

# **CITY COMMISSION WORKSHOP**

## **Capital Improvement Program**

City Hall Training Room  
June 2, 2009 5:30 p.m.

### **I. Call to Order**

Mayor Fred Costello called the meeting to order at 5:32 p.m.

Present were Mayor Fred Costello, Commissioners Lori Gillooly, Troy Kent, Ed Kelley, 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 2009-10 to FY 2013-14 CIP**

#### Audience Comments

Mayor Costello stated that tonight was the capital improvements workshop and normally there would not be participation from the audience, but he stated that the audience could have a few minutes to express their concern.

Ms. Mia James, 171 Riverside Drive, stated she and other residents of Riverside Drive were invited by Ms. Joyce Shanahan. She stated she had spoken with Commissioner Kent and the residents were aware that money was being allocated to fix some of the drainage issues. She noted that Riverside Drive was not on the list for improvements. She stated her concerns about flooding, personal expense of installing lift stations, problems with their neighbors, and that it was not a situation that any of them could fix.

Mayor Costello stated that they were not prepared to discuss any solutions at this time. He stated they supported them and wanted to resolve the issue, but they had to wait for an engineering report before anything could be done.

Commissioner Kent stated he had visited her neighbor and that he and Ms. Shanahan would be looking at the situation, and hopefully, beginning some type of planning.

City Manager Joyce Shanahan stated she had invited the citizens to express their concerns about their area. She stated that staff was reviewing all areas of flooding, including Riverside Drive, looking at the issues, and what it would take to solve and prioritize them. She stated they would look

at short-term fixes at the Hand Avenue and Central Park area. She stated that Engineering would be meeting with Holly Hill and Daytona Beach to discuss the drainage canal through that area. In essence, she stated they were looking at all the areas that had flooding on a comprehensive basis. She stated there were no specific projects related to Riverside Drive, but they would be addressing all concerns.

Mayor Costello asked about the timeframe; whereby, Acting City Engineer John Noble stated that they expected to have all the areas identified within a few months for cost, prioritization, and recommendations. He stated they were working with the consultants, who would be starting work right away, and staff was gathering all data from all the information coming in and trying to sort it out and make some sense of it all.

Mayor Costello suggested holding a workshop to discuss the engineering assessment in September or October.

Ms. Shanahan stated that they understood this was a top priority for the Commission, as well as the community. She stated that they would invite all the homes on their damage assessment list. She stated it would take some time to evaluate the issues from an engineering standpoint, and they appreciated the citizens' patience.

#### Capital Improvement Program

Ms. Kelly McGuire, Finance Director, stated that their goal tonight was to receive a consensus on the projects that would be included in next year's budget.

Mayor Costello asked about the same tax rate; whereby, Ms. McGuire stated that relative to the tax rate, the renewal and replacement funding would be reduced by \$200,000.

Ms. Shanahan stated that the preliminary assessed value was down 14.2%, which was an additional \$500,000 (\$2.7 million cut) that we would have to come up with. She stated that an increase in property taxes of \$34 was now about \$48.

Mayor Costello clarified that if we kept the same tax rate, then there would have to be cuts of \$2.7 million, and at the same tax revenue, cuts of \$1.7 million. He stated the Commission would be making this decision at a later date.

#### Airport/Airpark/Business Park Improvements

Ms. McGuire stated that there were about \$6.1 million for projects, the bulk of which would be funded through grants, specifically FAA grants. She stated the airport match for the five-year period was about \$71,000.

Ms. McGuire stated the Business Park Way-Phase II would not be scheduled until 2010-11, and the Sunshine Boulevard Improvements were scheduled for this year's budget with a portion of it carried over.

#### Beautification

Ms. McGuire stated they were looking at a Volusia County Public Beach Ramp Beautification Grant for funding, in addition to some funding with property taxes. She stated they should be aware that the grants were not approved to date.

Ms. McGuire stated the City Welcome Signs were phased in the next three years.

Ms. McGuire stated the Nova Road Stormwater Pond Passive Parks project was started this year (\$20,000) and would be carried over to next year (\$20,000).

#### CRA

Ms. McGuire stated all the projects were coming out of the master plan. She stated the Cassen Park Boat Ramp Extension was approved by the Commission to apply for a grant, and the other projects would be funded by downtown property taxes.

Ms. McGuire stated that all the projects went before the Leisure Services Advisory Board.

Ms. McGuire stated that both phases of the fiber optics project were completed this year which freed up additional dollars for projects that had been in the unfunded section.

#### Facilities Renewal and Replacement

Ms. McGuire stated this section had been cut about \$200,000 for mostly large parking lot projects. She stated they had accumulated about \$300,000 to fall back on if there should be a large project that needed to be done.

#### MacDonald House

Commissioner Kelley asked about the MacDonald House as he felt it had no real historical significance, except for being old. He stated he felt it was a

money pit; and unless someone was restoring it for a purpose, he felt they should make a decision to free up the money for something else.

Mayor Costello recalled that the Ormond Beach Historical Society was going to evaluate the use of the MacDonald House. He stated he concurred with Commissioner Kelley about its long-term benefit.

Commissioner Gillooly suggested that the Historic Landmark Preservation Board and the Ormond Beach Historical Society should meet to discuss ideas for the MacDonald House. She stated she understood that the \$25,000 was for parking, which would benefit the downtown as well.

The Commission was in consensus to direct Ms. Shanahan to arrange a meeting with the HLPB and OBHS for input on their long-range vision planning for the MacDonald House.

#### Osceola Elementary School

Commissioner Kent stated that he felt the city was putting in more than their fair share at the Osceola Elementary School, because it was not used often enough by the residents. He suggested staff conduct a survey on the usage.

Mayor Costello stated that principal Carl Persis suggested that the city may want to enhance the Ormond Beach Middle School facility, which he highly recommended because it was used very much. He suggested Mr. Robert Carolin, Leisure Services Director, should evaluate existing schools with access to the public and promote those areas for recreation.

Commissioner Kent suggested evaluating Osceola Elementary to see if the money could be used elsewhere.

Ms. McGuire recalled that Commissioner Kent brought this up last year and they did a report, which they would review again.

#### Skate park

Commissioner Gillooly asked about resurfacing the skate park; whereby, Mr. Carolin stated there were several spots where cracks/holes were created over the years which had been repaired. He stated they had pictures of the holes.

#### Facilities Construction and Renovation

Ms. McGuire stated the City Hall generator upgrades were programmed out for two more years, and side street lighting conversion was not new either.

### Parks, Recreation and Cultural Improvements

Ms. McGuire stated the Gymnastic Center Improvement was one of the projects that was moved out of the unfunded section.

Commissioner Gillooly stated that there had been work performed in the Nova gym that was cost effective; whereby, Mr. Carolin stated that the insulating of the Nova gym made a tremendous difference in maintaining the temperature of the gym during all times of the year.

Ms. McGuire stated the Nova Community Park Racquetball Courts were scheduled for several years out and they were looking at a FRDAP grant for partial funding, as well as for the Nova Community Park Renovations and Skate Park Rebuild.

Ms. McGuire stated the Ormond Beach Sports Complex Forcemain was a new project that was in the unfunded section last year. She stated that staff and Leisure Services Advisory Board considered it top priority; and as a result of recent storm, it might have to be done sooner, rather than next year.

Ms. McGuire stated the Performing Arts Center Marquee Replacement had been in the CIP for many years. She stated it was one of the top priorities of the Leisure Services Advisory Board.

Commissioner Kelley stated that this would be one of the things he would cut this year, because he felt other projects might be more important.

Ms. McGuire stated that SONC field renovation and improvements would be funded by another FRDAP grant, and they were high priority of the Leisure Services Advisory Board.

Ms. McGuire stated that The Casements architectural improvements were ongoing for expansion/additional scope.

### Stormwater

Ms. McGuire stated that there was an additional \$2.00 and about \$1.2 million annually to fund capital projects and additional maintenance.

Ms. Shanahan stated we had a pay-as-you-go type of program and understood that the needs were pretty extensive at Central Park, Pine Trails, Lakeview Circle, Riverside Drive, and John Anderson. She stated they needed to look at possibly debt financing some of that money. She stated that the traditional financing was not available and they were not prepared to make a recommendation at this point, but it was possible they

would debt finance and/or make a recommendation for an increase to the stormwater fee.

Mayor Costello stated he was on board with debt financing. He stated his feeling was to move the John Anderson project forward because of a decreased cost of doing it now and increased benefit received by moving it up. In addition, he stated he felt the residents needed to see us do something. He stated he understood that we needed to hear back from Ms. McGuire about the budget and the regional group on the Nova canal and 11<sup>th</sup> Street, and FEMA. He stated he hoped we would not have to buy any homes, but he stated it was incumbent upon them to make the best recommendation to FEMA, and then if they did not get funding, the fall back position would be to do what things they could do.

Ms. Shanahan stated that this event was the third most costly in Volusia County, behind Hurricanes Frances and Charlie. She stated they hoped that additional hazard mitigation money would be made available to help offset some of the funding needs. She stated they were working on all fronts, but the multijurisdictional issue would be the most lengthy and hardest to resolve. She stated they would come forward with a recommendation for our immediate area before the Nova canal. She stated that everyone understood the importance of that issue, and they would not withhold any information or options from them.

Commissioner Kelley stated that buying the home might be the most effective way of controlling drainage.

Mayor Costello suggested that if there was not anywhere to pump the water, then maybe more holes should be created. He stated that if the engineers were recommending that the city buy some of the homes, then we needed to put FEMA on notice so they did not spend money to repair/restore them if it looked like the only way to insure other areas were safe was to buy the homes in order to expand the storage area.

Commissioner Kent stated he was amazed that the lakes at Central Park were 90 to 100 feet deep.

Commissioner Partington referred to a letter from the St. John's River Water Management District addressing that issue which seemed to indicate that more holes would not have helped because of the layout of the entire area.

Mayor Costello suggested that the Commission take pictures and go to the FEMA office for assistance, if necessary.

### Technology

Ms. McGuire stated that the document management and server virtualization (carryover projects from this year) and purchase of the storage would move forward with the rest of the project next year. She stated that fiber optic was another phase where City Hall would be connected to the Performing Arts Center.

Commissioner Kelley asked if the project was scheduled in out years because the first two parts were accelerated; whereby, Ms. McGuire stated that there was a phase this year and a phase programmed for next year, which was funded this year.

Commissioner Kelley asked if it was important enough dollar wise and essential to completing the program; whereby, Ms. McGuire stated there were some unfunded portions of the program, but it would complete the most critical parts of the project.

Mr. Ned Huhta, IT Manager, stated that it would be complete, and they were functional but somewhat vulnerable to a physical break in the system.

Commissioner Kelley asked about the phone; whereby, Mr. Huhta stated that the phone portion was a changing landscape and they would have to have some commitment of funding before performing a study. Ms. McGuire stated that the last discussion indicated a longer payback than they had anticipated.

### Transportation

Ms. McGuire stated that the majority of dollars would be spent for transportation in the next two years. She stated if it was kept at the same funding level, then there would be some debt financing involved, as well.

Mayor Costello stated he felt it was critical to identify the costs from the General Fund to go to Hand Avenue and John Anderson so we can show there would not be the funds to do the projects at the same tax rate.

Ms. Shanahan clarified that a roll forward rate would be tied to a specific stormwater project.

### Vehicle and Equipment Replacement

Ms. McGuire stated there were two fire vehicles, Engine #91 and the Quint, which Engine #91 was in this year's budget and being carried forward, and the Quint was either/or. She stated they were looking for a grant for the accessory equipment.

Commissioner Kelley suggested waiting until they see if they received the grant, even if a year later. Ms. McGuire stated that we would not know until next summer about the grant. Ms. Shanahan stated that the money would be carried forward.

Acting Fire Chief Skip Irby stated that it was critical as the current Squirt was a 1989 vehicle with much rust and maintenance issues. He stated it would have to be replaced, hopefully with grant monies. He stated they were trying to extend the life of it by moving it from Station #92 to Station #91 and moving the new Quint to Station #92, because #91 did not run as much as Station #92. He stated there had to be a Quint at Stations #91 and #92 to maintain credibility.

Mayor Costello suggested sending a different vehicle to medical calls so as not to put extra mileage and wear and tear on the larger vehicles. He suggested that the fire truck and one person could stay in the station to respond to fire calls.

Chief Irby stated they had discussed a pilot program to see if this would work, but in order to keep the ISO rating they had to keep the Quint. He noted that their rating would drop to "5" even with ladder service truck.

Commissioner Kelley stated that they had the larger vehicle if they needed it and one person could drive it; whereby, Chief Irby stated that they viewed this from a fire standpoint.

Commissioner Kent suggested that the fire vehicles should last longer because of the care the firefighters gave them. He suggested it was time to maybe get rid of some of the larger vehicles. Ms. Shanahan stated that there were service reports on the vehicles that could be reviewed.

Chief Irby stated that the vehicles were set on a replacement schedule which they evaluated and had extended some of the years.

Ms. McGuire stated that the \$76,000 for next year was for the actual vehicles that would be replaced. She stated in the out years the scheduled vehicles will be reviewed for replacement or potential deferral.

Commissioner Kelley suggested that showing the fund allocated for vehicle replacement was from property taxes and not a particular fund; whereby, Ms. McGuire stated it could say property taxes General CIP, property taxes Renew and Replacement, and transportation, because of the three separate millages, and in this case the vehicle replacement dollars came from the General Fund, which were from property taxes, other property taxes, sales

taxes, etc. She stated she did not go into that level of detail because there was not a dedicated millage for vehicle replacement.

Mayor Costello stated that it might be appropriate to show that property tax dollars went for police, fire, transportation, stormwater, and so forth, so it could be shown in the budget what property taxes were spent for. He noted that one of the Commissioners pointed out that there was not enough property taxes collected to even pay for police and fire.

#### Water and Wastewater

Ms. McGuire stated that there were various projects that were contingent on funding, state revolving fund loans, and bond issues. She stated the timing of the projects and loans needed to be somewhat fluid, which meant the debt service and rate increase associated with those projects were uncertain at this point.

Mayor Costello asked about the Wastewater Plant Rehab and Expansion project; whereby, Ms. McGuire stated the entire amount was carried over, and there was over \$19 million in this year's budget which would not all be spent.

#### Unfunded

Ms. McGuire stated that some of the items were removed, but the majority of the projects had been there for some time.

Ms. Shanahan stated that the MacDonald House improvements were in the unfunded section, which staff would follow up on with the Historical Society and advisory board.

Commissioner Gillooly noted that City Hall facility improvements totaled \$175,000.

Commissioner Kelley stated he was not convinced that the Fleet maintenance division was being adequately utilized, such as half of the facility was used for record storage. He asked if the storage area would be used for record storage; whereby, Mr. Tom Mulligan, Fleet Maintenance Manager, stated it would be for equipment storage.

Ms. McGuire stated that the document management program would eliminate much of the record storage at Fleet. She stated the program was already funded.

Commissioner Kelley stated he felt the security cameras would pay for themselves over time. The Commission was in consensus to review this item further, in addition to looking at getting better prices.

Commissioner Kelley asked about a savings with the Human Resources Management software that would tie in with the payroll system to make it more efficient; whereby, Ms. McGuire stated that there would not be a saving in terms of eliminating a position. She stated they would leave this item in until a new HR Director was hired and had received his opinion on the software.

Commissioner Kelley suggested other items could be removed from the CIP, and Mayor Costello suggested that staff send them an e-mail notifying them that they intended to remove certain items.

Ms. Shanahan stated that some of the items were placed in the CIP so that they were aware of future needs.

Mayor Costello stated that he would support either stormwater or debt service for beachfront property for keeping the same tax revenue (\$1.6 million in cuts).

Mayor Costello asked about a 20% increase in insurance; whereby, Ms. Shanahan stated that staff had talked with Florida Health Care and that was their initial proposal.

Commissioner Kelley stated that stormwater and beachfront property were not the only two items he would support because there were items in the CIP not relative to them that needed to be funded.

Mayor Costello stated he felt the residents would be more inclined to accept an increase in the tax rate if they knew the money would go for stormwater and beachfront property; whereby, Commissioner Kelley stated he felt they would be willing to accept it if they knew that property tax revenue would fund public services.

Commissioner Partington stated he agreed with stormwater but favored a survey regarding beachfront property.

Commissioner Gillooly suggested separating the CIP items into categories such as for operational needs and non necessities.

### **III. Close the Meeting**

The meeting was adjourned at 6:44 p.m.

Transcribed by: Lois Towey