

**MINUTES
CITY OF ORMOND BEACH
CITY COMMISSION
CAPITAL IMPROVEMENT PROGRAM WORKSHOP**

June 4, 2019

5:30 p.m.

City Commission Conference Room

I. CALL TO ORDER

Mayor Bill Partington called the meeting to order at 5:34 p.m.

Present were Mayor Bill Partington, Commissioners Dwight Selby, Troy Kent, Susan Persis, and Rob Littleton, City Manager Joyce Shanahan, City Attorney Randy Hayes, Assistant City Manager Claire Whitley, Finance Director Kelly McGuire, and City Engineer John Noble.

Ms. Joyce Shanahan, City Manager, explained the workshop was being held to review the Capital Improvement Plan (CIP) for the fiscal year 2019-20. She noted that staff wanted to get general guidance from the Commission on the direction for upcoming budgets. She explained the budget process, which involved the Operating Budget Workshop at the end of July, and adoption of the budget in August and September. She stated that in Florida, the state only allowed a one year budget to be approved.

II. CAPITAL IMPROVEMENT PLAN FY 2019-20

Ms. Kelly McGuire, Finance Director, stated that although the CIP was for five years, she would be highlighting projects for the FY 2019-20 only. She stated that staff needed direction on which projects would be included or excluded from the budget, and decision points would be provided for potential options for projects not funded in the proposal.

CIP Funding Plan - Revenues

Ms. McGuire stated the majority of projects were being funded through user charges, such as water, sewer, stormwater, and solid waste, with the total at \$7,953,250. She noted there was \$6,080,490 in grants, with confirmed funding on certain projects and pending funding for the others. She stated if certain projects did not receive grant funding, staff would advise the Commission and seek other funding sources, if necessary.

Ms. McGuire stated there were \$1,965,500 in reserve funds, other than the General Fund Reserves; \$1,170,00 in Community Redevelopment Agency (CRA) funds; \$1,124,000 in Property Taxes; and \$450,000 in Local Option Gas Taxes (LOGT). She noted the Commission had directed staff not to use General Fund Reserves, but indicated an upcoming airport project that would need a grant match and explained that funds from those reserves would be used for it.

CIP Funding Plan - Expenditures

Ms. McGuire stated the anticipated expenditures for FY 2019-20 would be \$8,260,500 for Water and Waste Water Projects; \$4,401,645 for Airport Projects; \$2,753,000 for Stormwater Projects; \$1,170,000 for CRA Projects; \$817,000 for Transportation

Projects; \$722,567 for General Improvements; \$275,000 for Facilities Renewal & Replacement (R&R); \$232,000 for Vehicles; \$195,000 for Economic Development; and \$180,000 for Solid Waste. She explained that all projects included in the proposed CIP would cost \$19,006,712.

Property Taxes - CIP

Ms. McGuire stated that staff reviewed the current operating millage rate, the roll back rate, and a rate that was midway between those two rates. She noted the CIP was prepared based on the midway number, which would be a rate of \$4.0450 mills, or 2.92 percent above the roll back rate. She explained that all information presented would assume that rate, unless the Commission directed otherwise.

Ms. McGuire reviewed the dedicated property taxes to the CIP of \$1,124,000, which included \$250,000 for the General CIP; \$232,000 for Vehicles; \$367,000 for Transportation, with an additional \$133,000 going towards operations and maintenance; and \$275,000 for Facility Renewal and Replacement (R&R), with an additional \$225,000 towards operations and maintenance. She indicated that based on the assumed millage rate, reductions had to be made to the General CIP amount.

Ms. Shanahan explained that projects under operations and maintenance in Facilities R&R were below \$25,000 and did not require approval from the Commission.

General Fund Capital Projects

Ms. McGuire stated that \$572,567 was budgeted in FY 2019-20 for the General Fund Capital projects. She stated those projects included \$195,000 for The Casements Carriage House, pavers, and drainage; \$127,567 for the Riviera Park driveway and South Ormond Neighborhood Center (SONC) fitness center, which were Community Development Block Grant (CDBG) projects; and \$250,000 for fiber optic connectivity at Fire Station 91, Fire Station 92, Andy Romano Beachfront Park, and Nova Community Center. She noted that \$125,000 of The Casements projects would be funded through a donation from The Casements Guild (Guild), and the CDBG projects were completely funded through grants. She explained the \$250,000 for fiber optic connectivity would be funded by General Fund property taxes, with another \$150,000 coming from utility funds, and the total project cost at \$400,000.

Ms. McGuire stated the additional or alternate projects under the General Fund were a tree replacement project at \$50,000; Field 7 bathrooms and concessions at the Ormond Beach Sports Complex (OBSC), at \$600,000; and the MacDonald House Phase I at \$200,000.

Commissioner Persis was in favor of the Field 7 project at the OBSC. She asked for a breakdown of the cost details; whereby, John Noble, City Engineer, explained the process for getting the cost estimate. He noted he thought it was an accurate estimate and highlighted that air conditioning was included.

Commissioner Kent agreed with Commissioner Persis on a few points, but disagreed with the moving forward with the project due to the cost. He asked if Field 7 would be utilized full time; whereby, Robert Carolin, Leisure Services Director, stated that Field 7 would be utilized as the primary home field for games, tournaments, and such.

Commissioner Persis hoped there would be a way to fund the bathroom project at a decreased cost.

Commissioner Littleton did not agree with pursuing the bathroom project at that point, but suggested reviewing the project and cost details at the next CIP Workshop for FY 2020-21, and spreading the cost out over multiple years.

Mayor Partington inquired about the exact location of the proposed bathrooms; whereby, Mr. Noble and Mr. Carolin provided the location description.

Mayor Partington preferred to have a centralized shared bathroom facility for all the fields, but wondered if that were possible at that point. He thought there should be location maps with proposed additions at the next CIP Workshop, in order for the Commission to make an informed decision.

Mayor Partington asked for clarification on the tree replacement project; whereby, Ms. Shanahan stated the project would include trees in the right-of-way that were lost during storms and hurricanes.

Mayor Partington supported the tree replacement and the MacDonald House Phase I projects. He discussed restoring historic homes in the community.

Commissioner Persis reiterated the Field 7 project as her highest priority.

Commissioner Littleton did not support the MacDonald House project without additional funding from community partners.

Ms. Shanahan confirmed with the Commission there was no consensus on the additional projects at that time.

Commissioner Persis asked if the bathroom portion of the Field 7 project could be done without the concession and parking; whereby, Commissioner Selby stated there were other restrooms that were in close proximity to Field 7.

Commissioner Selby discussed concession stand issues and how that would relate to Field 7.

Commissioner Persis asked how much use Field 7 would have; whereby, Mr. Carolin stated it would be the home field for the Seabreeze High School girls' softball team, that it would be in high demand when available, and a potential rental option, since it would hold a National Collegiate Athletic Association (NCAA) rating.

Commissioner Littleton did not agree with funding a portion of the Field 7 project without additional funding from grants or elsewhere. He reiterated support for reviewing all details the next year, and funding over multiple years.

Ms. Shanahan stated that staff could apply for grants to see if additional funding was available for the Field 7 project, with or without the concession, and if a grant were approved, staff would bring that back to the Commission at a later date; whereby, the Commission agreed.

General Fund Vehicles and Equipment

Ms. McGuire stated that \$232,000 was budgeted in FY 2019-20 for General Fund vehicles and equipment projects. She stated those projects included \$182,000 for the replacement of four patrol vehicles, and \$50,000 for the replacement of a Public Works 2003 Caterpillar Loader. She noted the Caterpillar Loader would cost a total of \$200,000, and would be a five year lease purchase at \$50,000 per year. She explained the total funding for these projects would be through the dedicated millage from property taxes.

Ms. McGuire stated the additional or alternate projects were replacement of two additional police vehicles at \$91,000; a Fire Command vehicle at \$35,000; and replacement of the reserve Fire Engine on a ten year lease purchase, at \$55,000 annually. She reminded them the Vehicle and Equipment fund was originally set at \$500,000, but had been cut and affected the amount of vehicles and equipment replaced each year.

Mayor Partington asked the number of older vehicles; whereby, Mr. Kevin Gray, Public Works Operations Manager, stated there would be 11 vehicles that were at least eight years old, once the four vehicles listed were approved and purchased.

Mayor Partington stated he would support advancing the purchase of patrol vehicles and detailed his reasoning. He also supported purchasing the Fire Command vehicle and the reserve Fire Engine; whereby, Commissioner Persis agreed with Mayor Partington on the purchase of the additional vehicles.

Commissioner Kent stated that he could not support the additional vehicles unless he knew the final tax rate.

Commissioner Selby wished to support all the items, but was concerned about funding.

Commissioner Littleton preferred to hold off on purchasing the additional vehicles at that time. His priority at future discussions would be the additional police vehicles.

Ms. McGuire confirmed the direction was to not add additional vehicle projects at that time.

Transportation

Ms. McGuire stated that \$817,000 was budgeted in FY 2019-20 for transportation projects. She stated those projects included \$100,000 for a design to extend Doug Thomas Way; \$63,000 to repave and regrade the Fire Station 92 driveway entrance; \$100,000 for the required Florida East Coast (FEC) railroad crossing repairs; \$450,000 for road resurfacing; \$24,000 for street light maintenance; and \$80,000 for traffic signal maintenance. She noted the funding would come from the Local Option Gas Tax (LOGT) and the dedicated millage from property taxes.

Commissioner Littleton stated that he would not support the extension of Doug Thomas Way due to the following concerns: the environment, in regards to trees and wetlands; fiscal responsibility, due to the cost amount beyond the design; and building a new road when there were existing roads that needed funding.

Facility Renewal and Replacement

Ms. McGuire stated that \$275,000 was budgeted in FY 2019-20 for Facility R&R projects. She stated those projects included \$70,000 for replacing the overlook at the Birthplace of Speed Park; \$35,000 for the replacement of exercise stations at Central Park II; \$35,000 for the replacement of two steel gazebos at Central Park II; \$70,000 for window replacement and structural improvements in the Rockefeller Room at The Casements; and \$65,000 for the replacement of the boundless playground surface at OBSC. She noted that funding would come from property taxes.

Ms. Shanahan indicated there was a special soft surface at the boundless playground for special needs individuals, and it had deteriorated due to sun exposure.

Water and Wastewater

Ms. McGuire stated that \$8,260,500 was budgeted in FY 2019-20 for water and wastewater projects. She stated those projects included \$425,000 for the replacement of eight vehicles and one generator; \$298,000 for the continual replacement of city-wide water meters; \$365,000 for the annual allocation of general facility and system upgrades; \$240,000 for replacement of the Shadow Crossing reuse pump; \$1,100,000 for the design of the Phase 1 septic to sewer conversion on the North Peninsula; \$110,000 for the Water Treatment Plant (WTP) aeration structure rehab; \$300,000 for the WTP chemical feed system; \$1,852,000 for the construction of a secondary raw water main from Hunter's Ridge to Williamson Boulevard, along State Road 40; and \$3,570,000 for the extension of a force main along North US Highway 1 from Airport Road to Broadway Avenue, and the installation of a water main from Hull Road to north of Destination Daytona. She noted sufficient funding was available for all projects from impact fees, water and wastewater user fees, Vehicle Equipment Fund reserves, and Water and Wastewater Fund reserves.

Ms. Shanahan explained details about the raw water main, the North US Highway 1 water main, and force main projects.

Ms. McGuire stated that staff needed direction on whether to include all water and wastewater projects in the upcoming plan, or to add an additional project. She noted the additional project would include \$150,000 from the reserves for the design of the Magnolia-Oak-Bonita Avenue neighborhood septic to sewer conversion.

Commissioner Selby supported keeping the design for the North Peninsula as part of the approved projects. He reviewed details of the funding and reasons for his decision; whereby, Commissioner Persis agreed with Commissioner Selby.

Mayor Partington stated that he would agree to the North Peninsula project, as long as the Magnolia-Oak-Bonita Avenue neighborhood design was included at the same time, and explained his reasoning. He hoped to have all of the Commission members in agreement, in order to inform staff of the high priority status of those projects.

Ms. Shanahan advised the Commission they would use 38 percent of the Water and Wastewater Fund reserves by approving both project designs at that time; whereby, Mayor Partington stated the money was available and it was the appropriate time to start the projects.

Discussion ensued about the amount of money available and an article in the Daytona Beach News-Journal regarding the same.

Ms. Shanahan clarified that a certain amount of money was unrestricted and available for the projects, but other amounts were considered restricted and already designated for current capital projects.

Ms. McGuire discussed the amount of money available for all projects, and suggested using accumulated impact fees over time to assist in the funding. She noted that staff could come back the following year with suggestions on funding the construction portion of the septic to sewer projects, since the design phase would take six months to a year or longer; whereby, Ms. Shanahan clarified funding for certain projects.

Commissioner Selby agreed to support the design of the Magnolia-Oak-Bonita Avenue neighborhood, but wanted details on the ratings for that area by the Florida Department of Health.

Ms. Shanahan noted a lift station was currently in that area, which would assist in the conversion and made the project more affordable.

Commissioner Kent asked if the homeowners would be responsible financially; whereby, Ms. Shanahan stated they would have incur fees.

Commissioner Selby stated the goal was to recruit as many partners as possible to assist with the North Peninsula project. He noted there was a \$2,700 impact fee for connection to the system, with potential other costs involved, that homeowners would be responsible for paying. He stated that construction costs were not being considered at that time, and would be discussed at a later date.

Discussion ensued on details of the North Peninsula design and the longevity involved before construction started.

Commissioner Littleton discussed septic charges on a homeowner's bill, and stated he was in favor of funding all septic to sewer conversions in Ormond Beach with the current budget, but holding off on the North Peninsula until the following year.

Commissioner Selby addressed the current situation of Hidden Hills and other areas of Ormond Beach currently on septic, based on the ratings given by the Florida Department of Health. He reiterated support for the design on North Peninsula, so that partners on the construction costs could be recruited; whereby, Commissioner Persis agreed the North Peninsula design needed to be funded in the upcoming budget.

Commissioner Kent stated that all septic tanks in Florida needed to be removed. He preferred to acquire additional funds from partners to assist on all costs. He reiterated support for the Ormond Beach conversions first, then conversions on the North Peninsula.

Commissioner Selby stated that Ormond Beach needed to assist with the conversion on the North Peninsula, as Volusia County would not initiate the changes needed. He reiterated support for the Magnolia-Oak-Bonita Avenue area design, as well as the North Peninsula design. He noted that residents of Ormond-by-the-Sea, or the North Peninsula, did not pay a monthly fee at that time for their septic systems, but would have

a monthly fee once the conversion to sewer was complete. He thought that amount was 25 percent; whereby, Ms. Shanahan stated that state law had changed, but thought it would be 25 percent on the sewer portion of the bill.

Commissioner Selby noted the city would receive a premium amount once Ormond-by-the-Sea was connected; whereby, Ms. Shanahan stated that if the customer annexed into Ormond Beach, that premium amount on the bill would no longer exist.

Commissioner Selby clarified the issue at hand was not annexation and was about water quality. He reminded the Commission that water quality and the environment were important issues with the residents that attended the OB Life meetings.

Commissioner Littleton asked if the North Peninsula residents were required to annex into Ormond Beach once they were connected to the city's sewer; whereby, Mr. Randy Hayes, City Attorney, stated the situation was complicated, but the city could not force anyone to annex, and explained the details.

Commissioner Littleton commented that some North Peninsula residents did not want sewer, as they thought they would have to annex and preferred to stay under Volusia County rules.

Mr. Hayes stated the issue involved cost.

Mayor Partington noted that if a county resident annexed, there were many positives to joining the city.

Commissioner Kent asked what the cost would be to a county resident who chose not to connect once the lines were installed; whereby, Ms. Shanahan stated if the resident did not connect within a year they would be responsible for an availability fee of approximately \$29 per month.

Commissioner Littleton stated that as long as Ormond Beach residents were included in the projects, he would support the conversion on North Peninsula.

Commissioner Kent asked Commissioner Selby to clarify his position; whereby, Commissioner Selby explained he supported the Magnolia-Oak-Bonita Avenue area design as long as it was in conjunction with the North Peninsula design, noting urgency in starting the North Peninsula project, since the design phase would take a year or more.

Commissioner Kent confirmed support for both projects. He clarified the full Commission was in support of funding the design projects for the Magnolia-Oak-Bonita Avenue neighborhood and Phase I of the North Peninsula.

Mayor Partington recessed the CIP workshop at 6:53 p.m., in order to start the regular City Commission meeting on time.

Mayor Partington reconvened the CIP workshop at 8:37 p.m.

Community Redevelopment

Ms. McGuire stated that \$1,170,000 was budgeted in FY 2019-20 for Community Redevelopment projects. She stated those projects included \$120,000 for bridge painting; \$865,000 for parking lot improvements, a new restroom facility, a new bait house, and a new pavilion at Cassen Park; \$75,000 for the design phase of sidewalk improvements in downtown; \$50,000 for the Memorial Gardens lighting upgrades; and \$60,000 for improved parking signage in downtown. She indicated that funding would come from the dedicated millage and CRA reserves. She noted those projects would be completed in the upcoming year, with future projects being determined by the Downtown Master Plan, once the update was completed.

Ms. Shanahan noted there would be a workshop in August to review the proposed Downtown Master Plan.

Commissioner Littleton noted the amount designated for the parking signage was high, and he would not support an amount over \$20,000.

Commissioner Kent expressed appreciation for The Casements sign and noted it cost \$850. He preferred to see options before making a final decision, was not in favor of electronic signs, and understood Commissioner Littleton's position.

Commissioner Selby commented on electric signs; whereby, Ms. Shanahan stated that staff would bring the sign options back for discussion at a later date.

Ms. Shanahan noted there were no additional projects, and that Ormond Beach MainStreet ("MainStreet") had signed off on the proposed project list.

Stormwater

Ms. McGuire stated that \$2,753,000 was budgeted in FY 2019-20 for stormwater projects. She stated those projects included \$573,000 for Fleming Avenue stormwater improvements; \$1,400,000 for stormwater flap gates; \$500,000 for stormwater pipe relining; and \$280,000 for the installation of two permanent pumps at the Wilmette Avenue pump station. She noted that funding would come from stormwater fees and grants.

Mayor Partington asked the number of miles of stormwater pipe in the city; whereby, Mr. Noble did not have an exact number.

Mayor Partington requested more information on the stormwater flap gates project.

Commissioner Persis asked if there was an exact list of the ages of the city's stormwater pipes, in order to know the ones needing replacement; whereby, Mr. Noble stated there was a stormwater master plan that identified the ages of pipes, and included them in a five year plan.

Airport and Economic Development

Ms. McGuire stated that \$4,596,645 was budgeted in FY 2019-20 for airport and economic development projects. She stated those projects included \$83,145 for the Airport Access Road Phase I Design; \$233,500 for the design phase of wildlife mitigation

and security; \$4,085,000 for the 9/27 runway extension; and \$195,000 for the Business Park Drive Phase II. She noted that most funding would come from Florida Department of Transportation (FDOT) and Federal Aviation Administration (FAA) grants, with small amounts coming from the Economic Development reserves and General Fund reserves.

Ms. Shanahan noted possible funding from the State of Florida for the Business Park Drive Phase II design project.

Ms. McGuire stated the 9/27 runway extension design had been completed, and the construction would begin next year if approved; whereby, Ms. Shanahan noted the noise abatement task force determined that extending the runway, and getting the planes airborne quicker, would reduce noise to the surrounding homes.

Solid Waste

Ms. McGuire stated that \$180,000 was budgeted in FY 2019-20 for solid waste projects. She noted only one project that involved repairing and replacing liner at the Nova Landfill. She stated that funding would come from the Solid Waste Fund reserves.

Summary

Ms. McGuire confirmed the Commission's direction was to incorporate all of the projects on the draft CIP into the proposed budget, and add the Magnolia-Oak-Bonita Avenue neighborhood septic to sewer conversion design project.

Commissioner Selby asked Ms. McGuire to include specific assessed home values, instead of the average, with the exact dollar increase or decrease on a resident's tax bill at the Operating Budget Workshop in July.

Commissioner Selby advised the Performing Arts Center Advisory Board would potentially request funds from the Commission for the Performing Arts Center renovation in future years.

Commissioner Persis noted no mention of the 56 North Beach Street property that had been purchased the prior year by the city, and wondered the status; whereby, Ms. Shanahan stated the feasibility study for that property was still ongoing, and staff would bring the item back for discussion once complete.

III. ADJOURNMENT

The meeting was adjourned at 8:50 p.m.

Transcribed by: Wendy Hontz