

**CITY COUNCIL OF EDGEWATER
SPECIAL MEETING
JULY 12, 2010
7:00 P.M.
COUNCIL CHAMBERS**

MINUTES

1. CALL TO ORDER

Mayor Thomas called the Special Meeting to order at 7:00 p.m. in the Council Chambers.

ROLL CALL

Mayor Michael Thomas	Present
Councilwoman Debra Rogers	Present
Councilwoman Gigi Bennington	Present
Councilwoman Harriet Rhodes	Present
Councilman Ted Cooper	Present
City Manager Tracey Barlow	Present
City Clerk Bonnie Wenzel	Present
City Attorney Carolyn Ansay	Present

INVOCATION, PLEDGE OF ALLEGIANCE

There was a silent invocation and pledge of allegiance to the Flag.

2. OTHER BUSINESS

City Manager Barlow informed Council before they got into Item 2A he needed to continue the remainder of the budget workshop as they had the Fire Station they needed to do a presentation on.

Councilwoman Rhodes asked if they were allowed to continue the workshop since they started the Special Meeting. City Attorney Ansay informed her they could amend the agenda for the Special Meeting to have the presentation now.

Fire Chief Steve Cousins made a staff presentation by going over the attached Powerpoint Presentation.

Councilwoman Rhodes asked about the energy efficiency and what was included. Fire Chief Cousins identified solar panels, energy efficient low flow toilets, air conditioning units, reclaimed usage of stormwater and drainage to be used for irrigation. He commented on minimum requirements that the Federal government requires.

There was further discussion regarding energy efficiency. They will be increasing the square footage of the Fire Station but are expecting to see no increase or a savings in utility bills.

Councilwoman Rogers asked what the square footage was of the existing Fire Station, including the Administration buildings. Fire Chief Cousins informed her if they included all the out buildings, he estimated it to be about 8,500 square feet.

There was a brief discussion about the new Fire Station replacing all of the existing buildings on the property.

There was also a discussion regarding the way the building will face U.S. #1 and using the existing U.S. #1 entrance and exit. They have oriented the bays so they can enter on one street and exit on another street.

Councilwoman Rogers felt Option 3 seemed to be the most comparable. She expressed concern that they are indicating the site design is complete and now they have these options they have to be looking at. She asked how soon this would begin and what year they would start seeing the debt payment. Finance Director McKinney informed her 2012.

Councilwoman Rogers referred to the Principal portion of the debt schedule provided by Mr. McKinney that shows in 2017 the debt for Fund 001 would be down to \$120,000 but then she looked at Fund 440 and that debt was starting to grow. She feels they have a sleeping giant and then they are going to have the Fire Station they are going to have to deal with. She mentioned what was going on in Port Orange with Fire Stations and Fire Departments and here they are getting ready to go into debt for one.

City Manager Barlow informed Councilwoman Rogers that Fund 440 was the Enterprise Funds and that she was comingling the General Fund and Enterprise Funds and that it was important to keep those separate. Councilwoman Rogers informed him it was still debt and still money no matter how they look at it. If the Enterprise Fund isn't able to fund itself then the funds are going to be transferred from the General Fund. City Manager Barlow informed her they would be loaned and not transferred because they pay those back unless they forgive those later. He commented on this being the difference between rate payers and tax payers.

Councilwoman Rogers expressed concern with whether or not they needed to continue with this at this point.

Councilman Cooper asked Fire Chief Cousins how they could go from 8,500 to worst case scenario 4,500 square feet. Fire Chief Cousins informed him they couldn't. Councilman Cooper asked which option fit everything they have to have. There was no sense for Council to

choose an option if they can't utilize it. Fire Chief Cousins informed him Option 5 really wasn't an option. Option 3 is the minimum they could transfer from what they currently have now. Basically they are upgrading to new. Option 3 doesn't take into account the administrative staff. They would have to relocate. He felt Option 1 was the minimum of what the City needed today and has the ability to survive through the lifetime of the Fire Station but that doesn't mean they can afford that. If they could afford to invest in the future, they needed to consider Options 1 and 2 as well.

Councilman Cooper commented on Port Orange's Police Station, which was built for 10 to 15 years into the future. If they are really going to do this he didn't want something to be proposed that would be outdated in three years or they couldn't even house the Fire Department. He felt it seemed like a waste of taxpayer money.

Councilwoman Rogers commented on the Port Orange Police Department looking at going to Volusia County. So really what good was that great big building unless they decide to sell the building to Volusia County or lease it? City Manager Barlow commented on the Fire Station on Hibiscus that was built in 1999.

Finance Director McKinney commented on what the annual debt service would be for Options 1, 2 and 3. The current interest rate was 3.6%. Councilwoman Rogers felt that was a great interest rate.

Mayor Thomas entertained a motion.

Finance Director McKinney commented on the refinancing not changing and no one issuing greater than 7 years. It is a 7 year balloon. They would still carry the City for the fifteen years but there could be an adjustment at seven years.

Councilman Cooper commented on Option 1 being costly for them at this time. He asked if there was any way possible that they could look at this budget to get them the Fire Station they want but he felt the debt service had to be reduced.

Councilwoman Rogers asked if they could do Option 3 which has a \$33,000 annual debt service as a phase one with the possibility of expanding it later. Fire Chief Cousins informed her they had the ability but the biggest component was there would be nowhere for the administrative staff and they would be losing some of their storage as well as some of their sleeping area. He spoke of building it after the fact costing more. Those were some of the decisions they were discussing tonight.

Councilwoman Rogers made mention of the \$100,000 per year they are setting aside for City Hall. She didn't see it being that big of a difference construction wise considering what is going on especially

out there. She suggested going with one that is affordable now with the hope and thought that they are going to do the other later and start putting some funds aside.

City Manager Barlow further explained if Option 3 was where they landed it would still cost to bull doze the current administration building and they would have to be relocated somewhere due to Option 3 not accounting for the Administration Offices.

Councilman Cooper asked how long the grant was available to them. Fire Chief Cousins informed him the project had to be complete within a three year window. They are just short of a year already. Councilman Cooper commented on government all the way to Washington, D.C. being upside down. He asked if they could afford to wait to see what happened in the next four months. He hates to lose grant money. Fire Chief Cousins informed him they could do whatever the will was. Councilwoman Rhodes pointed out the reason he was bringing this before them was because they have to do the budget and whatever they decide has to be included in the budget so they could set the millage.

Councilwoman Rogers asked if this was an expenditure driven grant. She was informed it was. That was something she was pretty comfortable saying under these options isn't calculated. They will have to increase the line of credit because they are going to have to put the money out. Then this cost is not correct because it does not include that debt service. Mr. McKinney informed her if they go forward with this then if they go out to bid and notice to proceed November 1st, he would somewhere in October issue the debt service and there would be no debt service payment until next fiscal year, 2012. Councilwoman Rogers stated they are having to spend money before they can get the money from the grant. Mr. McKinney informed her they already had money in place on the fire impact fee money. Councilwoman Rogers asked him how much. Mr. McKinney informed her \$219,000. Councilwoman Rogers asked how far they could go with that. Mr. McKinney commented on this being part of what the cash balance is and what the budget stabilization fund was for. Councilwoman Rogers asked about the \$899,000 grant for Water and Sewer being expenditure driven and having to use the line of credit for it. Mr. McKinney informed her they did not do the line of credit. Councilwoman Rogers stated they haven't received any money from that expenditure driven grant. Mr. McKinney informed her he was being reimbursed every three weeks. The City has been sending everything to the State for reimbursement.

Councilwoman Rogers expressed concern with having a lot of stuff out there and they are going to be hoping for this money to come in and reimburse them and they are going to be putting money out. Mr. McKinney explained all the funding so far was funded by EPA who has already given that money to the State who in turn reimburses the City. Everything he has submitted he has had a three week turn around or less.

Councilman Cooper asked if there was anything Fire Chief Cousins, City Manager Barlow and Mr. McKinney saw coming where there may be additional grant money where they can piggy back on this. Fire Chief Cousins stated they are trying every opportunity. They are only one of five in the State that was awarded this grant. This estimated cost was based on an estimate they felt comfortable with. When they go out to bid there is a possibility it will come in at or under. He guaranteed the Council every opportunity they can to save a dollar in the project they are going to take advantage of it. He further commented on some grant money they are currently applying for with the State with regards to emergency management due to having to evacuate the station in the event of a storm or wind event.

Councilwoman Bennington felt if they were going to do this they needed to do Option 1 and give them what they need. The Fire Department has gone out on a limb and they got this grant. They are so concerned about providing services for the people. One of their responsibilities is giving their employees the equipment and the stuff they need to provide the vital services. If they give them any less than what they need then they are derelict in their duties in representing the people and keeping the people protected. She didn't see how they could even discuss this any further. She knows it is a terrible burden to consider with the way the economy is but right now is the time to bite the bullet and do it for the citizens to provide them the safety and the security they need. She further spoke of the Police Department outgrowing their location, which used to be a library.

Mayor Thomas commented on Edgewater growing and needing to do this for the future. He was in favor of Option 1.

Councilwoman Rhodes wanted to know what the wind load was. She always understood that anything east of I-95 could not be a shelter. Fire Chief Cousins informed her it was not a shelter. Fire Captain Jill Danigel informed her the wind load was 120.

Councilwoman Rhodes stated they are never going to get money or labor cheaper than they can now. It's a burden but it is going to be a bigger burden later on. She agreed with Councilwoman Bennington that they would be remiss if they did not do this. She felt it should be a priority.

Councilwoman Rogers commented on federal grants and asked if it was Davis Bacon payroll. She didn't feel they would get it as cheap as they think due to the Davis Bacon payroll being adjusted in March. Mr. McKinney commented on sitting with Hall Construction, who has done quite a few of the grant funded stations throughout the State of Florida such as Port Orange and Ormond Beach.

City Manager Barlow further commented on meeting with Hall Construction who he felt was an extremely reputable commercial contractor. He is very familiar with the Davis Bacon Act. He felt very confident that \$159 per square foot was a good number.

Councilwoman Rogers asked City Manager Barlow to do some research and get back with Council and tell them what the final costs came in at for recently built fire stations and what the square footage was. She felt \$159 per square foot seemed cheap.

Councilwoman Bennington made a motion to tell the Fire Department to proceed with Option 1, second by Councilwoman Rhodes.

City Attorney Ansay explained this item was not on the agenda and it was fine for them to take a position on it. In accordance with the City's Resolution, she suggested Mayor Thomas open it up for public comment.

Mayor Thomas asked for public comment.

The following citizens spoke:

Dominic Capria, 606 Topside Circle, wanted to know if the motion was for Option 1. Councilwoman Bennington informed him yes.

Bob McIntosh, 2921 Sabal Palm Drive, stated the grant they were dealing with was a FEMA grant so the money would be guaranteed. Councilwoman Rogers asked if they had received the money from the 2004 hurricanes of what went on across the street. Mr. McIntosh described this grant as being different because it was dealing with construction of an emergency facility.

Mayor Thomas closed the public hearing and asked for a roll call vote.

The MOTION CARRIED 3-2. Councilwoman Rogers and Councilman Cooper voted NO.

- A. Authorization for the City Manager to advertise the Maximum Millage rates for ad valorem and voted debt service for Fiscal Year 2010/2011

City Manager Barlow made a staff presentation. He informed Council the budget they received last week was a very rough budget with a 6.36 millage rate. He commented on some of the things that did not get covered in the workshop that weren't funded in the budget with regard to personnel and street paving.

Mr. McKinney identified the roll back rate as being 7.7048.

Councilman Cooper asked what they would like to see Council recommend. Mr. McKinney didn't believe they should advertise a maximum millage of greater than 7.0%.

Councilman Cooper stated the 6.36 was being recommended with absolutely no raise to any City employee for the third year in a row.

City Manager Barlow reminded Council this was to set the maximum millage only. They still have a swing at the budget as they get into the weeds in August to bring it back. If they can dwindle a budget down plus identify the projects the Council has requested, they could still get between the 7.0 and 6.36. They cannot go up.

Councilwoman Rhodes would like to see it advertised at 7% but she would like to see them come back with a budget with everything they want in it still at 6.36.

Councilwoman Rogers wanted to talk about something that was in the newspaper on June 26th. Volusia County has the second highest County rate in the State. Volusia is not considering layoffs and service reductions this summer that other counties are struggling with as property values and tax revenues continue to plummet. Edgewater is the highest in Volusia County and they aren't considering it either. In the past this Council has always taken the position of advertising at a high rate and then patting everyone on the back because they came in a little bit lower. She felt they needed to start at 6% and go lower.

Councilwoman Bennington didn't feel they could set the millage that low when they haven't even really gone through the budget. She didn't think it would be responsible of them to set it at 6 when they know there are other things that are going to have to be added. She would like to see it advertised at 7%.

City Manager Barlow advised Council even at the 6.36 mills they were at an over \$800,000 reduction in revenue. If they went with 7.0 mills they would be at a \$411,000 reduction from this year. The 6.0 that has been referenced is over \$1 million. At a million dollar reduction there will be individuals laid off and services cut.

Councilwoman Rhodes pointed out they already aren't filling jobs that come open so people are being cut. They aren't being laid off; they just aren't being replaced.

Councilwoman Rogers stated haven't they utilized the fact that they have not funded certain positions so whenever there is a budget amendment that comes in they use that figure and say they can afford something because there was a job that was frozen. They use that tactic all the time. Mr. McKinney was aware of two instances where they used that tactic.

Councilwoman Rhodes stated if the money is in the budget and it is not used why would you not use it for something else equally valid?

Mayor Thomas pointed out last year they cut \$1.7 million out of the budget. The year before that they cut \$1.2 million out of the budget. Mayor Thomas asked how much they were cutting this year. Mr. McKinney informed him at 6.36 they were \$839,228 less than last year.

Councilwoman Rogers referred to the Property Class Listing 2009, Real Property Final Tax Roll. She questioned why there was such a spread from 2009 to 2010. City Manager Barlow stated from last year to this year our property values minus the new construction took a \$143 million hit.

Councilman Cooper described the \$800,000 reduction as being more because the City is collecting a lot less now. Councilwoman Rogers described the difference between the market value and the taxable value going from \$300,000 to about \$500,000. The taxable value in 2003 was \$557,000. The taxable value in 2010 was \$688,000.

City Manager Barlow identified the taxable value the year before as being \$822,000,000 and we are down to \$685,000,000 now minus \$6 million in new construction. Property values decreased by \$143,000,000.

Mayor Thomas asked for public comment.

The following citizen spoke:

Dominic Capria, 606 Topside Circle, was sure before this was all over there would be people coming up to show the Council where they can reduce. He thought it would happen at the next meeting. The thing that bothers him the most is they always try to start high. They know they are shooting for 6.36 but yet they want to go for 7 or higher than 7. He felt they should stick with the 6.36 and probably maybe lower that a little bit once all the facts are in.

Mayor Thomas entertained a motion.

Councilwoman Bennington made a motion to advertise at 7 mills, second by Councilwoman Rhodes.

The MOTION CARRIED 4-1. Councilwoman Rogers voted NO.

Councilman Cooper stated they really need to take a look hard this year. Not so much that they want to lower services but they are going to start dumping employees like there is no tomorrow and they need their employees. They are going to have to find a way to fund a raise.

Mr. McKinney informed Council they had to pass the voted debt service rate also in a separate vote.

Councilman Cooper made a motion to include the voted debt service rate of .0475, second by Councilwoman Rhodes.

The MOTION CARRIED 5-0.

B. Approval of Change Order No. 1 for \$24,465 to Billco Construction, Inc., for the Hawks Park Amphitheater Roof

Leisure Services Director Jack Corder made a staff presentation.

City Manager Barlow commented on the new design being one that can be lowered and raised. He spoke of trying to use this for smaller concerts and different events that will attract people to Edgewater.

Councilman Cooper asked about the roof not meeting the windload requirements. He questioned this being canvas. Mr. Corder informed him they would be able to remove the cover.

Councilwoman Rhodes didn't understand why they couldn't get the windload. Mr. Corder informed her they filed a lawsuit against their architect.

Mayor Thomas asked if they checked with Deland Post and Steel. Mr. Corder commented on this being a contract with Billco who has hired a local subcontractor and a local engineer to come up with the design. Mayor Thomas stated the basic thing they needed was shade and rain resistant. They could build a really nice pole barn a lot cheaper and it would be just as attractive.

Councilwoman Rogers stated when she looked at this and saw the cost she about fell out of her seat and then she sees a change order for \$25,000 and then she sees it was initiated by staff because of a design change and because they were wanting it to go and be movable.

Mayor Thomas felt they needed to do more research. He asked if they had to deal with these people. Mr. Corder stated unless they wanted to void the contract and start over. Councilwoman Rogers asked where they were getting the \$79,000 from and if it was funded last year in the budget. Mr. Corder informed her it was grant money and recreation impact fees.

Councilwoman Rogers commented on what was noted in the City CAFR regarding the \$300,000 over expenditure in recreation impact fees. They were getting ready to vote next week on reducing impact fees. She felt they needed to be thinking about this. Mr. Corder informed

her the impact fees weren't tied to commercial and was strictly residential.

Councilman Cooper asked how much the original grant was for. Mr. Corder informed him it was for \$286,000 because of the design at that time that the Council wanted. The company went belly up. They had to go to court over it. This project has been dragging on for almost five years. If he doesn't have this project done by October they will probably lose a portion of the grant because he has asked for as many extensions as he can get.

Councilwoman Rogers suggested they eliminate this at this point and move forward as they did with the shuffleboard courts because they can't afford it.

Mr. Corder thought a year and a half ago or so he came before Council and asked if they wanted to complete the project and he was given direction to complete it.

Councilwoman Rogers made a motion to deny this.

Councilman Cooper asked if they had to get public comment on this. City Attorney Ansay informed him yes.

Mayor Thomas asked for public comment.

There was no public comment.

The motion DIED due to the lack of a second.

Mayor Thomas asked for another motion.

Councilwoman Rhodes asked how much money had been spent on this already. Mr. Corded informed her basically the only cost he had in there was the administrative costs for the advertising for the bid project. They have money out where they give a down payment for the project. If they don't complete it project they would have to ask for it back.

Mayor Thomas asked the size of it. Mr. Corder informed him it was approximately fifty-six foot by fifty foot.

Councilwoman Bennington asked where the money was coming from. Mr. Corder informed her they had an ECHO grant. They had up to \$86,000 on the EHCO grant. It was a fifty-fifty match. He had reserve funds in recreation impact fees that would be used for the matching portion.

Councilman Cooper asked what the balance would be of the recreation impact fee money after they paid for this project.

Councilman Cooper mentioned waiving impact fees lately. Councilwoman Rogers stated she hadn't been waiving them and that the rest of Council had. City Manager Barlow reminded Council the impact fees they had been waiving were on commercial and not residential.

Mr. Corder informed Council presently he had a little over \$139,000 so they would have a little over \$50,000 taken out for that project which would leave him with around \$89,000.

Mayor Thomas commented on the forty foot by 20 foot pole barn he built for \$10,000.

Councilman Cooper commented on the slab already being built tentatively for a particular design. Mr. Corder commented on doing a design build for this project. He has had several meetings with the contractor, subcontractor and architect to where they could afford to get it done.

Councilwoman Bennington moved to grant the Change Order for \$24,465 to be paid out of the recreation impact fees, second by Councilman Cooper.

The MOTION CARRIED 3-2. Councilwoman Rogers and Mayor Thomas voted NO.

Councilman Cooper asked Mr. Corder when it would be complete. Mr. Corder was projecting to have it done by September.

3. ADJOURNMENT

There being no further business to discuss the Special Meeting adjourned at 8:07 p.m.

Minutes submitted by:

Lisa Bloomer

Attest:

APPROVED:
City of Edgewater, Florida

Bonnie Wenzel, City Clerk

Michael L. Thomas, Mayor