

CITY COMMISSION WORKSHOP

Capital Improvements Program

City Hall Training Room
June 21, 2011 5:30 p.m.

I. Call to Order

Mayor Ed Kelley called the meeting to order at 5:30 p.m.

Present were Mayor Ed Kelley, Commissioners James Stowers, Rick Boehm, and Bill Partington, City Attorney Randy Hayes, City Manager Joyce Shanahan, Assistant City Manager Ted MacLeod, Finance Director Kelly McGuire, and Acting City Engineer John Noble.

II. Discussion of FY 2011-12 to FY 2015-16 CIP

City Manager Joyce Shanahan stated that tonight's workshop was the kick-off of the budget process, as the Capital Improvements Program (CIP) was done before the operating budget, in order to determine which projects the Commission wished to get done next year. She stated they had received the input of the advisory boards (Aviation Advisory Board, Budget Advisory Board, Leisure Services Advisory Board, Public Works Advisory Board, and Quality of Life Advisory Board) into the process. She stated that some of the CIP requests were generated from staff and sometimes from the public. She stated that Ms. Kelly McGuire, Finance Director, would provide a brief overview.

Ms. Kelly McGuire, Finance Director, stated that tonight's focus was to receive a consensus for the FY 2011-12 budget.

Reserves

Ms. McGuire stated that they were requesting the use of reserve funds for a number of proposed projects. She stated that currently the General Fund, as of September 30, 2010, had \$6.7 million (26.38%) in undesignated funds, which did not include the \$2 million revenue stabilization. She stated it was recommended to use \$740,000, which would reduce the General Fund reserve balance to \$5.96 million or 23.5%.

Ms. McGuire stated that the Water/Wastewater Fund had \$12 million of unrestricted net assets which amounted to \$6 million of available cash. She stated there were available funds should they wish to accelerate a water or wastewater project, such as the corrugated metal pipe replacement program.

Commissioner Rick Boehm noted that about \$1 million in reserve funds was spent this year; whereby, Ms. McGuire stated that approximately \$900,000 was budgeted in the current year to be used as part of the budget.

Airport

Ms. McGuire stated the Airport had one project, the Taxiway G Extension (\$95,000), with funding sources of the Federal Aviation Administration (\$90,250), Florida Department of Transportation (\$2,375), and the developer (\$2,375).

Ms. McGuire stated that Taxiway A was in the current year budget (\$1.4 million), and was not incorporated again for next year. She stated CIP project appropriations were good for five years and reviewed each year.

Ms. Shanahan stated that they were focusing on what was being budgeted for FY 2011-12, but if they had questions on the out years, to let her know.

Ms. McGuire stated that there were also different master plans, such as stormwater management, which were a couple of years out.

Mayor Kelley asked about Taxiway G and economic development in the southwest quad; whereby, Ms. Shanahan stated that there was design work scheduled in 2011-12 and construction in 2012-13.

Beautification

Ms. McGuire stated there were two beautification projects of Beach Ramp Beautification for Harvard Drive and Milsap Avenue (\$80,000) which would be funded through a Volusia County beautification grant, and the City Welcome Sign at the west entrance on SR40. She stated they would be bringing something back for the south A1A area as part of the beachfront park.

Commissioner Boehm stated that the City had a welcome sign program allocating \$10,000 per year, and it was his understanding that once this sign was placed that there was not any budgeting for any future beautification/welcome signs. He suggested there should be additional signs on north A1A and south US1.

Mayor Kelley suggested reviewing the sign on US1 to make it more visible, or utilizing it some place else.

Commissioner Boehm stated that if the Commission believed that welcome signs were important that they needed to direct staff to start looking at other locations and other means of putting welcome signs in, as he did not wish to

give up on the welcome sign program; whereby, Ms. McGuire stated that they could continue to allocate funds for signs going forward.

Commissioner James Stowers suggested incorporating a welcome sign in the unfunded landscaping improvements project on North US1 and discussing this at a later date.

Ms. Shanahan stated that staff was also working with Volusia County and Holly Hill on a corridor CRA along US1 whereby signage funding could possibly be incorporated in the corridor improvements.

Mayor Kelley stated this was a program they would like to continue in the budget next year.

Community Redevelopment Area

Ms. McGuire stated that the Building Improvement Grant was ongoing in the CRA area at \$300,000 budgeted for FY 2011-12.

Ms. McGuire stated that \$1.5 million labeled Granada Median was mostly for underground utilities.

Commissioner Boehm asked about documentation to support underground utilities; whereby, Ms. Shanahan stated that Florida Power & Light advised it cost about \$1 million per mile, but FPL had provided an estimate to date.

Commissioner Boehm stated that he did not favor not having documentation to support budget estimates; whereby, Ms. Shanahan stated that staff would correct this in the next CIP.

Ms. McGuire stated that some of the projects were ongoing, such as the land acquisition for parking and utility improvements, maintenance and rehabilitation of streetscape lighting, landscaping and traffic signal improvements, stormwater improvements, and Thompson Creek Phase II.

Commissioner Boehm asked about land acquisition for parking and utility improvements (\$50,000) and if we were adding to a balance; whereby, Mr. Goss stated that land acquisition had been in the CIP for a number of years and the money was kept in the CIP as a placeholder, so if a project came along, the money would be available in the budget.

Commissioner Boehm asked about the amount of money in the Downtown fund (\$3.5 million); whereby, Ms. McGuire stated that about \$600,000 was budgeted prior, and she felt that was a lot of money to hold aside.

Commissioner Stowers noted that the Thompson Creek bus stop was upgraded a couple of years ago, and there was a \$1.2 million upgrade proposed for next year. He stated that this was \$300,000 of TIF funds which he questioned how this would facilitate redevelopment in the CRA. He stated he favored pedestrian paths and trails throughout the community, but using CRA funds for a sidewalk trail and other landscape improvements along the western portion of Thompson Creek from Granada Boulevard to Lincoln Avenue would not serve very many people.

Mr. Goss stated that trails went from Division Avenue to Lincoln Avenue, which was the boundary of the CRA area. He stated that 25% of the trails were in the downtown area, and the reasoning was to connect all the areas (Hammock, Division, Hand Avenue) at Central Park to the downtown by 12-foot wide trails, so people could walk or ride bikes in the downtown.

Mayor Kelley stated that part of the problem was the restrictions attached to TPO funding. He stated that the City had created a use in order to get the funding, as the TPO was increasing the percentage of funds for bike and pedestrian trails and taking it away from a percentage of other parts of transportation. He stated we had to find a use for the funding or we would not get it. He stated he felt this was one of the flaws of government.

Ms. Shanahan clarified that the question was should we be using general fund dollars or TIF dollars to fund this project.

Commissioner Stowers stated he understood the plan was that there would be a sidewalk trail on two sides of Granada and Lincoln at a cost of over \$500,000 of TIF funds to get a path that no one used. He stated that only a couple a people per day used the trail to catch the bus, and he did not favor building a bridge to the bus stop. He stated there was also another bus stop in front of Winn-Dixie. He stated that he felt \$500,000 for a sidewalk at the periphery/outskirts of the CRA area was not a good use of TIF money. He stated he supported a larger trails system, but he felt having two trails on either side of the creek within the trails system was inefficient.

Mayor Kelley noted that this project was in one of the master plans, but he felt they should evaluate it to see if they were making the best use of TIF money to create an improved area that would generate additional property tax revenue or economic development. He stated we were seventh on the list for the funding, and he questioned whether the other cities would be able to provide matching funds. He stated there will be more opportunities for transportation dollars requiring matching funds in the future.

Commissioner Stowers reiterated that a path that lead to two sidewalks/paths on either side of Thompson Creek between Granada and Lincoln was inefficient. He stated he supported the overall project from Division to Wilmette, but he felt it was worth us saving \$300,000 and TPO saving \$900,000.

Mr. Goss noted that there were four options presented to the TPO.

Ms. Shanahan stated that they could take this project out of the CIP and wait until we find out if we would get the TPO funds and then amend the budget; or they could leave the project in the CIP and wait until we found out if we would get the funds and the Commission could accept them at that time.

Commissioner Stowers stated he was in favor of pulling this item from the CIP, continuing with the application with TPO, and then when we knew the trails configuration, evaluate whether it was an efficient use of general funds or TIF funds to construct it; whereby, Mayor Kelley stated that the budget could be amended at that time. There was general consensus on pulling the project from the CIP.

Facilities Renewal & Replacement

Ms. McGuire stated staff recommended using \$200,000 of General Fund Reserve to restore the R&R fund for FY 2011-12. She stated that Cassen Park dock repairs and Fortunato Park playground equipment were two of the projects for next year.

Facilities Construction and Renovation

Ms. McGuire stated that there were two projects here, the City Hall parking lot (\$60,000) and conference rooms and storage (\$30,000).

Commissioner Boehm asked about the City Hall parking lot paving stating that he favored doing the project in one fiscal year rather than splitting it between two years; whereby, Ms. Shanahan stated that they were trying to spread out the dollars as much as possible so they were not spent in one fiscal year, in case something came up that needed to be done.

Mayor Kelley stated he favored getting a bid for the whole project and having it done over a long weekend; whereby, Ms. Shanahan stated that staff would come back with a final project estimate.

Ms. McGuire stated that there were plans to convert the former Building Department into multiple conference rooms, including a large multi-media room and a room for the auditors.

Parks Recreation & Cultural Improvements

Ms. McGuire stated that there were several projects at the Nova Community Park using property taxes for the racquetball/handball courts, basketball court, and master plan development.

Commissioner Stowers asked about the location of the basketball court; whereby, Mr. Robert Carolin, Leisure Services Director, stated it was outside near the racquetball court and would be expanded to a full size court and utilized by the basketball association for practices.

Commissioner Stowers commented that \$50,000 to redo a basketball court seemed very high, as half of the City Hall parking lot could be repaved for \$60,000; whereby, Mr. Noble stated that the facility had to be demolished and tied into wind load requirements, etc., but \$50,000 was not a hard number.

Commissioner Stowers asked if the tennis courts were used extensively; whereby, Mayor Kelley stated they were.

Commissioner Boehm stated that the \$50,000 was not an accurate estimate; whereby, Mayor Kelley stated that the final estimate would not be known until it went out for bid on almost every project.

Ms. Shanahan stated that there was not enough backup (i.e., a picture, site plan, detailed cost estimate) on these projects, and her plan for next year was to give them that detail. She stated they would provide the best cost at that time, but the actual cost would not be known until it went out for bid.

Stormwater Improvements

Ms. McGuire stated that there were two stormwater projects of the ongoing corrugated metal pipe rehabilitation and a flood study, which would be paid for through stormwater fees, bonds, grants, and special assessments.

Mr. Noble stated that the focus next year would be on Halifax Drive in conjunction with resurfacing projects in that area. He stated that the underground pipe was TV inspected to determine the condition of the pipe.

Mr. Noble stated that the city had recently received FEMA approval for the expansion to the grant we had for the Hand Avenue stormwater improvements.

Ms. Shanahan stated that a prior Commission asked staff to research the possibility of interconnecting the lakes at Central Park, which FEMA had

agreed to grant \$1.5 million for this project. She stated that the Engineering staff and consultants helped with the grant applications, as the interconnection added a lot to the community.

Technology

Ms. McGuire stated there was one project for next year of replacing the enterprise system, which was used for accounting, utility billing, project management, planning and development, etc. She stated nine responses were received from an RFP, with \$650,000 as a starting point, and she would like to budget an additional contingency.

Ms. Shanahan stated that a new system would do a much better job at human resource development, planning and development, permitting on-line, and so forth, and increase transparency on spending and accountability to the public. She noted that replacing the primary software was very labor intensive, but this was one of the projects that had to be done.

Transportation

Ms. McGuire stated that the two big projects in this fund were Hand Avenue and John Anderson, which would be funded by local option gas tax and property taxes, and bonded over the next 20 years.

Vehicle and Equipment Replacement

Ms. McGuire stated that funds were set aside on an annual basis for vehicle and equipment replacement. She stated the \$566,000 did not include a reduction for the sale of old vehicles or equipment.

Water/Wastewater

Mr. Noble stated that the reuse system improvements included reuse water out to Breakaway Trails, which was identified in the Wastewater Master Plan, instead of extension to the south peninsula.

Mr. Noble noted there was an alternate piping arrangement for the Thompson Creek area connecting the water plant and wastewater plant which would allow greater flexibility with permitting.

Ms. McGuire stated that an SRF loan was in place for funding with the remainder being paid for with water and sewer charges, and there was not a rate increase proposed.

Ms. McGuire stated that the city would need to bond money for the watermain replacement program. She noted that Mr. Noble had prepared a schedule to accelerate the project over a five-year program.

Unfunded Projects

Mayor Kelley stated that he favored holding a one-hour workshop on July 5 at 5:30 to discuss the Ames House, MacDonald House and Environmental Learning Center and any other unfunded projects, when Commissioner Kent was in attendance.

III. Close the Meeting

The meeting was adjourned at 6:47 p.m.

Transcribed by: Lois Towey