APPROVED: 5/2/2019

MINUTES
City Commission Workshop
9:00 AM - Saturday, March 2, 2019 - City Hall

PRESENT: Commissioner Carla Gnann-Thompson, Vice Mayor Karen LeHeup-Smith, Commissioner Robert Morin and Mayor Michael L. Holland

EXCUSED: Commissioner Marie Aliberti

CALL TO ORDER: 9:00 A.M.

ACKNOWLEDGEMENT OF QUORUM AND PROPER NOTICE

1. APPOINTMENT

a) Appointment to Lake County Arts & Cultural Alliance - Jackii Molsick

Moved by Commissioner Morin, seconded by Vice Mayor LeHeup-Smith, to appoint Jackie Molsick to the Lake County Arts and Cultural Alliance as the City's representative. Motion carried by the following votes:

Ayes: Commissioner Gnann-Thompson, Vice Mayor LeHeup-Smith, Commissioner Morin and Mayor Holland

2. OTHER BUSINESS

a) Request for Consideration of Amendment to Land Development Regulations

Lori Barnes, Development Services Director, explained staff had received a request for the Commission to consider amending the Land Development Regulations to allow mobile food vendors in the Central Business District (CBD). She explained currently the mobile vendors are allowed in General Commercial, General Industrial, Mixed Commercial/Residential and Mixed Commercial/Industrial. She explained why that restriction is in place. She stated that, if the Commission wishes to allow the use in the CBD, she would recommend allowing as a Conditional Use so that each request is individually evaluated.

The Commission confirmed it would be on a case-by-case basis and asked if that meant that each request would come to the Commission.

Ms. Barnes explained that staff would review each request and the location and provide a recommendation to the Commission regarding any specific restrictions.

The Commission then asked if the CUP would be for a certain period of time or would it be changeable.

Ms. Barnes state the current proposal is for one food truck that would be semi-permanent but would bring in a variety of foods. She explained that the Commission can't just consider that single site, but would have to change the use throughout the CBD. She further explained that allowing it as a Conditional Use would prohibit additional food trucks just popping up on any property.

Ron Neibert, City Manager, explained the proposed site is unique as it will be a fixed location for the dining area but the food preparation would be mobile and would change out the types of food offered.

The Commission discussed if there would be inspections of the site and food inspections, where the food trucks would be allowed in the downtown area and placement only on private property.

Ms. Barnes further explained that any site in the CBD would have to go through the Conditional Use process and go before the Commission. She clarified that currently they are not allowed at all except for City-sponsored events. They would have to be placed on private property, not City property, and the property owner would have to apply for a conditional use permit.

Mr. Neibert noted that, if someone has a vacant building, it could be done in conjunction with an existing structure. He added that he did not think they should be allowed unless there is a permanent facility with a dining area.

Further discussion was held with Ms. Barnes explaining why staff does not want to allow them as an allowed use. She noted a CUP requires an $800 application fee and added that it would allow someone to use an existing building that does not already have kitchen facilities.

CONSENSUS: Following further discussion regarding how it would be presented to the Commission, it was a consensus of the Commission for staff to bring back an ordinance for consideration.

3. RETREAT DISCUSSION ITEMS

a) 2019-2020 Budget Presentation

Rob Visser, Deputy Finance Director, provided an overview of the FY18-19 budget as a basis for planning for the FY19-20 budget. He explained the various City funds and the revenue sources for each. He then reviewed the

General Fund budget by department. He provided a summary of the FY18-19 budget expenses for a total General Fund expenditure of $16,455,200. He then reviewed the Water & Sewer Enterprise funds with total expenditures of $10,262,500. He provided an overview of the Street Fund with a total expenditure of $1,673,700 and the Stormwater Fund with a total expenditure of $979,350. He reviewed the CRA fund with expenditures totaling $670,100. He then provided an overview of capital improvements by funding source.

Mr. Visser then reviewed anticipated challenges for preparation of the FY19-20 budget including the following: 1) 3% cost of living salary adjustment; 2) 5% health insurance increase; 3) Police and Fire Pensions; and 4) 10% GL/workers comp and property insurance increase.

The Commission asked what the total is for expenditures across all funds with Mr. Visser responding the total is $36 million with total revenues at slightly over $36 million.

The Commission then asked about restricted revenues with Mr. Neibert explaining that the building fund can only be used for enforcement of the Florida Building code.

Discussion was held regarding the use of the building fund revenues with Mr. Neibert explaining that those funds can be used for staff training and funding building inspections. He further explained that a portion can be transferred to the General Fund to account for indirect costs.

The Commission asked if funds can be used to help people pay permit fees to make improvements to their homes and where code enforcement is budgeted with Mr. Neibert indicating it is budgeted under Development Services.

The Commission then questioned the large increase in the City Manager's budget with Mr. Neibert explaining that the event staff was transferred to the City Manager's budget which resulted in a corresponding reduction in Economic Development. He noted that the additional increase is also due to revenue from sponsorships to help pay for the events. He commented on the increase in the number of events.

The Commission discussed where or not the cost of events is worth it. Concern was expressed regarding Code Enforcement only responding to complaints. It was noted that Code Enforcement only has two full time employees and that they do take action if they observe other violations when they driving around.

Further discussion was held regarding the need to address various violations within the City and the City possibly having liability for violations occurring in Sharp's Mobile Home Park.

Mr. Neibert stated that the needs of the City outweigh the ability of the City to address those needs. He asked if the Commission wants to make it a priority to increase Code Enforcement staff to allow staff to be more proactive. He indicated that previous Commissions did not want to the allocate funds for that purpose.

b) Review of Proposed Re-organization of Public Works Department

Rick Gierok, Public Works Director, explained the proposed re-organization of the Public Works Department. He reviewed the current structure and explained the various tasks within each area. He explained how staff reviewed their work breakdown, how the tasks are prioritized and concerns noted during fourth quarter 2018 and why the Department couldn't address certain issues.

The Commission discussed asking the Metropolitan Planning Organization (MPO) to assist with various road and street issues with Mr. Neibert explaining some of the issues are not under the MPO authority. He further explained that some are County maintenance items.

Commissioner Morin announced that the MPO has agreed that any elected official from a City can stand in for the designee.

Mr. Neibert then explained that one of the problems is with popup issues that have to be addressed in addition to planned projects with Mr. Gierok stating that there are issues with priorities such as grass mowing that needs to be done when staff is already involved in a project that can't be stopped.

The Commission commented on the need to improve the appearance at the gateways with Mr. Gierok noting the difficulty in keeping up with mowing during the summer and concerns with maintaining landscaping in the medians. He stated that a majority of other cities are outsourcing at least part of the park and lawn maintenance. He explained how Mount Dora received quotes on their maintenance based on different levels of service with a cost of approximately $80,000 per year. He presented a map that showed everywhere City staff mows within the City. He stated his proposal that the City outsource the mowing and explained what tasks would be outsourced. He estimated the cost would be $80,000 to $100,000 per year. He added that a City staff member would have to supervise the outsource staff.

Mr. Neibert estimated that the program would be implemented at the beginning of the new fiscal year.

Mr. Gierok then explained his intent for re-assigning the existing staff with Mayor Holland suggesting that the City get the state and county to allow the City to maintain their right-of-ways within the City.

Mr. Neibert responded that he had asked the County Manager about it and he said no.

Discussion was held regarding Orange Avenue with Mr. Neibert explaining there is a FDOT suggestion to put Orange Avenue on a "road diet".

Recess: 10:35 a.m. Reconvene: 10:40 a.m.

Mr. Gierok then explained his plan to move one employee into stormwater, one into street construction, one into park maintenance crew, and one into engineering as an Assistant Project Manager who would assist with keeping track of capital projects. He indicated that the Ardice project will begin soon and should go smoother than Lakeview.

The Commission questioned who oversees contract management with Mr. Gierok stating that the City does. He explained that Mike Brisson is the City's project manager and an assistant would help him keep up.

The Commission then asked who handles the finance portion of the contracts with Mr. Gierok explaining that is also done inhouse. He stated that staff has to certify the payouts. He explained that he is a professional engineer and Mike Brisson is a surveyor. He commented on the amount of work done inhouse to reduce the cost of the skatepark. He noted the City also self performs a lot of the street paving. He reported that in 2012, through the MPO, the City had a company come in and rate all of the City's streets. In 2017, the City's Pavement Condition Index had risen from 73 in 2012 to an 80 in 2017.

CONSENSUS: It was a consensus of the Commission to include the proposal in the budget preparation.

c) Review of Strategic Plan, Community Redevelopment Plan and Central Business District Regulations & Vision

Mr. Neibert provided an overview of the current Strategic Plan including goals, strategies and actions and commented on the status of different strategies and actions.

The Commission asked what is the Code Enforcement Sign Visitation Program with Ms. Barnes explaining that when the new sign regulations were adopted, Code Enforcement staff was tasked with going out and providing a brochure that explained the regulations in an effort to bring signs into compliance without initiating code violations.

Mr. Neibert reported that the City is about to begin the final phase of the Ferran Park/Lakefront Master Plan. He indicated there would be some community meetings to review that final phase.

Tom Carrino, Economic Development Director, reported on the status of the directional signage project noting that the poles are going up and the City will be accepting applications.

Mr. Neibert commented on Mr. Carrino's efforts to go out monthly and meet with local businesses to see what their needs are and how the City can help them be successful. He stated that his policy is for employees to find a way to say "yes".

Mr. Neibert reported on the City's work with Crazy Gator to bring in boat rentals. He then cited the strategies and actions for Goal #3 - To provide quality, cost-effective public services.

The Commission asked if the City can do something to improve the sound system at the bandshell and community building with Mr. Neibert reporting that the community building sound system upgrade is in the current year's budget and Events Coordinator Erin Bailey is obtaining costs for the bandshell.

Mr. Neibert then stated that, regarding effective, timely public input, the City has started the quarterly newsletter as well as bi-weekly construction updates to the residents. He noted the website was upgraded last year. He commented on the current auto aid agreements with Mount Dora, Tavares and Lake County and the City's ISO rating of 2.

Regarding the development of a Parks and Recreation Master Plan, Ms. Barnes explained the cost for such a plan and Parks & Recreation Director Joe LaPolla indicated that other priorities have kept it from being done.

Chief Swanson reported that the new fire truck would be delivered the next week.

Ann Ivey, Library Director, reported on the improved technology available at the Library and new programs being offered.

Mr. Neibert stated that the development of a new fire station has already been accomplished. He commented on the City's inability to reach the top quartile for employee pay due to funding restrictions. He reviewed the future priorities and actions and stated that a recent study showed that it is not financially feasible to offer commuter rail within the area.

Commissioner Morin noted the strategic plan is dated FY2013-14 and stated it needs to be updated.

Mr. Neibert responded that the existing Strategic Plan is still timely and it still has achievable goals.

Commission Morin then expressed concern regarding lack of movement on downtown properties and commented on the lack of productivity and not seeing results. It was stated the plan needs to be updated based on what the Commission wants to accomplish. He cited the need for a business plan and need to have updated information regarding what is occurring. He asked to have written reports on City activities.

Commissioner Gnann-Thompson responded that the City has had growth and moved forward in the past two years but there have been setbacks as well. She expressed support for having work sessions at least twice per year in order to have more open discussion. She emphasized that it's not what the Commission wants, it's what the residents want. She added that the Commission needs to discuss its goals.

Mr. Neibert explained that is part of the budget process. He stated that staff puts together their department budgets based on already stated goals. He noted that there are things he is aware of that he can't report in writing at this time. He commented on the need for the legislature to exclude property purchase negotiations from the open records laws.

Vice Mayor LeHeup-Smith stated that it used to be that each Commissioner met with the City Manager prior to each Commission meeting to get brought up to speed on what is going on. She encouraged the current Commission to schedule regular meetings with the City Manager.

Mr. Neibert noted that business owners may not want certain items discussed in the public until a contract is signed but they may come to the City for information and asked that it not be disclosed at that stage.

Commissioner Gnann-Thompson noted that is why the City started the quarterly newsletter to provide the information.

Vice Mayor LeHeup-Smith commented on the new weekly report on the new business tax receipts issued.

Lunch Break: 11:46 p.m. Reconvene: 12:25 p.m.

Mr. Neibert then discussed a possible annexation program and issues with current property owners that want to annex into the City but cannot because they are not contiguous. He explained the City Attorney is preparing a question to submit to the Attorney General for an opinion. He stated there is a law that allows the City to annex noncontiguous properties under an ISBA. The County Manager approached the City's representative on the County Commission who indicated she would be willing to consider on a case by case basis. He then indicated they would need at least three County Commissioners to support the City's position.

Mr. Neibert then reported that the City's County Commissioner had been negotiating with Mount Dora to service utilities in an area to the east. He further reported that the Commissioner had placed on a recent County Commission consent agenda an incomplete agreement that would have allowed Mount Dora to service the area with utilities but without allowing them to annex. The agreement was subsequently withdrawn. The City's Attorney states the contract would be illegal as there is no statute that allows counties to give a municipality exclusive rights to an area of unincorporated property. He reported on a joint meeting they held with the County Commissioner and Mount Dora. The Commissioner later offered to allow Eustis to serve the area if the City releases Red Tail from its requirement to annex.

Mr. Neibert added that two other County Commissioners approached him and Mayor Holland regarding the proposal and they were apparently not happy with either staff or the other Commissioner's actions. It appears the City has at least two Commissioners that would support the City's position. He explained the proposed ISBA for the Northeast section would not include noncontiguous annexation so he thinks it would be approved. He further stated that their position is that, if the City extends utilities, then they would require annexation upon them becoming contiguous. He noted that the Commissioner is stating she only supports one unit per acre in the eastern area which is not financially feasible. He then commented on Mount Dora's probable inability to service the area in question due to their financial situation.

Mr. Neibert then reported that staff has had discussions with the Lake County School Board to annex the middle school which will give the City the ability to annex to the east. He stated that Ms. Barnes and a property owner have been working with other property owners to encourage them to annex into the City. He indicated that the City could have a way within a few years to force Sorrento Springs to annex under the normal annexation process. He noted that the City's existing Joint Planning Area (JPA) with the County requires them to allow the City to annex properties within the JPA without the County's approval. He explained that the City is going to ask the County to allow Eustis to annex any properties within the existing JPA regardless of whether it creates an enclave.

He asked the Commission if there is any interest in releasing the two subdivisions from the annexation requirement.

Discussion was held regarding how City residents are basically subsidizing the provision of utilities to Sorrento Springs and Red Tail.

CONSENSUS: It was a consensus of the Commission to tell the County that the City has no interest in changing its annexation requirements.

Mayor Holland reported that Stephanie Luke and Sandy Gamble are in support of annexing the middle school into the City.

Mr. Neibert stated he would provide the Commissioners with the date and time for the School Board meeting.

Commissioner Gnann-Thompson asked if the City could try and purchase the Kurt Street baseball fields from the School Board.

Discussion was held regarding the School Board's anticipated use of the property and the probability of them closing Eustis Elementary.

Discussion was then held regarding annexing existing enclaves with Mr. Neibert noting the City's annexation incentive program. He further stated that some property owners said they would annex if the City provided them with sewer; therefore, Public Works is determining what it would cost to extend the sewer lines to the subject area.

Mr. Neibert then reviewed the proposed CDBG housing program, funding, eligibility requirements, eligible use of funds, loan limits per property, payback requirements, and types of required rehabilitation projects. He indicated that the City probably could not apply until 2020 due to the Palmetto Plaza CDBG project not being completed.

Commissioner Morin recommended having a General Fund project in addition to the CDBG program. He expressed support for having a committee established to develop guidelines and policies for a program outside of the CRA.

Vice Mayor LeHeup-Smith suggested starting with the CRA and partnering with the Lake Community Action Agency (LCAA).

Mr. Neibert stated that Lake County already has a CDBG program and staff's recommendation is to contract with the County for administration of the CDBG program.

Commissioner Morin stated it could be beneficial to the application to already have something in place to show the City is committed to the program.

Vice Mayor LeHeup-Smith cited the City's gateway improvement grant program with Mr. Carrino indicating that total program budget is about $60,000.

Vice Mayor LeHeup-Smith commented on her previous experience on the Commission when residents approached the Commission about needing assistance with home improvements. The Commission at that time responded that is not the City's job and recommended they approach churches and other social agencies. She stated her understanding that there are homes in disrepair but she was not sure that is the City's job.

Mr. Neibert asked if the Commission would want to expand the gateway corridor program. He indicated the City does not have General Fund revenues available for a program.

Vice Mayor LeHeup-Smith stated the LCAA already has programs in place with insufficient funding and a waiting list. She recommended working with them.

Commissioner Gnann-Thompson responded that LCAA already works with Mount Dora who provides some funding for a program with Mr. Carrino stating that Mount Dora's CRA budgets for a corridor program and they are not doing a project with the LCAA. The program they have isn't working because the required funds for homes exceeds the threshold for the program.

Commissioner Gnann-Thompson stated that LCAA already has people on staff capable of managing a program. She indicated the City should look at a partnership before starting its own program.

Mr. Neibert commented on LCAA's weatherization program which is strictly for windows, insulation and furnaces. He indicated their program is agency-wide and he was unsure how much is spent in Eustis. He cited the possibility of them diverting federal funds away from Eustis and just using City funds.

The Commission discussed the Lake County SHIP program and their CDBG program.

Commissioner Morin commented on the number of code violations existing and residents not having the funds to make repairs.

Mr. Neibert stated that the average cost for a roof would be $12,000. He explained that for $1 million they would only be able to assist about 25 homes.

Discussion was held regarding establishing a committee to develop guidelines with Mr. Neibert stating their first questions are going to involve how much money is the City going to provide. He then suggested the City could expand the corridor program to include the entire City. He noted that the policies are already in place for the corridor program. He commented on the need to determine eligibility if the City does so.

Vice Mayor LeHeup-Smith stated she could support expanding the corridor improvement program and establishing a Committee to discuss eligibility.

Mr. Neibert indicated that the current program limits each recipient to a maximum of $6,000 based on 50% of what they have spent and it is limited to exterior work.

The Commission discussed the need for repayment criteria.

Mayor Holland expressed support for expanding the existing corridor grant program, leaving the maximum amounts as is, and establishing a committee to review eligible expenditures. He recommended Commissioners bring names for appointment to the committee to the next Commission meeting.

Mr. Neibert then distributed copies of the downtown master plan and noted part of the plan recommended constructing a sailing marina in proximity to the community building. He noted the private developer improving the existing marina. He cited the following possible partners for a facility: 1) City; 2) Lake Eustis Sailing Club; 3) Lake Eustis Youth Sailing Foundation; 4) U.S. Sailing; 5) Lake County; 6) Trout Lake Nature Center; 7) Area sailing teams such as UCF and Trinity Prep and potentially the Florida Sailing Association and Lake County Schools. He reviewed possible uses for the facility including the following: 1) Retain Community Center use; 2) Host regattas and other special events; 3) U.S. Sailing training facilities; 4) Community sailing center facilities; and 5) Potential offices for sailing organizations. He stated it would allow the City to get a new community center. He reported staff is currently working with LESC, EYSF and US Sailing on a proposal to construct a three story building with an observation deck. The Community Center facility would be expanded and located on the second floor. He estimated it would attract an initial 12 to 13 events per year and generate almost 400 hotel nights. He reviewed other possible events, benefits and programming. He stated the next steps as follows: 1) City Commission consensus; 2) Continue partnership with LESC, LEYSF and US Sailing; 3) Work with Lake County on funding for design and construction; and 4) Design, engineer and construct a world class facility. He indicated his desire to go to the County to ask them to fund a feasibility study and eventually obtain County tourism dollars for construction.

Discussion was held regarding purchasing property owned by the Smith family for additional parking. The sale would include a proviso that anyone leasing the building would be allowed to use the property for parking.

CONSENSUS: It was a consensus of the Commission for staff to proceed with negotiating for purchase of lots and approach the County regarding funding for a study.

Mr. Neibert stated that he has already had discussions with Duke Energy and they have agreed to move the electric lines underground.

Mr. Neibert reviewed the proposal for the Eustis Memorial Library to join with the Lake County Library System. He explained, if they do, the County has agreed to provide an initial $90,000 per year in exchange for the City allowing

Lake County residents to use the library. The City will retain all control of its collection and programs and will be eligible for additional state funding.

Ann Ivey, Library Director, commented on statements she has heard from people who live right outside City limits not being able to obtain library cards. She expressed support for joining the County system. She noted that, in additional to the $90,000, there will be a reduction in cost because they would pay for programs that the Eustis library currently pays thousands of dollars for each year.

Discussion was held regarding the consequences if the City later wanted to leave the system with Mr. Neibert explaining the library will have to use the County's computer system and, if the City leaves the system, the City would have to pay back the County for the computer system.

The Commission asked to see Mount Dora's agreement and the agreement the City would sign.

Ms. Ivey explained the only difference patrons would see is a different card and the City's fee structure would have to be the same as the rest of the County but fees would still go to Eustis.

d) Evaluation of General Fund Revenue

Mr. Neibert reviewed the projected General Fund revenues for the FY2019-20 fiscal year based on varying levels of growth. He stated that the Finance Director is estimating that the City will probably see a 6% growth in taxable value. He then presented a proposal for the City to establish a fire assessment fee. He stated there are only three other cities in the County that do not have a fire assessment fee - Clermont, Groveland and Astatula. He presented the current area rates and the projected revenue. He stated that the revenue would supplant the current General Fund revenues used in the Fire Department which would free up those funds for other uses.

The Commission asked if it includes churches or nonprofits with Mr. Neibert responding that has been discussed in other cities. He noted that a number of churches offer day care facilities and other programs that compete with businesses that would have to pay the fee. He expressed support for charging the churches. He stated that, if the Commission wants to proceed, there is a statutory requirement to have a feasibility study done.

The Commission expressed concern that the plan for the fee was not to upgrade or increase the current level of service.

Mr. Neibert noted that the City could increase the millage rate but then there are properties that would not pay anything more. He stated all properties would have to pay the assessment. He indicated that the projected revenue at

$100 per year would be $793,600. He indicated the City is already at an ISO rating of 2 and is almost at a 1 with only adding a little more training. He stated it could be presented as a public safety assessment since the funds diverted from the Fire Department would be used to support the Police Department.

Further discussion was held with Mr. Neibert noting that the City's ability to raise revenues is limited. He stated that an assessment is stable and not subject to the real estate market. He then explained that the Tavares assessment is divided up and paid through the utility bills while other cities have it with the property taxes. He further explained that the feasibility study is only going to show the estimated revenues.

It was agreed to discuss it further at a future meeting with Mr. Neibert indicating he would provide them with a time period of when it would have to be approved.

e) Miscellaneous Discussions

Commissioner Morin expressed concern about the City paying for attorney fees for individual Commissioners with Mr. Neibert responding that the City has an ordinance that says if a Commissioner is sued the City pays the attorney fees.

Commissioner Morin suggested implementing a Planning & Zoning Board with Mr. Neibert indicating that typically the Commission will still hear the same arguments whether a project has gone before a P&Z Board or not.

Mary Montez, City Clerk, noted there are currently a number of vacancies on the Code Enforcement Board and Police and Fire Pension Boards. She cited the difficulty the City has in filling those vacancies.

Discussion was held regarding Commissioners attending DRC meetings.

Mr. Neibert indicated that staff could ask developers to hold community buildings.

Vice Mayor LeHeup-Smith announced a Kid's Cafe would be held in Carver Park starting March 4th with hot meals being served from 3:30 to 4:30 p.m.. She explained flyers have been given to the school children; however, the City is precluded from publishing the program through social media.

Commissioner Gnann-Thompson expressed opposition to approving a restaurant without knowing what type of restaurant it is. She also requested that Powerpoint presentations be limited to no more than 15 minutes.

Discussion was held regarding limiting presentations to five minutes and if a longer time is needed, then scheduling a workshop.

4. ADJOURNMENT: 2:38 P.M.

Michael L. Holland
Mayor/Commissioner

Mary C. Montez
City Clerk

**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.*