APPROVED: 8/6/2020

MINUTES
Regular City Commission Meeting
6:00 PM - Thursday, July 16, 2020 - City Hall

NOTICE OF LIMITED SEATING

DUE TO REQUIRED SOCIAL DISTANCING, THERE WILL BE LIMITED SEATING FOR THE COMMUNITY REDEVELOPMENT AGENCY AND CITY COMMISSION MEETINGS

Due to the Governor's orders pertaining to social distancing and the re-opening of businesses and other venues during the COVID-19 pandemic, there will be limited seating available for the July 16, 2020, budge workshop, Community Redevelopment Agency and City Commission meetings. Seating will be limited to the first 21 non-staff member attendees. Once 21 attendees have entered the building, entrance will be cut off. Anyone who is not able to obtain seating is encouraged to watch the livestreaming of the meetings from home and submit any comments or questions to the City Clerk via email at cityclerk@eustis.org. Please note that anyone attending the meeting must sit in the designated seats and cannot sit in clusters in order to maintain the CDC recommended six feet. Thank you for your cooperation.

Mayor Holland announced the Commission was still under the Governor's Executive Order allowing Commissioners to attend by telephone. He asked for prayers for the families of Evan Contorakes and the Lake County Sheriff's Department Master Sergeant who both died from the corona virus and Mount Dora City Councilmember Marie Rich who passed away from a vehicle accident.

INVOCATION: BRIAN BROOMFIELD

PLEDGE OF ALLEGIANCE: VICE MAYOR LEE

CALL TO ORDER: 6:22 P.M.

ACKNOWLEDGEMENT OF QUORUM AND PROPER NOTICE

PRESENT: Vice Mayor Emily Lee, Commissioner Karen LeHeup-Smith, Commissioner Robert Morin (via telephone), Commissioner Marie Aliberti (via telephone), and Mayor Michael Holland

2. AGENDA UPDATE

3. APPROVAL OF MINUTES

3.1 July 2, 2020 - Regular City Commission Meeting

Moved by Commissioner LeHeup-Smith, seconded by Vice Mayor Lee, to approve the Minutes as submitted. Motion carried by the following votes:

Ayes: Vice Mayor Lee, Commissioner LeHeup-Smith, Commissioner Morin, Commissioner Aliberti and Mayor Holland

4. PRESENTATIONS

4.1 Report on Lake County Arts and Cultural Alliance Committee - Jackii Molsick

Jackii Molsick, City representative to the Lake County Arts & Cultural Alliance, provided a report on the group's activities. She noted that the bylaws were updated to allow more participation by the smaller cities. She explained that the Alliance is responsible for the distribution of funds from the State of the Arts license plates which currently totals $41,000. She added the funds must be used for promotion of the arts. She stated they voted to give $10,000 to United Arts of Central Florida, who distributes funds to individual organizations and those funds will come back to Lake County organizations. She added that grant will now go to the County Commission for approval.

Ms. Molsick then reported that, once the Alliance creates the guidelines for individual and nonprofit grants, she will make sure the local organizations know to apply. She indicated that the individual grants will probably be approximately $1,000 each for a total of between $10,000 and $20,000. The balance would be used for other promotion of the arts.

The Commission asked if a school art department could apply with Ms. Molsick indicating it cannot be used for education.

5. AUDIENCE TO BE HEARD

5.1 Mark and Brandon Huling addressed the Commission regarding Brandon's property in Lake Dot Estates. They explained there is a water retention area that was deeded to a private owner by the homeowner's association when it was disbanded. The current owner will not allow the property to be cleaned up to provide a view of the property but the Property Appraiser still shows it as a nontaxable water retention area.

Mayor Holland explained the Commission does not provide an answer to questions posed at the meeting. He stated they would ask the City Attorney and City Manager to look at it.

Grace Duffy, Blue Lake resident, thanked the Commission and Vice Mayor Lee for the City's assistance in getting the lake pumped down and asked the Commission to further look at the 2010 report for a permanent solution.

Shannon and Karin Carroll, Lake Haven Church, announced they would be hosting the Global Leadership Summit on August 6th and 7th. He indicated that although held at multiple locations they will be one of only two sites in Central Florida doing an in person event with the rest being held virtually. He emphasized it is a leadership event, not a Christian event.

Ms. Carroll cited some of the attendees including former President H. W. Bush and indicated it is a ticketed event and invited all of the City's leaders to attend. Mr. Carroll indicated all fees go to the organization, not the church.

6. CONSENT AGENDA

6.1 Resolution Number 20-43: Coronavirus Emergency Supplemental Funding Grant (CESF)

6.2 Resolution Number 20-44: Requesting placement of Eustis Phase II Section of the North Lake River to Hills Bike Trail on Lake-Sumter MPO Priority Project List

Moved by Commissioner LeHeup-Smith, seconded by Vice Mayor Lee, to approve the Consent Agenda including Resolutions Number 20-43 and 20-44. Motion carried by the following votes:

Ayes: Vice Mayor Lee, Commissioner LeHeup-Smith, Commissioner Morin, Commissioner Aliberti and Mayor Holland

6.3 Resolution Number 20-45: Sale of Sprayfield Property to Sun Terra Communities III, LLC

At the request of Vice Mayor Lee, Resolution Number 20-45 was pulled from the Consent Agenda. Vice Mayor Lee reported that she went out to look at the sprayfield and commented on how beautiful it is. She remarked on all the development occurring around the land. She expressed concern regarding whether or not the property had been marketed and whether or not the City is getting the best price for it.

Ron Neibert, City Manager, explained that the City no longer has a need for the property. He indicated there are access issues to the property with the only access available through Cardinal Lane. He stated that affects the value. He noted the purchaser's representative is present and introduced Brad Parker.

Mr. Parker stated that the issue with the property is the access. He stated they have under contract the property to the east which would provide access. He indicated that access for a residential development would not be available from Cardinal Lane. He indicated there will be a lot of hurdles in developing the property and they are taking a huge risk in purchasing the property without any entitlements. He commented on the history of development on nearby projects and the problems they encountered with the County even though they had existing zoning. He stated the strongest benefit to the City will be the water tap fees to support the water plant that is currently located in the County. He cited the need to be sensitive to the desires of the surrounding residents. He added that the sales contract does include a requirement that they utilize City water. He stated the price they offered is in line with a property that does not have the required zoning and entitlements.

Mr. Neibert stated that the City previously did an analysis of the City's water and wastewater service in that area and that, if that plant was operated independently as an enterprise, it would be losing about $800,000 per year due to the lack of sufficient customers in that immediate area to support the operations of the water and sewer the City provides in that area. He indicated that the residents within the City are actually subsidizing the out of City residents in that area. He agreed that bringing in more residents in that area would assist the plant.

Mr. Parker explained his efforts to market the property in the Orlando area and his work with other developments in the area. He commented on how developers do not typically want to purchase property that is not already zoned and have entitlements.

Mr. Neibert added that the property would require a developer's agreement so that the property will be annexed in the future.

The Commission confirmed that the developer would use the property adjacent to access the City's property with Mr. Parker indicating that the only way the City's property will ever be developed is by accessing through their property. The Commission commented on the difficulty in developing in the County.

Mayor Holland opened the public hearing at 6:52 p.m.

Dr. Albert Eckian addressed the Commission regarding the proposed sale. He expressed opposition to the sale stating that the price is too low. He cited various properties that have either sold for more per acre or are being offered for sale at substantially more per acre. He encouraged the City to retain ownership for at least another five to seven years to allow the economy and property prices to increase.

Mr. Parker responded that one of the properties cited by Dr. Eckian is the Mo Brangus property which is a commercial property and is planned for the Mount Dora Innovation District. He noted that it has been on the market for a few years. He explained that all of their plans are almost done for the property next door which will provide the only access to the City property. He said they have made their highest and best offer and if it does not go through the property will only be able to be sold to someone for a single home. He said they will make their final decisions as to how the site is planned based on the City's decision.

Dr. Eckian responded that the Carter organization is not making any representations regarding entitlements on that property and it is being appraised as agricultural. He stated that if Mr. Parker truly wants to develop the 400 acres, they would make a better offer.

The Commission expressed concern regarding the access to the property and the value of the property with Mr. Neibert noting that, if the property had access to 437, then it would have the $2 million value but it does not. He commented on the difficulty the developer will have in obtaining the zoning on the property from the County. He indicated no other developer will want the property in the future.

The Commission discussed the need for a counteroffer and how the sale of the property could benefit the City in getting through the slump caused by the virus.

Mr. Neibert questioned what basis they would use to determine the value of the property. He noted the previous comments regarding the lack of value in getting an independent appraisal. He explained the higher value of the other property due to its access to the 437 and emphasized that the City's property has no access to transportation except through the adjoining property.

The Commission confirmed that the offer is less than the Property Appraiser's value with Mr. Neibert stating the Property Appraiser set the value as $1.7 million as of January 2020 and their offer is $1.6 million. He then stated that the buyer may agree to a higher cost but with a contingency that it is based on them getting their entitlements which may take two years.

The Commission discussed what amount they would consider accepting for the property and whether or not to actively market the property and see if other offers are received. It was stated that they should get at least the full market value as indicated by the Property Appraiser.

Mr. Neibert asked if the Commission would accept the Property Appraiser's value of $1.75 million.

Mr. Parker indicated that he is the broker and he has marketed the property. He indicated there are a number of problems with the property including the topography as well as the access. He noted that the City was previously offered $1.5 million and they offered more. He emphasized the high development cost for the property and indicated their development next door is not contingent upon getting the City property.

Mr. Neibert explained the negotiations he previously had with the buyers where he asked $1.8 million for the property.

Mr. Parker indicated the resulting price of the homes to be built restricts how much they can pay for the property. He further explained what went into determining how much they could pay for the property.

MOTION
Moved by Commissioner LeHeup-Smith, seconded by Commissioner Aliberti, to approve Resolution Number 20-45. Motion defeated by the following votes:

Ayes: Commissioner Karen LeHeup-Smith and Commissioner Marie Aliberti

Nays: Mayor Michael L. Holland, Commissioner Robert Morin, and Vice Mayor Emily Lee

Following the vote, Mayor Holland stated, if they can come back with an offer of at least the Property Appraiser's value of $1.75 million, he would support the sale with Commissioner Morin indicating he would not consider less than $2 million.

Mr. Neibert reported that the property to the east sold in 2018 for $2 million for 180 acres however it has road frontage which provides access.

The Commission further discussed the land value and the fact that the property will be landlocked if the developer doesn't buy it.

CONSENSUS: It was a consensus of the Commission for staff to meet with the buyer to see if they can bring back a better offer.

7. OTHER BUSINESS

7.1 Proposed millage rate for 2020 (Fiscal Year 2021) and Date of first public budget hearing

Mike Sheppard, Finance Director, announced that the City's current millage rate is 7.5810 and stated staff's recommendation is to retain the same rate. He stated the Commission could lower the rate later if they chose; however, it would be expensive to increase after this. He then remarked the City is just now getting close to what the value was back in 2007. He stated the public hearings would be September 3rd and 17th.

Mayor Holland noted the City's valuation would have been higher; however, one of the larger companies moved a significant amount of equipment out of the City which reduces the City's taxable value with Mr. Neibert explaining what occurred and explaining it is actually personal property, not real estate.

Mr. Sheppard then announced the roll back rate would be 7.2531 and explained that is the rate that would maintain the same revenue as the previous year not counting new construction. He commented on the uncertainty of the next year's revenue due to the current pandemic.

Mr. Sheppard stated for the record that the rollback rate is 7.2531 which would result in $346,921 less in revenue than the current rate. He stated the maximum rate would be 8.2353 which would provide $692,255 more than the current rate.

Moved by Commissioner Aliberti, seconded by Vice Mayor Lee, to set the FY2020-2021 millage rate to be sent to the Tax Collector as 7.5810 and the first public hearing date as September 3, 2020. Motion carried by the following votes:

Ayes: Vice Mayor Lee, Commissioner LeHeup-Smith, Commissioner Morin, Commissioner Aliberti and Mayor Holland

7.2 Quit-Claim Deed

Mr. Schroth explained that a resident had deeded a piece of property to the City as part of a code enforcement proceeding; however, he inadvertently included property he intended to retain. He asked the Commission to approve a quit-claim deed to return that property to the owner.

CONSENSUS: It was a consensus of the Commission for the Mayor to execute the deed.

8. FUTURE AGENDA ITEMS

8.1 Commissioner LeHeup-Smith noted that, at the previous meeting, Ordinance Number 20-26 failed for lack of a second and there was no discussion. She requested that the ordinance be placed back on the agenda for first reading so that there is discussion.

CONSENSUS: It was a consensus of the Commission to put the ordinance back on the agenda.

Commissioner Aliberti recommended going back to closed meetings due to the increase in the COVID rate. She expressed concern about the rest of the Commission being exposed to the virus.

Commissioner Morin expressed concern regarding not knowing that two other Commissioners had tested positive. He complimented the City Manager for alerting all of them when he tested positive. He noted that his wife's physical therapist did not notify them that he tested positive. He asked to have a discussion about what to do in case the City has to shut down again. He committed to notifying all the Commissioners if he ever tests positive.

Commissioner Aliberti noted that one of the cooks at Jeannie's Restaurant tested positive and was quarantined but the restaurant decided to shut down to fully clean the facility.
Discussion was held regarding whether or not to close the meetings to the public with Commissioner Aliberti stating it is more fair so everyone has to view from home and email in their comments.

Mr. Neibert noted that the only thing the City is not doing is mandating masks.

Commissioner Morin suggested having a discussion at the August 6th meeting regarding what to do and noted there would be three weeks before the next meeting.

CONSENSUS: It was a consensus of the Commission to have the discussion on the August 6th agenda regarding the handling of the pandemic.

Vice Mayor Lee asked to have an agenda item regarding the resource center with Mayor Holland suggesting she meet with the City Manager to provide information on what she would like on the agenda regarding the center.

Mayor Holland noted the death of CRA Board Member Evan Contorakes. He asked to have discussion at the next meeting regarding whether they want to appoint someone new to fill his seat or do they want to go back to just a five member board.

9. COMMENTS

9.1 City Commission

Commissioner Morin announced he would not be seeking re-election. He encouraged residents to consider running for the Commission.

Commissioner LeHeup-Smith reminded everyone to do their ethics training.

Vice Mayor Lee encouraged everyone to complete their census information to bring up the City's response rate.

Mary Montez, City Clerk, noted an email from Gail Isaac Thomas asking when the plaque would be dedicated for the Carver Park boardwalk.

Mayor Holland indicated the pandemic situation needed to improve before his workers could install the plaque.

9.2 City Manager - None

9.3 City Attorney - None

9.4 Mayor

Mayor Holland thanked everyone for maintaining the social distancing and wearing masks during the 4th of July fireworks. He thanked Lucas Air Conditioning for helping to sponsor the fireworks. He encouraged everyone to remain vigilant during the pandemic.

10. ADJOURNMENT: 8:18 P.M.

These minutes reflect the actions taken and portions of the discussion during the meeting. To review the entire discussion concerning any agenda item, go to www.eustis.org and click on the video for the meeting in question. A DVD of the entire meeting or CD of the entire audio recording or verbatim transcript of the meeting can be obtained from the office of the City Clerk for a fee.

Mary C. Montez

MARY C. MONTEZ
City Clerk

MICHAEL L. HOLLAND
Mayor/Commissioner