

**AGENDA MINUTES
CITY COMMISSION MEETING
CITY HALL, 501 W MEADOW STREET
MONDAY, APRIL 24, 2023 5:30 PM**

1. CALL TO ORDER

The City of Leesburg Commission held a regular meeting on Monday, April 24, 2023, at Leesburg City Hall. Mayor Burry called the meeting to order at 5:45 p.m. with the following members present:

Commissioner Allyson Berry
Commissioner Jay Connell
Commissioner Mike Pederson
Commissioner Alan Reisman
Mayor Jimmy Burry

Also present were City Manager (CM) Al Minner, City Clerk (CC) J. Andi Purvis, City Attorney (CA) Grant Watson, the news media, and others.

INVOCATION

The invocation was given, followed by the Pledge of Allegiance to the Flag of the United States of America at the Carver Heights / Montclair Area CRA meeting held immediately prior to this meeting.

PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

2. PRESENTATIONS:

A. Resolution of the Mayor and City Commission of the City of Leesburg, Florida, naming the City Hall Commission Chambers in Honor of FRED A. MORRISON; and providing an effective date.

Mayor Burry asked the Morrison family to join him at the podium. Mayor Burry read the full resolution naming the City Hall Commission Chambers in honor of Fred A. Morrison. Pictures of the Morrison family along with the mayor were taken with the revealed plaque. Mayor Burry stated Fred was not only his attorney but also his friend, and his wife, Susan Morrison, is a graduate together with the mayor of Leesburg High School, class of '78. This is a great thing and we are so proud.

Commissioner Reisman made a motion to adopt the resolution and Commissioner Pederson seconded the motion.

The roll call vote was:
Commissioner Connell Yes

Commissioner Reisman	Yes
Commissioner Pederson	Yes
Commissioner Berry	Yes
Mayor Burry	Yes

Five yeas, no nays, the Commission **adopted Resolution 11,301.**

The plaque was immediately hung outside the Fred A. Morrison Commission Chambers.

3. PROCLAMATIONS:

A. Municipal Clerks Week

Mayor Burry read a proclamation proclaiming the week of April 30 - May 6, 2023, as Municipal Clerk Week.

4. PUBLIC COMMENTS:

This section is reserved for members of the public to bring up matters of concern or opportunities for praise. Issues brought up will not be discussed in detail at this meeting. Issues will either be referred to the proper staff or will be scheduled for consideration at a future City Commission Meeting. Comments are limited to three minutes.

Joanie Smalley, Executive Director of the Leesburg Partnership, wanted to let everyone know Bikefest will be happening this weekend, Friday, Saturday, and Sunday. We are trying to be as respectful to everybody as possible to make sure we are not hurting your businesses downtown during setup. I really want to thank the city. You have been great partners; Public Works and Electric have been absolutely phenomenal, helping with the planning and the set up of everything. Thank you very much and look twice for motorcycles in the next five days.

Dr. Erika Jasper wanted to give a public service announcement to let everyone know we are planning a community cleanup on May 6th, so please mark your calendars. The city of Leesburg is joining forces with Keep Lake Beautiful and will be at two parks, Berry Park and Johnson Park, from 7:00 a.m. until 11:00 a.m. on May 6th. She knows Commissioner Reisman will be there and Commissioner Berry will definitely be in her neighborhood and in my community. Please come out on May 6th as we clean up our city beautiful. Thank you.

5. CONSENT AGENDA:

Routine items are placed on the Consent Agenda to expedite the meeting. If the Commission/Staff wish to discuss any item, the procedure is as follows: (1) pull the item(s) from the Consent Agenda; (2) vote on remaining items with one roll call vote, (3) discuss each pulled item and vote by roll call

Commissioner Pederson moved to adopt the Consent Agenda and Commissioner Connell seconded the motion.

The roll call vote was:

Commissioner Connell	Yes
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Commissioner Reisman	Yes
Commissioner Pederson	Yes
Commissioner Berry	Yes
Mayor Burry	Yes

Five yeas, no nays, the Commission adopted the Consent Agenda, as follows:
(Each item has its coordinated resolution number listed below the header)

A. CITY COMMISSION MEETING MINUTES:

- 1. Regular meeting held April 10, 2023**

B. PURCHASING ITEMS:

- 1. Resolution of the City Commission of the City of Leesburg, Florida authorizing the Mayor and City Clerk to execute a Task Order with Dewberry Engineers, Inc. for an odor control evaluation for the Turnpike Wastewater Treatment Plant (WWTP); and providing an effective date.**

ADOPTED RESOLUTION 11,302

- 2. Resolution of the City Commission of the City of Leesburg, Florida authorizing the Mayor and City Clerk to execute a Construction Services Agreement with Bulldog Sitework, LLC. for the installation of a water main known as Treadway School Loop Water Main Installation; and providing an effective date.**

ADOPTED RESOLUTION 11,303

- 3. Resolution of the City Commission of the City of Leesburg, Florida authorizing the Mayor and City Clerk to execute a Construction Services Agreement with Danus Utilities, LLC., for the replacement of four (4) Air Release Valves (ARVs); and providing an effective date.**

ADOPTED RESOLUTION 11,304

- 4. Ratification of City Manager emergency purchase approval for four (4) police vehicles for \$154,960.46.**

APPROVED

C. RESOLUTIONS:

- 1. Resolutions requesting the City Commission approve and execute an FAA**

grant for the Leesburg International Airport and approve and execute a Task Order with GAI Consultants, Inc., to provide professional services related to the FAA grant for Reconstruction of Taxiways Delta, A1 & A3, and A2 Relocation.

- a. **Resolution of the City Commission of the City of Leesburg, Florida authorizing the Mayor and City Clerk to execute Grant Agreement 3-12-0042-031-2023 between the City of Leesburg and the Federal Aviation Administration (FAA), for the purpose of obtaining funding for the Leesburg International Airport Taxiway Reconstruction of A1, A3, Delta, and A2 Relocation; and providing an effective date.**

ADOPTED RESOLUTION 11,305

- b. **Resolution of the City Commission of the City of Leesburg, Florida authorizing the Mayor and City Clerk to execute a Task Order with GAI Consultants, Inc., for professional services at the Leesburg International Airport related to Taxiway Reconstruction of A1, A3, Delta, and A2 Relocation; and providing an effective date.**

ADOPTED RESOLUTION 11,306

2. **Resolution of the City Commission of the City of Leesburg, Florida, authorizing the Mayor and City Clerk to execute a Landlord Consent to Assignment of Lease, between the City of Leesburg, and Import Sales of Lake County, LLC, D/B/A Bill Bryan Subaru, and Leesburg S Automotive Management, LLC; and providing an effective date.**

ADOPTED RESOLUTION 11,307

3. **Resolution of the City Commission of the City of Leesburg, Florida, authorizing the Mayor and the City Clerk to execute an Amendment to the Interlocal Agreement between Lake County, Florida and the City of Leesburg relating to the provision of Library services; and providing an effective date.**

ADOPTED RESOLUTION 11,308

4. **Resolution of the City Commission of the City of Leesburg, Florida, accepting a Utility Easement to the City of Leesburg from the City of Fruitland Park, for the purpose of granting the City an Easement over the property described therein; and providing an effective date.**

ADOPTED RESOLUTION 11,309

5. **Resolution of the City Commission of the City of Leesburg, Florida authorizing position modifications within the Gas Operations Division; and providing an effective date.**

ADOPTED RESOLUTION 11,310

6. **Resolution of the City Commission of the City of Leesburg, Florida approving execution of a Vacant Land Contract for purchase of certain real property located on SR 44 and described more particularly in the contract; and providing an effective date.**

ADOPTED RESOLUTION 11,311

7. **Resolution of the City Commission of the City of Leesburg, Florida, authorizing and directing the Mayor and City Clerk to execute a Dedication for Public Street Right-of-Way for a 50-foot-wide strip of land lying within Sections 9 and 16, Township 20 South, Range 24 East, Lake County, Florida; and providing an effective date.**

ADOPTED RESOLUTION 11,312

6. **PUBLIC HEARINGS AND NON-ROUTINE ITEMS:
COMPREHENSIVE PLAN INFORMATION SIGN-UP SHEET (YELLOW)
AVAILABLE**

A. SECOND READING OF ORDINANCES

Mayor Burry stated the second reading of ordinances has been pulled from the agenda tonight. **CM Minner** stated both 6.A.1 and 6.A.2, Mr. Mayor, have been requested to be pulled, by the applicant, from tonight's agenda. This concerns the high density residential development off Picciola Road. Pursuant to new rules by state statutes, we will have to re-advertise giving everybody due notice so you will have your opportunity to come back and hear this item at a public hearing. Again, there will be an advertisement on the next date. We anticipate 30 days or so, not less than maybe more, but we will advertise again. Should you have any questions about the delay, you can contact the office of the city manager or contact the planning and zoning department and they can get you that information. This matter will not be heard this evening.

1. **An Ordinance amending the comprehensive plan of the City of Leesburg, Florida, changing the future land use map designation of certain property containing 8.03 +/- acres from Medium Density Residential to High Density Residential, for a multi-family development on a property generally located south of Park Holland Road and east of Picciola Road as legally described in Section 15, Township 19 South, Range 24 East; Lake County, Florida; and providing an effective date. (PMF Leesburg SSCP)**

2. **An Ordinance of the City of Leesburg, Florida, changing the zoning on approximately 8.03 acres from PUD (Planned Unit Development) and C-3 (General Commercial) to SPUD (Small Planned Unit Development) for a property generally located south of Park Holland Road and east of Picciola Road, as legally described in Section 15, Township 19 South, Range 24 East, Lake County, Florida; and providing an effective date. (PMF Leesburg PUD)**

B. FIRST READING OF ORDINANCES

1. **None**

C. NON-ROUTINE ITEMS

1. **None**

7. INFORMATIONAL REPORTS:

The following reports are provided to the Commission in accordance with the Charter/Ordinances. No action required.

A. Financial Reports as of February 2023

The commission had no comment.

8. CITY ATTORNEY ITEMS:

CA Watson stated on the consent agenda this evening you had some documents, lease assignments relating to the Subaru dealership. They had been given a document from their lender, a landlord subordination, that they had also requested the city to execute. We did have some comments on that document and it was not in your package this evening, but that is sort of a final document to finalize the package for those lease agreements. We have a couple of options, I would just sort of survey the group here, if you would all be comfortable with Al and myself ironing out the language we sent over on some proposed revisions of that language, then we could finish that. Or, if you would like us to iron out the language and bring it back to the commission, we could also do that as well, whichever you are comfortable with. He thinks there is nothing unusual about the document, the lender just wants to make sure that they have a priority position with respect to the vehicles, the inventory, and things like that for the dealership. Conceptually, he does not have a big problem with it, he just wants to make sure that there is adequate protection for the city if they are going to step into the property and remove property from the premises. **Commissioner Pederson** fully supports the city attorney with the document. **Mayor Burry** would agree with that, also with the caveat that if something else comes up that needs to come back to the commission, you use your discretion in that. **CA Watson** replied yes sir we will definitely do that. Thank you.

9. CITY MANAGER ITEMS:

CM Minner stated he has two items. First, to recognize Pam Hester, who had a big part in making the resolution for Fred. She wrote it, it went through some word crafting as a team effort, but that really came from Pam's efforts as well as the plaque and getting everything squared away. He thought it was important that Pam be recognized for those efforts as it meant a lot to her. Everybody misses and really appreciated Fred.

A. Power Cost Adjustment Update

CM Minner gave a quick presentation on the power cost adjustment and where we are six months into the fiscal year. Everybody's been reading in the papers about green energy, administration, and you see different advertisements about utilities increasing their prices, decreasing their prices; frankly, the picture has unfolded pretty much as we thought it would back when we made the unfortunate presentation to say we had to increase our power cost adjustment. But six months into the fiscal year, he felt like it was very important to have this public discussion and then we would update your directions on our website, so hopefully, then everybody checks our website where we have the Leesburg electric rate watch. Referring to a chart, which he stated represents where we thought power costs were going to be from about 120 to 140 dollars a megawatt, maybe dip below a fiscal year average when we did the budget back in October of about 125 dollars a megawatt. November is also a little goofy, spiking down, up, down, up, so again throwing out November, we were close to being on target, but we actually saw a little relief. When we thought the initial budget was going to be about 125 dollars, we were actually about a hundred and thirteen dollars, so ten dollars a megawatt less expensive than we anticipated. There is really only one reason: the North had an extremely warm winter. The warm winter meant natural gas prices stayed low. It does not mean any of the things we had talked about; the environmental green issues, the war in the Ukraine taking gas supplies, or the stopping of major gas supply lines; all three of those had major determining factors on why gas spiked so high. Really, what kept energy for us less expensive and made us look better than anticipated is because there was a warm winter that cut the price by about 15 bucks. April '25 is a significant date because that is when the FMPA's hedging program stops, so FMPA and the All Requirements Project, where we are a member, have hedged energy prices to cap our energy. Our natural gas costs around 4 to 4.50 cents a deca-therm, so what you see is that insulates the city from the volatility and the gas market and keeps the all requirements project somewhere around 85 dollars a megawatt. We typically run about seven to ten dollars behind the average price of the all requirements project, so this actually represents an even more conservative approach of okay if all requirements average price is going to be 80 to 85 bucks, what we expect is typically 85 to 95 bucks, but he does not think too much more. So, in terms of recouping our loss, again to recap, in fiscal year '22 the city lost about 12.5 million dollars. That means our power costs went up 12 and a half million dollars more than we anticipated, which was directly related to fuel costs. As a side note, not to be worried if you are following Duke Energy, for example, Duke Energy was just approved a 1.18 billion dollar recovery. If you divide the customer base by 700 million dollars of Duke and the city's customer base twenty six thousand dollars and twelve you come up with a number of about 650 dollars a customer and 600 a customer because our losses were about the same. As we told the commission back in September, we reacted quicker. That is why our prices went up quickly. Duke, FPL and the state investor-owned utilities had to go through the Public Service Commission, which is why you see their tiered rate increase. They got one approval back in the fall to increase rates in January and then they were approved another rate increase in January which becomes effective May 1. So, right now you will see Duke at about 172 per thousand and Leesburg at about 177 and that is critical because our goal has been to recoup the 12.5 million dollar loss. The two numbers, 12.5 million and 3 million, are actually synonyms, let me explain. We always want to have the power cost adjustment funds go into a Special Reserve fund for the city. When we eat through those funds, like we did the electric fund cash, and in this case, we like to keep about three million dollars of reserved money for the power cost adjustments. So, when we lost 12.5 million, our bottom line actually looked like we only lost nine and a half million, but there is another

three million that you need to recoup, so the power cost number has to get from 9.5 in the hole to 3 million in the black to where that is now stabilized numbers. Our goal is, we have two things in mind; we want to first make sure we recoup all of the money back, but we also realize that the utility realizes there is the need to have rate relief for our customers. What we are going to contemplate here in the next few minutes is how best to accomplish that goal. Based on the power cost numbers that we just showed, if we hang out around 100 a megawatt, we anticipated that if we were paying 125 dollars a megawatt and had a power cost adjustment of seven cents per kilowatt, we would get back to just about a net hole of about 4.5 million dollars. We anticipated collecting back at seven cents for about 18 months of recovery. We are going to speed up that. We did better with the warm winter and now we are starting to see hedging, so where we thought we were going to be at the end of the year we are about there now. The worst months for profitability of the electric fund are March, April, and May because we have a constant kind of steady use; you do not spike or go down. The utility makes more of a profit in the hotter months, which is not atypical of the industry. Our problem right now is, and it is a good thing, we have positive numbers, but we also have an unknown because we do not have our hedging numbers in for the dangerous months of March, April, and May. Everything is about a 30-day delay as our numbers come in. What we have right now is one month out of the three, March, which is tricky. We anticipated about a million dollar loss in March and what we had this year at seven cents was actually about a two hundred and fifty thousand dollar recovery, so that actually puts us a million dollars ahead. If that trend continues, we think you will probably be able to lower the power cost adjustment. That question becomes when. We looked at two ways if you go now, which is a little more risky, and if you said do this tonight you would not hear me say that is a bad plan. One plan is kind of a two-tiered step that would reduce your power costs from seven cents to five cents now, so there is about a little bit of rate relief in the hot months, but if you do that plan you do not get to get a full recovered price until probably April of next year. The other option is keep it at seven cents and, as soon as you recover the full amount, which we estimate is going to be September, you actually you go from a negative like about 1.5 million to 4 million from August to September, then reduce it in one shot to where you go from about a seven cents power cost adjustment per kwh to a 3.3. Then you can kind of hang out at a rate of a power cost adjustment of 3.3 cents. You would think immediate rate relief is better, so that is what we tried to do. If you do the two-step to get immediate rate relief, you go seven cents, five cents, and then I think we said 2.75 cents per kwh. With an average 5200 bill, if you do it in two steps, where you go keep the seven cents, reduce it when you have maximum ability and then reduce it to the one, that actually saves the customer a whopping 45 bucks. Both of these are pretty similar and either way the commission wants to go, he does not think it is a bad decision. What that looks like is this is a kind of rate competition as of January and we have been constantly comparing ourselves to Sumter Electric, and Sumter Electric continues to hang out at 155 dollars or so a megawatt. The big reason for the price differential is Sumter has a significantly greater amount of coal generation in their mix. Sumter is lucky because of their cooperative cooperation with Seminole and their coal mix. Duke is now at 172 versus our 177 and with Duke you can anticipate again, when you get your Duke bill a notice that they are going up in April and that estimated number is 200. Mount Dora just did a notification that they are coming down, do not know what that number is yet. OUC just announced that they will be coming down, so all that is to say right now that until we have full data, we are looking better even at 177 because of where Duke is and Duke is our primary price comparator in the region. So, even if the city stays at seven cents and stays at the 177 number, we still have a competitive rate. What you should look for from Leesburg Electric, in terms of your rate, is if the utility stays at seven cents, you will see a rate for a thousand KW of around 177. If we drop to 50, you see 157, so a savings of about 20 bucks per thousand and then a drop to 27.50 would be 135. In the long term, he thinks the city will stabilize at a rate somewhere between 135 and 140, so our recommendation is to stay with the seven cent number for now. It would be great to say hey let's give rate relief to all our customers for the hot summer months, but you just saw the long-term strategy and it really does not provide all that incremental long-term strength. It is better for us to get down to the

lowest number as soon as we can quickly get there because that provides some flexibility for the utility, it recovers cash, and a little more conservative approach. It does not provide as much rate relief as you would think and, unfortunately, due to the market conditions at 177, we are still going to be a competitive utility. So, our recommendation is to stay at 177. We have four bad months in the summertime where bills are really bad; June, July, August, and September. His hope and goal would be that we can beat this and get some rate relief for at least August and September, but we really need those last two months of data. Then we will have some of the hedging months and again possibly balance out at that 130 to 145 number. We know from April '24 to about April '25, which is one and a half fiscal years, that we are going to have a pretty consistent rate; we just need to see some experience. He thinks we, unfortunately, stay the course at seven and the good news is he thinks we can definitely get rate relief by October, maybe sooner if our numbers are still overly conservative.

Commissioner Pederson supports Al's recommendation. He stated Leesburg was one of the first utilities to raise rates and he would like to be one of the first ones to get out of this high rate and that is what we told them on the front end. We came in first; we will get out first.

CM Minner said we are pretty close to that. When you look at us regionally and then compare us 12 months into this, we were not the very best when we started, probably top of the bottom of the top quarter, so yeah, a little better than middle and he thinks we will get back there.

Mayor Burry stated he is also in agreement with Al and thinks the most prudent thing when we look at our utility is to recoup that buffer. We hope to have the right crystal ball with the current mix, but we need that buffer before we turn it off. He thinks it is a prudent move for Leesburg.

10. ROLL CALL:

Commissioner Connell had nothing.

Commissioner Reisman had nothing.

Commissioner Pederson had nothing.

Commissioner Berry would like to introduce the Home Improvement Grant survey program for District One. The purpose is to rid the blight, as well as remind others of the health and prosperity of District One and how essential the district is to the overall development of Leesburg. The restoration of homes and the housing stock is an economic and job development opportunity. On April 27th she would like to go into the Woodland Park area in West Leesburg to introduce and share with the homeowners, as well as the residents, a survey for them to complete and list their concerns for improvements that they need in their homes. She broke it out for home safety, beautification, and structural repair. It is about 48 homes and she is excited about it being the first project moving forward for the district as a new commissioner and bringing opportunities for the homeowners to feel a sense of pride and recoup the area in which that area, at one point, was the pearl of west Leesburg. She thinks this revitalizing the neighborhood will enhance the community as well as Leesburg. Once she gets the survey and all the information, she would like to bring it back to the commission and then we can discuss, as far as moving forward, doing a gathering of what the actual items and concerns are for the homes that need repair. **Commissioner Connell** asked, just so he was clear, that you want to pass out the survey and then bring it back to the city for consideration to pay for the expense of the repairs. **Commissioner Berry** replied that as far as any repairs, this is improvement to rid the blight, as well as make all the housing up to code. Yes, this would be part of the program for improving and making everyone safe in the area. **Commissioner Connell** asked if we already have a program like this that is funded. **CM Minner** answered yes we do. This is something Commissioner Berry has talked to me about and Commissioner Connell, you have also had some questions about the three primary grants; the downtown business grant, the home rehab grant, and the FSL grant with the clawback provision, and you have asked that we review those grant programs.

With that, the commission charged myself and Grant with the responsibility to update those ordinances or resolutions, do not remember how we implemented the grant programs. We have the task of reviewing and adding some rewrites, with some clawback provisions. Commissioner Berry contacted me about ways to improve the Home Grant and right now the home rehabilitation grant does offer a five thousand dollar no matching grant to make certain improvements. I want to say we adopted and funded that through the Carver Heights CRA around the 16-17 time frame and that grant has not received a lot of participation, he thinks, in part because there is not enough assistance that goes into things like roof repair, doors, and windows. We had long discussions on that creation, so the suggestion was for Commissioner Berry to petition the community while she was out to see if A) this is a popular program, and it may come back to where there is not the want for the program or B) it may come back, that yeah, this program really works but even with the five thousand dollar grant it is still not affordable for low to moderate income residents trying to repair their homes. The purpose of the survey is just to acquire information, is it a wanted program, what the funding level should be, what type of repair efforts would be, and when we get that information then Commissioner Berry and I will get together and be back to the commission to make suggestions on how to improve or keep the program the same. **Commissioner Connell** asked what the qualifications are to apply for this. **CM Minner** replied that right now the qualifications are for any homeowner in Leesburg, there is a priority on Carver Heights, and then there is another priority based on low to moderate income. It is kind of three-tiered, so if you are a low to moderate income homeowner in the Carver Heights CRA district you are really in front of the line to receive up to five thousand dollars in home repairs. We have maybe issued a handful, literally, of home grants and so that is the basic criteria. **Commissioner Connell** asked what the low to moderate income range is. **CM Minner** said he did not know the numbers off the top of his head, but if you go to the website, pull up the grants, the numbers are listed. The amount for a single person in Lake County is like \$24,000, a low to moderate income, and then there are two, three, and four family house incomes. That number drops as the household increases, and the LMI level goes down. **Commissioner Connell** stated that this is funded through the CRA. **CM Minner** responded that right now it is funded through the CRA. It is eligible to be funded through the general fund and right now we only have an allocation for it in the Carver Height CRA, somewhere around 20 grand, so we we have not spent a lot of money out of it.

Mayor Burry had nothing.

11. ADJOURN:

PERSONS WITH DISABILITIES NEEDING ASSISTANCE TO PARTICIPATE IN ANY OF THESE PROCEEDINGS SHOULD CONTACT THE HUMAN RESOURCES DEPARTMENT, ADA COORDINATOR, AT 728-9740, 48 HOURS IN ADVANCE OF THE MEETING.

F.S.S. 286.0105 "If a person decides to appeal any decision made by the Commission with respect to any matter considered at this meeting, they will need a record of the proceedings, and that for such purpose they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based." The City of Leesburg does not provide this verbatim record.

Commissioner Reisman made a motion to adjourn and Commissioner Connell seconded the motion. The meeting adjourned at 6:26 p.m.