

REGULAR COUNCIL MEETING

A Regular Council Meeting was held on July 24, 2017 at 6:00 p.m. in the meeting room of the Library.

President Knight called the meeting to order. Roll call was taken. Present were members Ken Burgess, Kenneth Compton, Alan Knight, Charlie Proctor, Lance Smith, and Mayor Whitfield. City Manager Steve Spina was also present. City Attorney Matthew Maggard was absent.

Staff present: Interim Police Chief Derek Brewer, Police Captain Reggie Roberts, Fire Chief Brian Swartout, Utilities Director John Bostic, Public Works Director Shane LeBlanc, Finance Director Brian Williams, Director of Planning Todd Vande Berg, IT Director Mike Panak, Airport Manager Nathan Coleman, CRA Director Gail Hamilton, and City Clerk Lori Hillman.

Brian Hussey from the New River Methodist Church gave the Invocation. The Pledge of Allegiance followed. Lance Smith moved the minutes of the July 10, 2017 Regular Meeting be approved. Seconded by Kenneth Compton. Motion passed unanimously.

CONSENT AGENDA ITEMS

1. Board of Adjustments and Construction Code Enforcement and Licensing Board
Appointments 60 day Extension
2. Jones Edmunds Task Assignment 16-11 Amendment 1 – Geological and Hydrological
Evaluation of a Site for the Relocation of the City's Wastewater Effluent Disposal
Charlie Proctor moved to approve consent agenda items. Seconded by Ken Burgess.
Motion passed unanimously.

BUSINESS ITEMS

PUBLIC HEARING

1. RESOLUTION NO. 735-17 – “A RESOLUTION RELATING TO ZONING; APPROVING A CONDITIONAL USE FOR AN ACCESSORY STRUCTURE ON PROPERTY ZONED ER ESTATE RESIDENTIAL; FINDING CONFORMITY WITH THE COMPREHENSIVE PLAN; PROVIDING AN EFFECTIVE DATE.

Resolution No. 735-17 was read by title.

Planning Director Todd Vande Berg narrated a synopsis slide with location maps. He said staff and the Planning Commission reviewed a conditional use petition for a detached garage (840 square feet – 24 x 35 residential grade metal structure with metal roof) located at 37427 Neighbors Path. He said the owner is interested in storing an RV, boat, and misc. materials in the structure. Staff, the Site Plan Review Committee and Planning Commission recommend approval with conditions.

A public hearing was held and there were no comments from the public. Charlie Proctor moved to approve Resolution No. 735-17. Seconded by Ken Burgess.

Councilman Smith expressed his appreciation to Mr. Vande Berg and his staff for their efforts in working with Mr. Denmark to obtain a conditional use.

Motion passed unanimously.

CITY MANAGER'S REPORT

This item was moved to this place on the agenda.

2. Budget for FY 2017-2018

Dr. Spina presented a review of the draft FY 2017-2018 budget based on maintaining the current millage rate of 6.35. He said maintaining the 6.35 millage rate based on the proposed total city property value of \$651,344,102 will generate \$3,929,233 in property taxes, an increase of \$218,489 over last year's total.

Review of the Draft Budget:

1. The budget is balanced and based on a 6.35 millage rate.
2. A salary increase of 3% for all employees is included, a cost of \$300,000.

3. General Fund revenue sources (other than property taxes) include franchise fees, utility taxes, communication taxes, licenses and permits, state grants, state revenue sources, Pasco County shared funds (occupational licenses), building fees, other services fees, fines and forfeitures, interest income, miscellaneous fees and services and inter-fund transfers.
4. Carryover this year is \$4.3 million.
5. This draft includes funding grants provided to the community. The Chamber of Commerce receives \$60,000; \$10,000 from the general fund and \$50,000 in economic development funding. The East Pasco YMCA receives \$30,000; \$10,000 from the general fund and \$20,000 in scholarship funding. Zephyrhills High School receives \$10,000 in scholarship funding, and Zephyrhills youth sports leagues receive \$10,000.
6. The "Zephyr Haven" reserves are \$3,412,370 and interest realized from this account are placed in the General Fund. The Samaritan Project has not requested funding and funding is not recommended. A plan to provide city water lines and service to Helping Rock on Forbes Road in exchange for an easement and property lien will be brought before Council on August 14, 2017.
7. A \$7M construction loan for City Hall has been carried over and is included in this budget. This loan will be paid annually from Penny for Pasco revenues. Dr. Spina stated Penny for Pasco is a ten year voter approved 7% sales tax due for renewal in 2024 by voters. The City will need to look at other revenues if Penny for Pasco is not renewed.
8. The contingency fund is \$1,586,678, a decrease of \$1.2 million. The decrease is a result of purchasing Tyler Munis Software (\$250,000), overages at the Jeffries House (\$45,000, additional labor legal fees for police (\$15,000), increase in animal control (\$12,000), and costs associated with implementing pay increases.
9. The amount of \$660,000 in Contractual Services under Utility Billing is for Fathom to be paid from the Utility Enterprise Fund.
10. Worker's compensation is up \$30,000 from last year to \$245,000 and health insurance premiums will increase 5%. Casualty and property insurance rates increased 15% to \$770,000 from 668,850 last year.
11. Police overtime increased by \$20,000 to account for shift overtime and training programs. Animal Control increased due to the increase in population from \$80,000 to \$112,000. The bill was disputed and revised to \$92,000. The police station air conditioning replacement is estimated to cost \$160,000 (price includes compressors and coils). The current units are 13 years old.
12. ZPD will purchase four new officer vehicles; two canine units (\$41,000) and two patrol vehicles (\$38,000) out of Police Impact Fees. Ford Explorers will be purchased in lieu of Dodge Chargers. They will also purchase new firearms (replacements) and Tasers (replacements).
13. The ZFR medical director cost is included in contractual services. The new fire truck purchase will be completed in 2017-2018. Other expenses include building improvements at Station 1 for roof replacement and a concrete parking pad. ZFR will purchase replacement hoses (\$20,000), bunker gear (\$10,000) and gear racks for Station 1 (\$10,000). Fire department overtime is increasing \$10,000 from what was budgeted last year to \$110,000.
14. IT budgeted \$49,000 for new computers and equipment including \$15,000 for ZPD officer laptops, \$21,000 to replace cameras at ZPD (external and in interview rooms), and tough pads for Utilities and Building departments.
15. Public Works Director Shane LeBlanc recommended changes to his organizational chart relating to the equipment maintenance/sanitation superintendent. He will split the position into two; a superintendent for Equipment Maintenance and a superintendent for Sanitation and promote from within and eliminate one position in the process.
16. In Streets, funds are budgeted for a new water truck (\$160,000) and street resurfacing, sidewalk construction and trail construction.
17. The Parks budget includes building a new concession stand (\$300,000) at Krusen Field which is carried over from this year. Two replacement pickup trucks will be purchased along with playground equipment at Zephyr Park (pending design plans).

18. In the Special Revenue Fund, there is an ongoing decrease in gas tax revenues from \$155,000 this year to \$84,000 next year. Penny for Pasco carryover is \$2.8 million with a contingency of \$1.5 million. The annual revenues from the Penny for Pasco are \$1.8 million.
19. Economic development expenses include \$50,000 for the Chamber of Commerce, and \$27,000 for local economic incentives and initiatives, if needed, for new businesses.
20. CRA revenue funds are holding steady but carryover is down approximately \$65,000 to \$180,523. Funding is provided for façade improvements and incentives. There is a “contingency” or “reserve for future projects” of \$24,739. An increase in revenues is expected as new projects within the district come onto the tax rolls. Funding for any future projects in the CRA district will come from the General Fund.
21. Impact fee funds reflect \$3.3 million in transportation fees, \$415,481 in park fees, and zero balances in fire and police fees (using those fund balances in this budget). These funds are expected to improve over the next few years as some of the developments on the books and in the planning stages come to fruition.
22. Utility fund impact fee balances are \$678,000 in water and \$286,000 in sewer. Utility revenues are \$7.7 million, up from \$7.2 million this year.
23. Utility Fund contingency is \$5.4 million. Capital projects in Utilities include lift station rehabilitation (\$300,000), manhole major rehabilitation program (\$200,000), lift station generator (\$70,000), vacuum truck in waste water (\$90,000), and water line extensions of up to \$900,000.
24. Airport carryover is \$580,145. Two major projects are underway: pavement rehabilitation on Taxiway A and Taxiway B rehabilitation (\$2.2 million, FAA grant). The airport will replace the existing fuel farm and generator for \$25,000 and continue the pavement rehabilitation on Runway 01-19. Revenues (fuel sales, hangar rents, etc.) are holding steady.
25. Sanitation has a healthy carryover of \$3 million and service charge revenues of \$1,540,000. Major expenses will include replacing a rear load truck with a new truck and cart tipper for \$250,000. Contingency is \$2.6 million and the repair and replacement fund (R&R) is a healthy at \$709,566.

Other Budget Issues:

Dr. Spina said he spoke with Representative Burgess about ideas for requests to legislature. He spoke with Director of Planning Todd Vande Berg and discussed a connector from SR-56 to Chancey Road with Representative Burgess. The MPO is discussing the connector and are currently performing a study. He discussed funding for the tennis center in terms of a regional impact. Dr. Spina said legislators have increased the Florida Retirement System collection rate for public service, all retirement funds in the budget for police and fire have increased by 1%.

Councilman Proctor questioned overtime in the Fire Department. Dr. Spina said fire personnel work 24 hour shifts so they are paid 24 hours of overtime, two-thirds more than any other department. He said when Kelly Days were approved for fire personnel, there is a clause in the union contract that requires the hiring of more than one person to fill a vacancy depending upon the position. He said this year \$100,000 was budgeted for overtime in fire and the actual year-to-date total is \$153,000 due to a rash of vacancies. He said Fire Chief Swartout will address Kelly Days during negotiations and has suggested hiring a floater that would be available to help with manning.

Dr. Spina said the problem in both the police and fire departments has been vacancies. He said police officers cannot be taken off the street to conduct training so they are scheduled on their days off which creates two days of two shifts accruing overtime. He said fire personnel are normally able to train while on duty if the training is local.

Dr. Spina said the Hercules Park costs and improvements remain unknown and staff is working on the design for the Sarah Vande Berg Tennis Center. He said early estimates for the building is \$2.25 million with court construction at \$950,000 (court costs will be paid from Park Impact Fees upfront by Districts at Abbott Station developer David Waronker). The Architect fee of \$50,000 is included in the 2018 budget (paid from Park Impact Fees). He said the city

plans to enter into a contract to take ownership of the site and for payment of the TIF funds for the court construction.

Councilman Compton said he is looking at overtime as a management opportunity for improvement. He said in 2016 and 2015 overtime was averaging \$70,000. He said \$100,000 was budget in FY 2016/2017 and the actual year-to-date is \$153,000. He said something is not working correctly. He wants the numbers looked at and looks forward to a resolution. Finance Director Brian Williams said the budget is based on dollar amounts so the \$100,000 appears larger than \$70,000 but there were two raises involved. Mr. Williams will compare the actual hours of overtime worked for a more accurate comparison.

Councilman Compton questioned the \$10,000 in scholarships for the Zephyrhills High School. Councilman Burgess said Council needs to have more input in the criteria and selection process. Councilman Compton said he would like to see a portion of the money applied to the children of city employees. Councilman Proctor said he would like children of city employees added to the criteria. He said the city needs to have more input on awarding scholarships.

Councilman Compton questioned the \$160,000 A/C replacement at the police station. Works Director Shane LeBlanc said the A/C system is complex, fully computerized. He said the air handler units were placed into the mezzanine prior to the roof being installed. He said the existing air conditioning units will have to be dismantled to be taken out.

Councilman Knight said with so many things happening in America, he would like to consider body cameras for the police department. Interim Chief Brewer said he agrees body cameras would be a good supplement to their vehicles and believes they will be mandatory in the future. Councilman Knight asked Interim Police Chief Derek Brewer to obtain pricing.

Councilman Compton said when Fathom initially addressed Council, one of their selling points was an increase in revenue and asked for a status update. Dr. Spina said the city received half a million more this year than last year. He said the city is seeing increases in revenue due to the new meters and more accurate readings.

Councilman Compton asked if there are any issues with stormwater that need to be addressed. Dr. Spina said staff is discussing implementing a stormwater drainage fee in the future to be able to make improvements in lieu of strictly maintaining the existing system. Public Works Director Shane LeBlanc said he is in favor of a possible stormwater assessment fee. He said he budgeted \$140,000 in FY2017-2018 for pump rehabilitation to an existing pumping station on 1st Street and 14th Avenue. He said the city has not earmarked funds to purchase a lot or engineering of a new retention pond to rectify flooding. He said Pasco County charges stormwater fees to residents at \$57 per parcel.

Councilman Knight questioned the \$115,000 for animal control. Dr. Spina said Animal Control has a new accounting fee based on population and number of calls. He said he spoke with Dade City Manager Billy Poe who has created a formula to challenge the amount. Dr. Spina will use Mr. Poe's formula with the City of Zephyrhills' information and bring the results before Council.

Councilman Compton questioned \$300,000 to build a concession stand at Krusen Field. Public Works Director Shane LeBlanc said the double concession stand with shared restrooms and meeting room is a commercial building. He said the existing building is antiquated and not up to building code. He said the city wants to give the youth of the community a nice building that will stand the test of time, provide safety, and is ADA accessible. He said some of the bathrooms built in the parks in recent years have been \$170,000. Mr. LeBlanc said the concession stand is a worthy project for the present and future youth of the community.

Councilman Knight acknowledged the CRA's drop in revenue and asked CRA Director Gail Hamilton if she needed Council assistance. Ms. Hamilton said revenues are down due to some of the projects she has been working on are not on the tax rolls and some of the demolitions have taken revenue off the tax rolls. She said she hopes to catch up in this next year.

Councilman Compton said the reoccurring gas tax revenue is drying up, decreasing from \$155,000 to \$84,000 in FY 2017/2018. He said Council will need to explain to constituents that when one revenue goes away, the city needs to look at replacement revenues. Councilman Compton said Council needs to look at fire assessment fees.

3. Set the Tentative Millage Rate for FY 2017-2018 and Set the Time, Date, and Place for Public Hearing

Dr. Spina said as required by state law, the City must set a tentative millage rate, time, date, and place for the public hearing on the proposed budget for FY2017-2018. The proposed budget draft as presented is based on a millage rate of 6.35 and will generate \$3.9M. This is a tentative millage rate, it may be lowered but not raised and it constitutes the rollback as established by the Pasco County Property Appraiser. Staff recommends Council set the millage rate at 6.35. A public hearing will be scheduled for Monday, September 11, 2017, 6:00 p.m. in the Library meeting room and Monday, September 25, 2017, 6:00 p.m. in the Library meeting room – 5347 Eighth Street – Zephyrhills, Florida 33542.

Lance Smith moved to approve a 6.35 tentative millage rate and schedule public hearings dates for September 11, 2017 and September 25, 2017. Seconded by Kenneth Compton. Motion passed unanimously.

Spoke from the floor: Joe Potter – 38440 5th Avenue – Zephyrhills, Florida

Mr. Potter stated the outparcel adjacent to the SunTrust building was purchased by the owners who bought the Neukom Groves building which is now Mobile Home Depot. The building on the out parcel will be used storage purposes.

MAYOR ANNOUNCEMENTS – Mayor Whitfield complimented HR Director Sandra Amerson and the Employee Barbecue Committee for a successful picnic on Saturday, July 22nd.

CITY MANAGER ANNOUNCEMENTS - NONE

CITY COUNCIL COMMENTS - Councilman Proctor thanked all the Department Heads for working with the Finance Director and City Manager in putting together a great budget. He said he hopes departments don't take questions personally when Council asks questions on various aspects of the budget. He said Council has to manage the City's budget with the same due diligence used to balance their home budget.

Councilman Burgess said it looked like the kids were having a lot of fun at the picnic and the food was good. He said he was glad to hear Fire Chief Swartout and Interim Police Chief Brewer talking about training. He said he believes training is extremely important for police and fire with the constant evolution of change in this world we live in. He told Fire Chief Swartout and Interim Police Chief Brewer to make sure they are covered with what they need in the budget.

Councilman Compton complimented the City on the employee barbecue. He congratulated proud father Matt Maggard times two. He reiterated a very nice budget.

Councilman Smith thanked staff for putting together a great budget and being conscious in keeping costs down. He congratulated Matt on the birth of his twin daughters, Paige and Morgan.

Councilman Knight echoed comments on the barbecue and said it was very nice. He announced Rural King is open for business. He said we live in a great, great community with Dr. Spina as the leader and Council appreciates him.

Meeting adjourned 7:38 p.m.