negate some of the need for wellfields and wells? Mr. Richard Adams, Public Works Director - ZLD will negate the need for some future wellfield capacity because the ZLD creates capacity from what used to be disposed of in the canal but the wellfield capacity that we are budgeting is primarily to increase the number of wells at Water Plant 2 and reduce the production out of the existing wells because of water quality issues; we have to spread that pumping out.

CM McGuire - So, \$2.35 mil. gets us how many additional well heads? Mr. Stephen Flanagan, Utility Development Manager - Roughly, to drill the well and implement the well is in the neighborhood of \$4 mil. (pipelines that come to it, etc.). What you are

looking at is an implementation of a southern wellfield project which is basically eight wells and the combined pipeline to get it to the wellfield, the pumping system, drilling the wells and all components that go with the wells. In 2015-2016, we are looking to implement as many of those eight wells as we can. Right now, we are doing four wells based on the money in the budgets.

CM McGuire - And to add the four wells along with the pumps and piping is over \$2 mil.? Mr. Flanagan - It will be closer to the 2015-2016 columns combined = \$4 mil.

CM McGuire - Then you are coming back in 2017-2018-2019 with another \$8 mil.+? Mr. Flanagan - Yes, based on the estimates/numbers we received.

CM McGuire - At the end of FY 2019, how much will we have increased our water capacity? Mr. Flanagan - He didn't know the numbers at this time, but the growth right now that we are looking at based on our studies and the BEBR (Bureau of Economic and Business Research) results are in the neighborhood of 2.5-3% and we expect that to pick up based on what the economy is doing.

Mayor Netts stated the wells die out in time and need rehabbing or new wells. Mr. Adams - Yes, when we totally rehab a well we capitalize it. Mr. Flanagan - Those dollars are in that budget line item too because that is a summary of those areas.

-Streets Improvement Fund:

VM DeLorenzo - Are we evaluating where we put them (regarding the traffic signal cabinet replacements due to accidents)? Mr. Quinn - He will bring that up at that next infrastructure team meeting. Mayor Netts also suggested concrete barricades, etc., for protection.

-Recreation Impact Fee Fund:

CM McGuire - Did we bring those fields in under cost, because the grant (from the TDC-Tourist Development Council) was for \$150,000, but the line item says it was \$200,000. Mr. Quinn - The budget was \$200,000; the last time he looked at it about a week ago it was pretty close to the \$200,000, but we do not have all the final costs in yet.

CM Ferguson - The recreation impact fees going from \$380,000 to \$260,000 from FY 2014 to 2015? Mr. Quinn - When we had the new impact fee study; the change that took place last year we actually dropped the impact fee by roughly 25% so for part of the year it was at the old impact fee and the balance of the year it was at the new impact fee which is lower.

-Capital Projects Fund:

CM McGuire - Seminole Woods Path, does that mean that at the end of FY 2017 the Seminole Woods Path will go from SR100 to US1? Mr. Quinn - That is what we are hoping; that is what that money is for.

CM McGuire - Our own crews are doing this, are they not (referring to the last portion of path that FDOT may fund)? Mr. Quinn - If we can, a lot of times FDOT (Florida Department of Transportation) contracts don't allow you to pay yourself; we may have to contract it out; depends on the grant agreement.

CM Ferguson - Holland Park renovation park construction revised; what is the original Holland Park construction number for FY 2014 budget, do you recall? Mr. Quinn - He can take a look, but it was a couple of million dollars.

-Total City Revenues/2014 Projected vs. 2015 Proposed:

CM McGuire - What about the debt proceeds (there is a marked difference in those)? Mr. Quinn - Primarily because of the refinancing of the CRA (Community Redevelopment Agency) loan - \$6 mil. We have very little or no debt proceeds factored into next year; there is a tiny bit here only because of the amount that is going to be paid back from the Special Assessment District to the Utility on the minimum principal payment (below 1%). Currently, no new debt factored into next year's budget or anticipated.

Mr. Quinn presented the Millage Rate Options FY 2015 worksheet (attached to these minutes) for discussion. CM McGuire requested that the 6% Electric Franchise Fee (showing zero) be removed to avoid confusion.

The Resolution was Continued.

I. ADJOURNMENT

The meeting was adjourned at 11:29 a.m.

Respectfully submitted, Barbara Redline

ATTACHMENT TO MINIUTES

14-315 MEETINGS CALENDAR AND AGENDA WORKSHEET

Attachments: City Calendar

Agenda Worksheet

14-324 ATTACHMENTS TO MINUTES

<u>Attachments:</u> <u>Item 1-Palm Harbor Golf Club Presentation</u>

<u>Item 6-2015 Final Proposed Budget Presentation</u>

Item 6-Property Tax Example

Item 6-Millage Rate Options FY 15