AGENDA MINUTES
CITY COMMISSION MEETING
CITY HALL, 501 W MEADOW STREET
TUESDAY, JULY 11, 2023 5:30 PM

1. CALL TO ORDER

The City of Leesburg Commission held a budget workshop on Tuesday, July 11, 2023, at Leesburg City Hall. Mayor ProTem Connell called the meeting to order at 5:30 p.m. with the following members present:

Commissioner Allyson Berry
Mayor ProTem / Commissioner Jay Connell
Commissioner Mike Pederson
Commissioner Alan Reisman
Mayor Jimmy Burry (5:31 p.m.)

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

Mayor ProTem Connell gave the invocation followed by the Pledge of Allegiance to the Flag of the United States of America.

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

2. PRESENTATION

CM Minner stated tonight, we would hit a couple of the enterprise funds, the special revenue funds, and debt service. Debt service is boring and redundant; however, there were some changes made from when this was done originally. He also changed the order for tonight because he would like to hit the enterprise funds first; electric and gas. There would be discussion on the special revenue items, but he wanted to review the electric fund first. With a two hundred and thirteen million dollar budget, the electric fund is ninety million of that, which is about forty percent. The budget every year is about three hundred and fifty-seven pages and the electric fund consists of about ten pages. On page 266, under electric operating expenses, $57,746,706 represents about twenty-five percent of the whole budget. The electric fund has a lot to do with where we are. We will hit the proprietary electric and gas funds, then building, and the CRAs. We will go over the discretionary sales tax and whine it down with gas tax, the housing assistance program, and the debt service accounts.

<u>ENTERPRISE FUNDS</u>:

<u>Electric Fund</u>:

Referring to a chart, **CM Minner** said he was sort of throwing the kitchen sink at everyone as far as broad perimeters with the pluses and minuses they have seen over the last eighteen months. He would show them where they have been and where they are going. The electric department/electric fund budget is just short of ninety million dollars. Their total operating revenue is $89,495,843, which makes up about forty-five percent of the entire budget. In this budget, the thing that sticks out is the wholesale power supply at $57,746,706. That number is still up.

We have seen that number over the years go up and down. However, right now we are watching it come back down. That is 65% of the entire electric fund. The electric fund then breaks down into several other components which include personnel and operating costs. That is the next big expenditure. Personnel is about 5.4 million and operating costs are the meters, wires, and poles. They are on an incentive program that helps defray costs for buying water heaters and that cost is about $60,000. Transfers are at 5 million dollars and that is made up of two things; about 3 million of that is famous transfers and the other 2 million is a surcharge. He lumped those numbers together, but there are a couple other little numbers included in that. The transfer amount is 6% and a surcharge. Allocations are other charges that get charged out. All the enterprise funds have an allocation or a contra, and they pay an apportioned share of all the general services, which includes fleet, legal, IT, and all the other expenses. There is a formula and a breakdown of "x" percent of customer service time that is spent on electric. Whether it is gas, water, or sewer, that cost is divided among those funds and the electric cost allocated for general services is a large number that equals about 6 million dollars.

If the City of Leesburg was a co-op, we would be spending 6 million dollars on legal fees, general management, fleet costs, and other things. That is a real cost and they could back that up. Depreciation will be talked about tonight and that number is down, but the way they have the budget figured the depreciation cost this year will be a direct cash injection into the electric fund. Capital is at 2.9 million and that is significantly down and debt is about 4% at 3.7 million. There are seven other categories, but the lion's share of everything we do in the electric fund is with wholesale power supply.

Referring to the slide, he said the electric fund has typically maintained a very solid cash position in the neighborhood of 20 million dollars. It has been hit over the last few years with some significant issues. He showed a graph where those numbers went down. Some of it was their doing, but most of it was not. The first was wholesale power supply and that cash has gone up and down. In good years, we pay about $70 a megawatt. Finishing off this year, we will average $101 a megawatt. They thought that number would be $120 a megawatt next year, because they have full stabilization in there with some of the stuff FMPA has done with hedging, so they estimate somewhere around $91 a megawatt hour. That is a direct correlation to where the power cost adjustment has been. Wholesale has gone up and down because of two things. First, the war in Ukraine had an effect on our gas supply, where Russia and Eurasia were a significant supplier of natural gas to western Europe. However, when the war with Ukraine broke out, the embargo stopped and natural gas shifted in supply and demand. American natural gas was shifted over to western Europe because the NATO countries were not buying Russian natural gas. That had a significant impact. Secondly, there was the green energy debate over shifting from fossil fuels. Both of those led to supply changes along with stopping pipeline policies for shipping natural gas. That has also driven costs up. They were saved this year by the FMPA hedging policy and a warmer than expected winter. This next fiscal year they feel good that the price will be capped due to hedging. That program will last 18 months. We will get them through the next fiscal year and six months into FY 25 before we potentially get bowelled again. Inflation has been significant in the electric fund due to meters, poles, and wire costs increasing. It has become expensive, so inflation has hit operating numbers. The supply chain is a big one and they have started buying materials in advance because we need to constantly change out meters. If we do not have accurate meters, we cannot count energy correctly. If we do not count energy correctly, we will lose money. They have increased inventory supplies and that had an impact. They have been extremely aggressive with system improvements. First, changing things to improve the system. They changed feeder systems, and old copper wire and poles. They improved the system because they needed to focus on areas. For example, we changed out transformers because we anticipated growth. They knew we had some feeder legs that needed upgrading before new growth came in. The next thing they did was identify areas in the system that needed improvement to support new growth. In some of the areas, that growth has not come, but we put money into it knowing it will come. There have been a lot of system improvements to Fruitland Park's growth, and on the CR 44 corridor where we are now starting to see that growth. They have put money in the ground but have not seen a lot of meters. The spring is set and once we start seeing growth, things will happen and we will recoup the costs. Those are the influencing factors for where the city is at.

Referring to a chart, he provided the history of power costs because it is a big component of the electric fund. They went back five fiscal years and looked at the bottom line numbers. We paid about 35.7 million dollars in FY 20, and we saw about 3% growth. That is good steady growth on the electric side of the house. 35 million dollars was broken down to usage of $70.89 a kilowatt. At that cost, we hung out between $105 and $117 a kilowatt. In FY 21 we were at $74.04. Those were good numbers and they saw the rate staying down with no power cost adjustment. We had a good competitive rate. There were a few times when we had the best rate in the All Requirements Project at FMPA. Then everyone got wacked in FY 22. He circled the numbers on the slide to show where the city went from $35 to $37 million and then to 56 million dollars. That was almost a 20 million dollar increase pretty much overnight. The monthly expenses doubled. When everyone's power bill went up, so did the city's. When we got into trouble, that was because we were slow to react and it fell on his desk. We tried to keep the rate as low as we could but when we saw the power cost adjustment go down and knew it needed to come up. In September, we implemented .07 per kilowatt sales into power and that raised the bill. By April we saw some of the migratory things coming in and we had a mild winter. As of today, they entered the June numbers and we are now in the black on the power cost adjustment numbers. Last month, he reported that May had a great over-recovery month and now June was another good over-recovery month. We now sit at half a million dollars in the black in the power cost adjustment account. It is recommended that it sits at 3 million dollars. Now is the time when we can start decreasing the power cost adjustment, which everyone will see in July. The power cost adjustment number will go down three cents. As they use more energy, the power cost adjustment will be lower, so customers will not see the type of bill they saw last summer. He knows they went from $57 to $110 dollars and now we are looking at $101. They believe in the next 18 months it should balance out around $90, even though $90 is not as good as $70, it is still a good number. At one point, we had one of the worst rates in the state. Over the next couple of weeks, he will review the numbers and roll them out. While we look ugly now, when looking at the FMPA report, if we average that out over 18 months, where the power cost adjustment was super high, they will see over the next 24 months our rate come back down. On the July bills, it will be $137, which is as close as we have ever been to FPL.

Mount Dora is the only other regional competitor that will be a little cheaper, but it will be significantly less expensive than Duke and a little less expensive than SECO. We will see that hangout at $137 per thousand residential rate for a while. It is $20 more than where we were when the world went crazy. They will manage that, but unfortunately, the report is $137 will be the rate for the foreseeable future.

Transfers are another significant issue. They would like to mitigate the amount of money being transferred out of the electric fund into the general fund. Since inception, and the goal for the last ten years was to be a utility first and manage the electric fund as if it were an investor-owned utility or co-op utility. They endeavored to reduce the transfer levels from upwards of 8%, and for the last three fiscal years we have been holding steady at 6%. That is a super important number because, if we were a nonmunicipal electric corporation, the big three revenues would be property taxes, state shared revenues, and electric taxes through the utility tax and franchise fees. That 6% represents what a franchise would be, because state statutes give municipal corporations the right to have the franchise of an electric utility as a municipal service as well as using public rights of way to put in hardware. If you were on Duke in

Leesburg, you would pay a franchise fee to the city because Duke has their utility in the city's rights of way. That 6% is super critical. Not only did we get down to that 6% back in November, we passed a referendum. By that referendum, the city charter says the transfer cannot be more than 6%. As previously discussed, municipal utilities are under attack from state legislators and the more we can look like an electric utility, an IOU or a co-op, the better off we will be moving forward with fighting that fight.

With capital spending, that is considerably down this year. Since 2018, maybe even a little before that, we have endeavored to improve the system. Over the past six fiscal years we have spent about $50 million dollars and that averages around 10 million dollars a year. A good and sustainable number should be around 4 million dollars. We shifted blocks and we did well, but we did not stop the wagon quickly enough. This year we changed that and we will have the lowest capital improvement number in years at 2.9 million dollars. One reason this can be significantly lower is because they have stocked up on inventory. This goes back to another issue they had with supply issues. They typically hung out where inventory was around 4 to 5 million dollars. As supply chain lead times have gotten longer, they bought more supplies, so now the warehouse has more materials. Now, when a transformer blows, they have one already in the warehouse. There is a lot of value in the warehouse numbers, which affects the cash. As they get into capital spending, it is a three-legged stool. They will see charts where the transformers, capacitors, distribution lines and sectionalizing/reclosers are a repeat. If they need to fix or expand the system, and if new growth comes into the system, that is the stuff we need. If a hurricane comes, we may need transformers. It is the same transformer for those three and they will see a lumpsum number there. It is broken down in the budget, but it is hard to delineate.

With the capital spending concept, (referring to a chart) all the hardware items are listed as three separate items in capital spending. The first is system upgrades and that would be a feeder, which is the primary line. When driving down the road, if you see big wires and transformers, that is the old stuff which needs to be changed. These are things we do on our own in preparation for improving the system. That is called system upgrades. This year's budget is 1.4 million dollars for additional materials to do system upgrades. That is scaled back, because we have inventory at the warehouse. System upgrades are things they identify as needing to be fixed. Then there are unplanned system repairs. That is still a system upgrade, but it is unplanned. A classic example is hurricanes. When a hurricane comes, we have big winds that could knockdown poles, which in turn can knock out transformers, and break wires. That would be considered an unplanned system upgrade. We would use the same items, but they are considered system repair. Inventory is at 1.5 million because inventory is high right now. The next issue is system expansion. A great example of that is the feeder system to The Villages (L65). Every major distribution circuit is labeled and the biggest single investment we have made recently in the system is the expansion out to The Villages. Also known as The Villages of Catherine. That cost was around 3 to 4 million dollars, with a return on investment in three to four years. Again, that is another number we see going down. Those meters are spinning so we are in good shape to recoup. Moving forward, system expansion will be developer-driven and we have not planned anything for that. However, we feel that we are in the position to react when it happens. System repairs are unplanned. That is when a storm comes and knocks out the lights. System upgrades we foresee.

Referring to another chart, **CM Minner** said the chart represents total cash numbers. The blue line represents the bulk power supply account. The happy place for that hangs out at 3 million dollars. They would love to see that line stay consistent and steady. That is what they endeavor to do and when they do that, the rate is low and the rate stays consistent throughout the year. They hope that the .03 a kilowatt that they just changed to starting July will keep that at 3 million. When we were negative 9.5 million in the hole, plus the .03, which was 12.5, that was a 12.5 million dollar loss. As of June, we are back at half a million dollars in the black. We have made significant progress and we lowered the power cost adjustment. The months of June, July, August, and September are big sales months and they can keep that number down. They feel comfortable that by the end of the fiscal year we will be back at 3 million. Around August, they will sit down and reexamine that. If they can tinker that number down a little more, they will. They will mix that with FMPA projections. Moving forward, into FY 24, they will boil down on their goals and try to plan for them in the budget. They want to keep the rates down, keep the lights on, work safe, review operational standards and impose their own standards on themselves when they endeavor to fix or improve systems. They will review the standards to see if they are over or under. They will look to see if there are ways to save because they want to get back to building a little cash. Just like the other enterprise funds or the general fund, they want the right amount of cash on hand. They do not want to have too much, but they do not want it too little. We need to hang out at the recommended reserve number of 10 million dollars. The electric department can spend 10 million dollars really quickly after a catastrophic event. He recommends that a stable electric fund has between 15 to 20 million dollars of cash on hand. Once the power cost adjustment (PCA) is back and we have recollected the 12 million dollars, the neutral place where it should be is about 10 million dollars.

They have about 5 to 10 million dollars worth of work still to do on this. When he first started, the smartgrid was the big issue and now the GE contract is about to sunset. We have about 2 to 3 years left on that. The electric director has already started looking at alternatives. The GE contract reads all the meters and costs the city about 1.7 million dollars a year. It goes back to the type of meters we get and that number could be big, but not in terms of power supply. That number could get to be about 5 million dollars. They are now looking at alternatives, so when that contract expires they know how to tackle counting the flow. They saw a decrease in power supply of about 13%, which breaks down to about 8.5 million dollars. There was some increase in divisional costs of about $263,000. There is a 2.9 million increase in distribution. There are discussions about how they can shift the cash flow around. There is 1.5 million in the other division for the depreciation stuff and the capital expense is 5.2 million.

<u>Electric Expenses</u>:	
St. Lucie	$990,756
Purchase Power	$57,746,706
Administration	$951,153
Jobbing	$85,190
Distribution	$7,854,521
Smartgrid	$1,714,426
Other	<u>$12,305,461</u>
Total Revenue:	$89,495,843

St. Lucie and Purchase Power are two sources of wholesale power. They share St. Lucie's nuclear plant and the Power Purchases from FMPA. The All Requirements Project is 99% of the city's power. You will see a third line next year, in FY 25, when we start bringing solar online. That line will most likely be a positive for now. St. Lucie and the FMPA are cost items and solar should give us a little back. He would not go into all the derivatives of solar at this workshop. Administration and Jobbing are the core and pillar of the electric department. They keep the lights on. The Smartgrid and the Other are transfers. Capital Projects are at 2.9 million dollars.

Mayor Burry stated on page 269, the total shows a 38% increase. It appears to be mostly insurance. Are we insuring more stuff? Did it go up with that or is that the rate increase that homeowners see going out? **FD Williams** said it was a combination of both. We have five substations and only two of them were insured. After going back and auditing those, they now insured the other three. That was a significant dollar amount. **Commissioner Pederson** said with the GE contract and meter reading, is there any technology in the future where we would not need people on the ground reading meters? **CM Minner** answered that we do not have people on the ground reading meters; it is all automated. That was the

difference when they went to the highly complex automated system (Smartgrid). However, now we are coming to the end of that contract and we are looking at other alternatives. The old-fashioned way of reading the meters and the old analog meters that just spun on the house cost about $1 a meter. Our costs went from $1 a meter to $5 a meter with Smartgrid. When he first started out in Vandela, MS, it cost about twenty-five cents to read a meter. That has gone from twenty-five cents to $5 in thirty years. Obviously, there is a lot of technology. The electric director will look into that. We are remote now. We have gone from manually reading meters to the meter reporting what the meter has. It includes reporting outages, usages, peaks, spikes, and tampering. We have become high-tech and they see that in the costs. **Mayor Burry** mentioned the operating expenses have a 59% increase. That is a lot. **CM Minner** said the worst case scenario is that number rising from 3 to 5%. The best case scenario is making a big cash out and then they can bring that number down. There is a lot of stuff on the table that the electric director is looking into and he is still reviewing it. He is starting to hear bits and pieces now, but the electric department personnel are working on it. There will be more to come. **Commissioner Pederson** questioned the depreciation. **CM Minner** answered the depreciation is 2.8 and that is down. There is a correlation between personnel costs, capital costs and depreciation. With depreciation, they fund and that goes into renewal and replacement. The 5 million dollar level was a little arbitrary. That was as much cash as they could squirrel away. That went into the R&R.
Referring to a chart, he said that was where we spend between 5 and 12 million dollars a year. We have eaten into the R&R budget, which is depreciation. This year's budget is 2.8 million dollars. That is a decrease because our capital expenses are significantly down. That 2.8 million dollars is direct cash and we do not see other sources in the budget. They toyed over how to display that in the budget, because they knew that number would pop out at them. He wanted to show that number in a way he could explain, since they do not see a revenue source from other sources in this year's budget. With numbers from other sources, that means we are borrowing from our own savings account. That number is zero, which means depreciation is down. They are budgeting 2.9 in the black. That 2.9 should be a direct injection into the cash fund. At the end of the fiscal year they should have an additional 3 million dollars.

Gas Fund:
CM Minner stated the gas fund is slowly coming back. They propped up the gas fund using the electric franchise fee as an IOU. They shifted their attention over to gas with a partnership with SSGC and The Villages growth. When they endeavored to do projects, like the Resource Center, the aquatic facility, and the Ski Beach improvements, those projects were funded using cash injections from the gas department. Ten years ago, the gas fund was sitting on 7 to 8 million dollars in cash, but it has been whittled down. As we went through the TECO lawsuit we saw that partnership starting. The delay with seeing that cash regenerate is two-fold. The first was the settlement when we had to kick back two thousand customers in Finney to TECO. We were seeing that growth, but TECO took that growth block as part of the settlement agreement. We started seeing rapid growth at three thousand customers, but after that settlement we were back at zero. We had to wait for The Villages to grow outside of the settlement territory, and move into the SSGC Leesburg box, known as the Villages of Catherine. Now, all the dirt they are moving in The Villages going down CR 470, is Leesburg Gas. We had an 18 month delay in seeing those numbers come back. There was a low in 2019, at the end of the lawsuit, which included infrastructure improvements that we had to do as part of the deal. We are now seeing that number tick back up to five million. The next hole in the bucket is villages' growth. Everything in the gas department remains the same, except for a big capital expense of one million to one and a half million dollars, so they can install a six-inch distribution line heading south towards Sumter County. That will serve the area south of CR 470. That box is the old CR 470 property that is now known as The Villages of West Lake. The Villages will eventually wrap their growth box near the Lake/Sumter county line out to Coleman, near the new Charter School, up to SR 44. That will be the next growth area. When that is done, there are talks about expanding south of CR 470. The gas director and his folks are working on that and they need some cash to get that next line in there. **Commissioner Pederson** wanted to confirm that it would all be city

territory, including the future growth in The Villages. **CM Minner** answered yes, it is to be determined, but when they did the initial Performa, the box, as they call it, that box was from Highway 301 to The Villages of West Lake, SR 44 and a mile or so south of CR 470. The thought was there would be 25,000 residential customers. At 25,000, we knew we would net somewhere around one million or one and a half million dollars. That performa, based on the customer count now, is about right and those numbers should be true. They are just waiting for the customer count. However, he does not know what the final Village count will be. They purchased a considerable amount of property, so there could be 25,000+ residential homes as long as The Villages keeps growing at their current pace. Since January, they are hanging out around 270 houses a month receiving a CO. If this pace continues, they should start moving south of CR 470 and there will be a lot more development to come. Based on the agreement with SSGC wherever they go, we are tied to it; Leesburg gas is tied to that agreement. That was the big victory in that settlement. We may have jumped the gun a little bit when they took Finney, but the administrative law judge said that agreement was correct and legal. That was a big victory, so wherever The Villages goes, Leesburg gas goes with it. Keeping up with that has been the department's biggest issue. The process of gas mimics how we do electric and gas purchases are the lion's share. That breaks down into administration, locators, and distribution, which are the guys who fix stuff. There are capital projects and different operational stuff in that 4.3 million dollars. It is the same type of philosophy as electric. They fix stuff, they expand, and reenergize old stuff. If stuff blows up, they have to fix it along with stuff they think may blowup while keeping up with the capital growth. In gas, the capital growth is driven by the distribution lines, which is part of the agreement with The Villages. The gas department will need a new home sooner or later. That building is extremely old and the city is growing at a pace where we cannot keep enough bodies there, and they have more equipment to be stored. Their location would be moved out of the downtown. They would put them somewhere else and that property could be sold or repurposed for different downtown commercial use. **Commissioner Pederson** said he would like additional parking in the downtown. **CM Minner** stated that would be an expensive endeavor. Before they start feeding money into special projects, they should tackle that question. It would be a one million dollar question to find them a new spot in the right location. As the electric director works on Smartgrid, the gas director's homework assignment is to find a long-term solution for a new facility. He was unsure if that would fall of 2025 or 2026. **Mayor Burry** asked about the growth we are seeing for the gas fund? **CM Minner** said, looking at the revenue now, he would add 3 to 4% because that revenue number has been conservative. He would go back and crunch numbers but he did not want to guess. **Mayor Burry** pointed out that the growth in the gas department is good for the City of Leesburg. **CM Minner** added when talking about the mechanism, that growth becomes the next piece of the puzzle for how we fund capital projects back to core Leesburg. With the Villages' tax ad valorem revenue, and as more population comes in, that means more DST revenue, and that means more transportation gas tax for streets, and natural gas surplus money can be gone over. When looking at potential increases in ad valorem and natural gas surpluses that will go to help fund capital projects in the future. That was the mechanism for how they setup and endeavored to expand to such an extent. On a customer basis, electric growth is steady in the defined territory pursuant to state statutes. **Mayor Burry** stated that it stops at the south end at the back of Lake Deaton and everything in The Villages is not on city electric that is why it was only three percent. **CM Minner** said the electric territory box is roughly from the county line to Radio Road, from the top of Fruitland Park to the top of Lake Denham. That is electric territory, everything south of CR 33 and US 27 interchange is now Duke territory. With all that ad valorem growth of Whispering Hills, Hodges and the others, we will only see the franchise revenue from Duke. The box for gas is the electric box plus all the way down to Royal Highlands. It then goes everywhere in Sumter County where The Villages goes. Electric customers may peak in five to ten years at 35,000 customers if we get significant growth from Orange Bend in the CR 44 corridor, where 15,000 was the native load. We could one day see 65,000 gas customers. That would double the amount for gas customers versus electric in the future.

<u>SPECIAL REVENUE FUNDS</u>:
Building Permits, Greater Leesburg CRA, Carver Heights/Montclair Area CRA, US Highway 441/27 CRA, Discretionary Sales Tax, Gas Tax, and Housing Assistance.

Building Permits:
The building department has a special revenue. Not a whole lot goes through this fund. It is pretty steady. The building officials have been busy keeping pace with non-village growth and different things. They have made a couple of modifications to the draft budget since it came out. There were a couple of positions mislabeled in the budget, so they changed that. However, the heartbeat of the building department goes back to the cash number. The bottom line is that they are making about 1.7 million dollars in revenue for permits, inspections, new houses, reroofs and everything else. Back around 2019, we slowly started to reduce our fees to match growth and as growth came in, we saw the reserve level continue to rise. One thing about the building fund that is different from other enterprise funds is that the state requires the building fund only to be spent on building stuff. We cannot spend those funds anywhere else. We changed the process because we saw the money going up. After discussions with the contractors, it was decided that we would lower the rate and have the most competitive building fees in our region instead of returning the money. Less deficit spend until such time that we need to increase the rate back to what it was. The overall rate was about a 50% reduction in the standard fees.

Referring to a chart, he showed the yellow and red lines. The red line represented zero and the yellow was the initial estimation. We did not want to dip below that line. The blue line represented the state statute requirement, which said this is what the reserve requirement is for what a building fund should be. Anything above that line cannot be spent on anything other than building use. On that barometer, they have been trying to get back to that number and spend off the surplus. They have been spending off the surplus and keeping the rate down. In 2019, when we started this process, we were just south of 2.5 million dollars. The deficit spending plan was to reach $450,000. We thought we would reach that by FY 24. However, it is tough to manage and estimate how much new revenue we will receive. Even though we tried to deficit spend, new growth continued to go up. The estimates on revenues were always low, which continued not to build the cash level, but it did a little bit. Over the last few years, we started toying with the rate to get it where we could see it bleed off. This year we are now deficit spending about $533,000 on the building fund. That is assuming revenues are correct and there will be no windfall of revenues. They will have another solid twelve months at the current rate, so we do not have to look at increasing building fees. If some of the subdivisions occur, we may see that getting kicked a little further. The plan is solid and it keeps us competitive. The concept is to encourage growth, friendly developments and make sure we have good quality buildings. Maybe next year or by mid 2025 they will have to revisit the rates. That is the microcosm of the building fund. Pretty much everything in the building fund is personnel related.

CM Minner said the <u>Greater Leesburg CRA</u> is referred to as the Downtown CRA, whereby the city commission and two members of the public form the CRA board. One from the east side of the district and another from the west side of the district. The middle divide is Canal Street. They also have the Carver Heights CRA and the Highway 27/441 CRA. Referring to slides, he said, from a high level, the CRAs are doing pretty well. They see nice growth. In the preliminary DR-420 discussions, they saw initial numbers come back with 24% total growth in the city and 33% growth in the general fund. That number broke down, showing 12% in the other respective CRA funds, but the Highway 44/27 CRA was the big winner at 13% growth. The Greater Leesburg CRA's cash position relates to the special projects they do. At the end of the fiscal year, they will see it having around $255,000. The CRA fund has been incremented. When they created this CRA, they had the base year increment. They drew a box around their targeted blighted area. They calculated the taxable values and tax revenues and that was year one. Anything above that has to go into improvement pursuant to the plan. The increment from the city is matched with the increment from the county. They receive county money plus city money and that creates the increment they can spend in that area. This year, FY 24, it is over nine hundred thousand dollars. The first thing they will spend money on, pursuant to the decree by the NAACP that dates back to the mid 90s, states that they have to share the increment with the Leesburg Community Development Corporation. Half of that $916,571 goes to the Leesburg CDC. That leaves them with $458,285 to spend. The first thing they have to do is pay down the debt on the Main Street project. That was a 1.3 million dollar banknote over 10 years. They are about halfway through it and the debt payment on that is one hundred thousand dollars. After paying that, they will have about $350,000, and they have not specified any projects. They have had conversations regarding a request from The Partnership. The Partnership asked for an events contract. That request was for $450,000. Speaking to their financial advisor, the easiest way to house that is in the CRA. They do not have $450,000 in this fund, but they have $350,000. If they go down that road, they would potentially keep that contract in the confinement of the CRA revenue. The trade-off is what capital project they do.

One thing they have done extremely well over the last ten years is pick and choose, but for every action there is an equal and opposite reaction. They have done well managing their focus on this and not going too far or too little. That has kept them in a good financial position. There is a trade-off, and that is pushing off capital projects. This would be the time to discuss experimenting with The Partnership through an events agreement. He also had a slide showing the things they could work on in capital projects. From a staff level, they have their hands full of internal projects as well as growth-driven projects. In the future, there should be ad valorem potential and natural gas revenues. That could be another source. We see other communities spending upwards of half a million to one million dollars on events. The philosophy for going with The Partnership was because of Bikefest. The city did not have to spend considerable dollars on events because The Partnership was there to provide those events from the profits of Bikefest. That model was created back in the early 90's and it does not work anymore. First, it was a victim of its own success. As events have occurred, small businesses within the district have grown and that has taken some of the share from The Partnership when they have their events. Some of that cash is no longer available, but that is a good thing because we have started to see a regeneration of the downtown. That is what we want. We want to see the private market sector survive and flourish in our downtown. Another thing was covid and that had an impact on their events. The concept is that the profit margins in The Partnership have dwindled for those reasons. They are struggling to meet ends and to have money to provide events. The request was for $450,000 so they could provide the events. The trade-off is kicking the can down the road on capital projects. He did not think it would be a significant issue for the next couple of years. If they decide to go down that road, this fund would house that experiment. The next step would be putting together a formal agreement with The Partnership. It will be brought back for review and approval. It would become effective with the new budget starting October 1st. **Commissioner Reisman** went on the record saying he started thinking about this before he came on the commission. This was something he wanted to do and when he came on the commission he went and approached the Partnership about it. The events are good, but they could be better. He wants the events to be free for everyone in the community. When people come to their events, they should not have to pay for certain things. That is why he asked The Partnership to put this together so their events could be even better. As the city manager said, most surrounding cities spend anywhere between $700,000 to 1-million dollars a year on events. **Commissioner Pederson** said he was pro The Partnership. Covid did have an impact on them. He has provided his speech before because he thoroughly enjoys the events. He missed the events during covid. He did not realize how much he would miss them until covid hit. The Partnership has been around for twenty-five years and they have done a great job for the community. He supports this, and they should do the full $450,000 because we put a lot of pressure on them. We will expect them to perform and do the events right. If they do not, then this contract could be in jeopardy a year from now. He was not sure if it would be fair to do it at $350,000. The Partnership could do a presentation but he feels they deserve the $450,000 that would put the pressure on them to do it right.

Commissioner Reisman seconded the additional one hundred thousand.

Betty Stevens-Coney said she was there representing the constituents of the Greater Leesburg CRA. Several months ago she presented three items for consideration; historical markers, bathrooms at the John L. Johnson Park, and exploring the possibility of a pavilion for that part of town. She questioned how the experiment with The Partnership would affect those requests from the constituents she represents. She does not want to see those not included and the people not get what is due to them. **Commissioner Pederson** remarked that they will share that money with the Leesburg CDC. They will take half of it and the other half will be allocated to The Partnership. **Ms. Stevens-Coney** said okay. **Commissioner Pederson** said that is the money they have to work with for those projects. **Mayor Burry** added that the partnership is not a selective target. That is a city-wide benefit. **Ms. Stevens-Coney** said she understood that. However, she wanted to be assured that the investment in the partnership would not affect what she already proposed to the board. She wanted to be assured that they would still get the bathrooms at John L. Johnson park and the markers. **Mayor Burry** responded that they already agreed to the markers. **CM Minner** pointed out that he did not put a number on there for the markers because that was not a big number. **Mayor Burry** stated the bathrooms and pavilion are discussions to be held at a later time. These are not items that are going to necessarily happen, they are still in the discussion phase. **Ms. Stevens-Coney** questioned if all the things she mentioned were still in the discussion phase? **Mayor Burry** answered that there was no decision made on the pavilion or the bathrooms by the CRA. There was a decision made on the markers. There was consensus that it would be a good idea, but there was no allocation of funds for those projects. **Ms. Stevens-Coney** responded as she remembered the bathrooms at John L. Johnson Park was an oversight. Everyone thought there were bathrooms there. However, John L. Johnson Park still needs bathrooms. **Mayor Burry** said yes, that was the flavor of the conversation. **Ms. Stevens-Coney** said she was under the impression that it was a bit more of a flavor, it was a desperate need. **Commissioner Pederson** commented that he thought there was a consensus on the bathrooms. It was not approved, but he thought there was an agreement. **Mayor Burry** remarked that it does need to be done, but at what point? **Commissioner Pederson** added that the pavilions were not well received by the community or the commission. **CM Minner** said there is other money and they need to get through the rest of the program. Just as every year, they throw out a bunch of different projects and then they firm up the list. The signs are not a financial issue and the bathroom will probably be $250,000 to $500,000. They have some concepts and may not all come out of the CRA. They may go back to DST money, because they have some DST money still sitting there. If they want to get the bathroom in the park done, that would be an easy do. It does compete with some other stuff, but he was not too worried as far as shifting financial blocks. **Commissioner Berry** added that the bathrooms were agreed upon, but it did not circle back around. The awareness was that they did not know bathrooms were not there. That was the thing, but the other items were to come back for acceptance. **CM Minner** replied yes, they kicked it to the budget workshop hearings and he failed to mention it. **Ms. Stevens-Coney** wanted to confirm that they were good on the bathrooms for John L. Johnson park. **CM Minner** responded on behalf of the commission that what they need to do is polish this off. They have the other two CRAs and there is DST money. They will do their thing and if they need to modify it, they will bring back a modified proposal. He believes they would not fund the John L. Johnson park in the Greater Leesburg CRA. That would most likely be DST money. They just need to shuffle the blocks around. **Ms. Stevens-Coney** said for the record it will show that. **CM Minner** reminded her that this was a workshop and the consensus he received from the commission was to shuffle the deck and bring back a modified proposal. With that modified proposal, they will look at the John L. Johnson park, but the pavilion will not be moving forward at this point. **Ms. Stevens-Coney** added that the impression she wanted was that they would agree to the provision, concepts and principle. **CM Minner** responded that there was a firm yes on the signs and they needed to go back and shuffle the deck for how to get a bathroom in the park. Once they get through CIPs, they will have a priority list and the John L. Johnson park bathroom is on the priority list. It does not mean it will be done this year, but it is being tracked. **Ms. Stevens-Coney** mentioned moving forward they should realize that this may be something they really want to do, realizing that Mr. Johnson recently passed. This would be an honorable thing to do in his name.

John Christian, Pastor of the Christian Worship Center, echoed Ms. Stevens-Coney's sentiments regarding John L. Johnson. He was a great icon in the City of Leesburg. The John L. Johnson Park is a very utilized park and it does not have a bathroom. He heard talk about the consideration of a budget workshop, so this is not final. Tonight they are discussing what could be added to the budget and taken from the budget to make things happen. The commission charged the city manager to go back to see if he could find the money. No one in the community will be concerned about where they get that money from. They just want to see bathrooms in John L. Johnson Park. That is why they were here to discuss the budget and to find out what is needed in the budget. They could discuss things that the city manager or the commission may not have thought about. He noticed in this CRA budget that there was no mention of home improvement grants or anything for the residents of this CRA. He would like the commission to consider adding some funds to this part of Leesburg for the residents who may need assistance with home improvements. **CM Minner** said they would go back and modify that and report back. The reports would come back at a regular meeting. Based on the commission's feedback he would get with Ms. Smalley to figure out how they would meet the parameters of that agreement. **Commissioner Reisman** inquired where civic funding would come out. **CM Minner** replied it comes from the solid waste fund.

Continuing, the <u>Carver Heights CRA</u> is obviously growing. It has five hundred thousand cash. Commissioner Berry has spent a lot of time with him reviewing and modifying a couple things in the budget. Ultimately, the commission establishes the budget for the CRA, but Commissioner Berry spent time with him going over some concepts that she would like to see in this budget. This budget breaks down into personnel expenses for housing, operations of the Resource Center, the debt on the Resource Center, and whatever revenue is left over that will go towards various capital projects. That is the area they talked about.

He provided a correction to the Carver Heights/Montclair Area CRA budget because it actually brought in around seven hundred thousand dollars, not nine hundred and twenty-nine thousand. That was the actual increment. They decreased promotional activities by $11,400 and increased the home grant program by $50,000. There are some improvements to be made at Corinne Williams Park to add a restroom facility and update the blight study and master plan. In the review, it would be personnel, personnel costs and operating expenses of the Resource Center. That includes the blight study update, the debt service on the Resource Center and additional projects for the board's consideration.

First is the Boys and Girls Club tuition. This concept comes as an insurance policy to ensure that the investment in the teen center and the Boys and Girls Club partnership works. That concept would be another agreement with the Boys and Girls Club and if the commission decided to do this, the civic funding for the Boys and Girls Club would end. They had a meeting with the Boys and Girls Club which included some community members, Commissioner Berry, and the Recreation Director. They had a discussion to ensure that the youth of the community were taken care of. That would be through the Resource Center. That is why they created the facility and why they partnered with the Boys and Girls Club. The amount of $120,000 comes from the concerns they heard, and that tuition is hard for folks to pay and that it had an impact on enrollment at the Boys and Girls Club. The capacity at the teen center is about 80 kids. The tuition payment consists of a $30 initiation fee and $20 a month for the summer. The Boys and Girls Club stated they are at 50% capacity now and that $120,000 would ensure that the facility is full and paid for by the Carver Heights CRA. That would not be a direct check written to the Boys and Girls Club, but there would be an agreement whereby the Boys and Girls Club awards tuition to eligible folks that would then receive a subsidy in the tuition paid by the city through the Carver Heights CRA fund. With the home grant, they previously talked about increasing the grant limits. They talked about increasing that from $5,000 to $25,000 or $27,000 based on if the homeowner contributes or not. The request for funding would be $300,000. The goofy number of $229,000 is that plus the residual that is already in the fund that has not been spent. That makes up the $300,000 and that $300,000 would be divided by twenty-five for twelve potential homes.

The next potential concept came from a concern Commissioner Berry had expressed about public safety in Carver Heights. She would like to have more police officers in the Carver Heights area. In the police department, that was a concern, because we needed more police officers and to get more officers, we had to increase their base pay. Now, we have to look at funding the new officers and that is their overall struggle. Step one was the big collective bargaining agreement (CBA) that was approved last month where we increased the base pay to sixty thousand dollars for the entry level officer and then we addressed the compression issue. That was funded with surplus monies in 2023, which gets us through this year. However, that is balanced by the number of officers the police department currently has and it is an understaffed department. They now have a double whammy. The chief would advocate that Leesburg Police Department needs to have at least 80 officers. If we add in the new growth in South Leesburg, we are looking at a department that needs upwards of 90 officers. They have struggled with recruitment and that was addressed with the increased salaries. They addressed the budget gap in the salaries with some surplus cash from the general fund and they froze seven positions. We currently have 73 officers, and that is low. We are down seven positions. There is definitely a lack of bodies. The first thing they did was address the pay. They needed higher pay because higher pay would be better for recruitment. In the interim, there was a desire for additional policing services and that be more focused on the Carver Heights area. In order to bridge that gap, they would use Carver Heights CRA money. That would help fund and unfreeze positions for more patrol coverage. They would slowly wean that CRA funding back to ad valorem funding in the general fund as the village's growth comes on. There were detailed discussions at Thursday night's meeting where they talked about making a plan for the new villages' money. The brief of that was around one billion dollars of anticipated taxable value from The Village's growth. That would be 3,200 units multiplied by the $3,000 taxable value and then multiplied by the potential millage rate. That would give us somewhere in the neighborhood of 3.3 million dollars, which is anticipated for FY 25. With the Village's influx, at the current rate of the Villages of West Lake, we should have about 3,000 units by December 31st. As long as the house is built and CO'd by December 31, 2023, that means in 2024 it will be assessed, which is FY 25, which starts in October. They anticipate that there will be another injection of new growth revenue and that plan was laid out on Thursday night of last week with priorities for where that new money should be spent. That recommendation was that we have an outlying plan that focuses on that money and where to spend it. The second plan was for more police officers and 1.1 million dollars would provide for about 12 new officers. Potentially, in FY 25, they could unfreeze the last positions and add more officers. With the third, 1.1 million dollars, that would be potential capital improvements. Even if they have not identified the capital improvements, they would squirrel away that money in the CIP fund and do just as they have done with the pay-as-you-go policy for general fund improvements. That would be general improvements around the city. They have been hesitant to issue debt when it is associated with the tax base. That was a little loquacious talk, but the concept would be to immediately focus on public safety and bridge the gap with CRA dollars, unfreeze those positions, and use CRA money to get some designated officers for the Carver Heights area to allow for more protection.

To recap, the modifications to the plan: personnel will stay the same, we redo the blight study, the debt payment, the Boys and Girls Club tuition, the funding for the home grant, and the addition of officers.

Commissioner Pederson stated he would support the police officers being paid out of the general fund and not penalize the CRA fund, which is making good progress. He had a discussion with the city manager about this in hopes of splitting it and doing different things. It is a duty of the city to provide police services and that should be paid out of the general fund. He struggles with supporting a blight study because that seems like a waste of fifty thousand dollars. He could find better ways to spend that money. We have a pretty good plan for what we want in the Carver Heights area and he would rather take

the fifty thousand dollars and apply it to whatever that group wants to do. **CM Minner** stated there was a struggle with the financing and how to bring in new police officers. He believes everyone would agree that the city needs to expand the police department. Going back to the tax number that was set at the commission meeting Monday night, where they set the DR 420 at the rollback rate, that goes from 3.4245 to 3.47 and that gets an additional one hundred thousand dollars. Remember it was seventy thousand dollars in the black, so if we went with the rollback number there would be an immediate $170,000. He believes they can find the rest of the money after polishing up some revenue numbers. If they go with the rollback rate, they can tackle that question, but there is another one hundred thousand dollar question hanging in the balance with the Partnership. When it comes to the bathroom at John L. Johnson Park, we can use DST money. If they go with the rollback rate, they could cover the positions in the police department if they want to kick that over to the general fund. They would then have $100,000 to bridge the gap in the Partnership agreement. They should spend down some of the cash they are sitting on, $250,000. That is a good bridge. They could have a two-year contract with the Partnership at a $450,000 rate. Those are broad concepts and food for thought during the discussion. **Commissioner Pederson** said he did not want to get too bogged down or make it overly complicated, but to piggy back off those comments, what if they funded two officers out of the general fund and the CRA funds pay for one police officer for one year. Then we will absorb it in the years thereafter to help the funding gap.
CM Minner responded with the seven positions; we have three positions now and four unfunded that need to go back in by 2025. There is a performa they use, but the quicker they tackle it with existing revenues, the more they do not have to use villages' revenue to unfreeze positions. If we can get more officers unfrozen now, they can add more later. **Commissioner Pederson** agreed. He just wanted to throw out ideas. **CM Minner** added that they are on track and they do this every year. They discuss all the big broad concepts in the workshops. There are about five things that need to be drilled down. **Commissioner Berry** commented that the Florida Statutes allow them to use the tax increment funding, the tiff money to fund community policing in the CRA areas. She does not see that as being a waste of money. **Commissioner Pederson** pointed out that he was not talking about taking it from that fund. He was helping them by saving money in the CRA. He wanted to take it out of the general fund. That way, it would allow for other projects to be done. He wanted to make everybody happy. He understands the law enforcement issue, but this would free up money to move forward with the other projects that the CDC or CRA want to do. **Commissioner Berry** stated her request was to designate a police officer for the Carver Heights area. **Commissioner Pederson** agreed with that. He understands there are concerns in the Carver Heights area and the city has a duty to provide those services and it should be paid from the general fund. **Mayor Burry** wanted to know how they would have specific officers for just that area? What would happen when the next area wants a specific garbage service in their area? **CM Minner** explained that the police department breaks down patrols into zones around the city. The Carver Heights area roughly matches an existing zone. It is not perfect, but there is a little wiggle room in there. Of all the areas, this would be where they could use CRA money for police services and it would be the best way to get checks and balances. It is unequivocable and Commissioner Berry is correct that using CRA money for designated policing is an allowable expense and it is in the existing CRA plan. There would not be a statutory issue with that concept. **Commissioner Berry** pointed out that there is a critical need for police presence in that community. **Mayor Burry** agreed, but he was looking at how that would work. How does it happen in reality? Can the officers go outside that area or are they sworn to just that area? It is a lot easier to talk about it than the application of doing it. He likes the idea of adding more police officers and they could focus on the Carver Heights area. However, it is the idea of designating new officers for a certain part of town. Is that what we want to start doing? Do we want to have different services in different parts of the city? **Commissioner Berry** said with the current situation and with the police department being short, if they designated officers for just this area to manage and help cut down on regular street crime and speeding, that is a comprehensive project. They could do it as a pilot program to see if it works. She did not know how that schedule would be, if it was two days on and two days off. She did not want to get into how the police force works on scheduling, that is up to the police chief. The ideal

goal and vision was to have a police presence and control over what was going on in that area. Meaning, instead of having to call for the police to get there, the police would already be there. The residents could establish a relationship with those police officers. The police would provide protection and security for the residents and the constituents who are in that area. It would be a clear picture of officers that look like her, black or brown. They would be there to assist with the issues in that area.

Dr. Erica Jasper, CRA board member, stated in reference to the police issue and the $250,000. She agrees with the mayor about how that would be handled. Three police officers would be excessive for the Carver Heights area, considering there is not a whole lot of crime when you look at the grand scheme of things. She lives in that community and she has been there pretty much her entire life. There are seven vacant positions and they would be using $250,000 of CRA funds that could be leveraged for something else. Florida Statute 163.387 states that if they use CRA funds for police officers, they must stay within that block. They cannot leave that territory or use their patrol cars outside that territory. She was not sure if they were aware of that. If they use those funds, the officers can not deviate outside of the parameters of the CRA. She would like to understand how that would work from a reality standpoint. She understands that police jobs are very challenging and hard. They never know what they are walking into from day to day, but it is a bit excessive to use three police officers when there are seven vacancies at this time. When it comes to the Boys and Girls Club tuition, of $120,000 that would be about 40 kids. That was not included in their meeting, nor did she know anything about the meeting. She wanted to know if there was adequate staffing to accommodate an influx of children. She did not know how that would work. Where are the kids coming from? They would all have to be from the CRA area if they used CRA funds. She was not sure if they looked at the proposed comprehensive plan because they may give them $120,000 this year, but what happens next year? She was one of those children once upon a time and she did not want to boost them up and then let them down next year. What is the longevity plan for this proposal? Are they doing this just to say that they are doing something? What is the contingency plan and the comprehensive plan for the long term moving forward? With the housing grant program, how many houses would be done with that program? **CM Minner** replied twelve houses. **Dr. Jasper** remarked that they would take $300,000 and use it for just 12 people. There are a number of people here in the audience from the Woodland Park area and she believes there are more than 12 people needing assistance. They should take that program and extend it. Maybe do twenty-five homes and give $10,000 to $30 000 if that was the case. They could divide the $300,000 and extend it, make it wider and broader so more people can benefit from the program, not only Woodland Park but the whole CRA area, including the Carver Heights/Montclair area. They fit into that program. Overall, the total budget is too small. They should take the $867,000 and leverage it. She likes to think big and do big things. They could take that $860,000 and turn it into 4 million dollars. They could do greater projects as they leverage that money in the CRA. Those are some of her concerns and the housing program does need to come from the general fund, the police officers need to come from the general fund and perhaps the scholarships need to come from the general fund. That way they can take the $867,000 and leverage that to 4 million dollars.

Christina Foster, resident of the Woodland Park Community, stated she heard the city manager say something about Corienne Williams Park needing a restroom. They already have a restaurant, but they do not have a pavilion. They have birthday parties and the whole neighborhood helps the families take stuff out of the park. They need something for the kids to sit under from the weather. When it comes to home improvement projects, a lot of the houses in the Woodland Park Community have been the same since they were put up. The only thing that they improved were the roads. That was it. The city could add stuff to the park, but that is not enough. They do not have internet service at the park. It is the only park in the community that does not have Wi-Fi access. **Mayor Burry** inquired if she was referring to Comcast not going there. **Ms. Foster** answered it was the WiFi through the City of Leesburg. They should be able to sit there and hook up to the city's WiFi. They do not have access to that and the city is located right behind the park. They do not understand why they cannot get WiFi access.

Fred Griffin Jr., president of the West Leesburg CDC, said he receives phone calls and he goes to homes and walks through the community. He has sleepless nights and it takes away from the business he runs 24-hours a day. With that being said, the patrolling of police officers should come from the general fund. They have so many other issues going on in Carver Heights that they need to be tackled. There is the issue of homelessness. They know about it because it is going on around the whole country. He gets phone calls regarding rental assistance. He has one senior citizen that calls him daily. Her complex stated she would be evicted and she is on an $800 fixed income. They told her the rent was going up by $300. He has written to the legislators to address this concern and they asked what they could do to help fix the issue. It is not only a state issue, but they should start here in the city first. Back to the general fund, some of the funds should come out of the general fund. Let them tackle the issues that are very critical within their community. Remember commissioners, the citizens vote you in. If they are not listening to the citizens, then they are doing them a disgrace.

John Christian said he was there representing the Men of Distinction. He heard Commissioner Reisman say when he came on the commission how he was excited about the Partnership and a marketing plan. He has been a member of the Men of Distinction for the past twenty years. They put on the Leesburg Black Heritage Festival and he would request that the Carver Heights CRA grant the Men of Distinction, through the CDC, twenty thousand dollars to implement the Leesburg Black Heritage Festival. Since it was such a great idea, he wanted to make sure his request was known and that was a request from the Men of Distinction and the CDC, who put on the Leesburg Black Heritage Festival. He supported Commissioner Berry and her request for police and Carver Heights. He has been pulled over by the police department so many times because of tag lights being out and the tint being too dark. He is not a huge fan of three additional police officers, but he is willing to give anything a try if it helps improve the Carver Heights community. He just hoped they would not pull him over because of tinted windows and tag lights being out, even though that is how they catch the bad guys. He knows the chief will do a great job to ensure that when the officers interact with the people in the Carver Heights community they are treated with respect and honesty. That is a big concern. He would also like the city to check the statutory requirements, especially when talking about giving $120,000 to the Boys and Girls Club. They need to make sure the kids come from the Carver Heights CRA area. The police officers need to remain in the Carver Heights CRA area. They need to be trained properly on how to interact with young people. He has three African-American sons and a daughter who frequently drives through Carver Heights and he drives through Carver Heights and the last thing he wants is for them to be pulled over by an untrained police officer. We do have vacancies, which means people are not applying for these jobs. We may not get the best of the best, we may get the worst of the worst, so we need to make sure. The police chief does a good job because he gets compliments all the time, but they need to look at who they select to work at the Leesburg Police Department. When they say vacancies, it may not be because people do not want to work there. It may be because the chief will not hire them because they do not meet his criteria. He wanted the commission to understand that, often times vacancies do not mean sixty thousand dollars, some times they may not be a good fit for the community or the city. Once again, representing the Men of Distinction, he hoped the commission would push to add twenty thousand dollars to the budget for the Black Heritage Festival. It is the only African-American Festival in Leesburg, and they bring people in from all over the state to this Festival.

Commissioner Berry added about the home improvement grant. She met with the residents of Woodland Park on April 27th and that development consists of 48 homes. Out of those 48 homes, she had 28 homeowners attend that meeting. They completed a survey stating what was needed for improvements to their homes. From that meeting she brought that information back to the city along with her concerns. These people need assistance to get some form of improvements done to their homes. They range from basic stuff to HVACs and so many other things. She was concerned. They are at a point where they could stream into this and put dollars together in a budget. The CRA money is used for helping and improving homes. That is what they requested. The goal is a win-win all the way around. If they improve the houses, that improves the tax dollars. It could open the eyes of mainstream investors for opportunities to come in. Once everything has been improved, including getting rid of blight in the district as well as the city, it will improve the morale of the residents. It will encourage everyone to participate in keeping areas clean. With our police officers policing the area, they would also feel safe. As the city manager said, there will be more money and it would be reinvested into the CRA as the improvements are made, tax dollars will come in. For the next year, in 2025, there will be more money available so they can improve more houses in the other parts of the district and the other parts of the city. It would just continue. She cannot imagine anyone having to live and make choices based on someone thinking it was not necessary. If they drive through the area of district one, they could make their own assessments. She wanted to make sure they were all under the same understanding, that we are all trying to improve our city. The requests made are very fair. It provides an opportunity for everyone to be a part of this win-win situation. If we do not start this, we will never know. It is not fair to judge what type of officer will be recruited to join the group because they have no idea. She trusts the chief would make sure there were experienced police officers coming into the area and they would provide safety for all. If someone has a busted light, they should be stopped. If they are doing something illegally, they should be stopped. It should not be any different from any other area of the City of Leesburg. They have realized the importance of trying to bring areas up to standards so they can continue to build new homes and to invite others to come into the area. We are looking at rehabilitating Leesburg and making it better. She wanted to be fair and let the commission know as well as everyone in the room that the money is for the CRA. The CRA was established to improve blighted areas and lower income areas. If they do not ask for it or use it this way, what are they doing? She wanted everyone to think about that. They are not making major decisions now. We all want the same thing for the city but they have different approaches and different agendas. As the new commissioner, her concern is making the area better. Her constituents voted her in to make improvements and that is what she is trying to do.

Dr. Jasper mentioned there was a meeting earlier this year with the West Leesburg CDC. It was a community meeting and the residents of the CRA area voiced concerns about speed bumps and lighting. She did not see anything in the budget for that. If they could add some funds for some speed bumps and lighting throughout the Carver Heights area, Woodland Park and Montclair area, that would be good. That was a major concern of many of the residents who attended that meeting.

Daryl Reese, Pastor of Mt Ararat Metropolitan Missionary Baptist Church, said his church is adjacent to John L. Johnson Park. He plays basketball there and there are no bathrooms. They have to let the young people use their facilities, especially the girls. He was curious about when the city manager sleeps because it blew his mind that one man could stand there and go through a whole budget and have a complete grasp of it all. Was it AI? Police officers are necessary and important. When he calls 911, he wants a Leesburg police officer there as soon as possible. We have a very good police department and an excellent police chief. He grew up in an area where police officers lived and it made a world of difference. They knew where the police officers lived and because they lived in the area they as young people, knew how to behave. It does make a tremendous difference. Sixty thousand dollars is not a lot of money, it may sound like a lot, but we have to consider raising families and paying for all kinds of stuff. Some cities assist their police officers with living expenses, so it is not as expensive. When doing all this development, if they could somehow make it available for the police officers to live at a lower rate in these areas where people know where the police officer is located in the community, it would make a world of difference.

Mayor Burry wanted to confirm that the city manager was clear about what everyone wanted. He asked if he could sum up the direction that they were headed in because he was a little foggy about what everyone asked for. **CM Minner** responded he would wrap up the input and he would bring that back to the commission. In her capacity as a CRA member, Dr. Jasper requested a meeting for Monday, July 24th. At that meeting they will bring some recommendations and flush out some stuff. He would take tonight's input and move it forward to that meeting.

Moving on to US Highway 441/27 CRA **CM Minner** stated this would be a bit easier. They are steadily building cash on US Highway 44/127 CRA. Referring to a chart, he said that it was a guide for US Highway 441/27 CRA since he has been city manager and since inception. For the newer commissioners, the situation they ran into with US Highway 441/27 CRA was the issue of approximately 15-million dollars in debt in 2010, because the very next day after signing the note, the sky fell and property values plummeted by double digits over the next three fiscal years. What they thought was going to build an incremental revenue actually dropped an incremental revenue. That meant they had a 15-million dollar bond and they thought they would have enough growth to pay for that debt coverage, but that never happened. The first couple of years, they scrambled and used gas money to prop that fund up. When he was hired, he and the Finance Director went to work on this and the concept they came up with was to get the base year recalibrated so when they ran out of gas money, the debt did not hit the general fund. The financial director was successful in getting that done. We were one of very few CRAs in the state that got to recalibrate the baseline. With that recalibrated baseline, they started seeing growth and they are now seeing the reverse trend of that. They have been very cautious with US Highway 441/27 CRA. Basically, the only major expense in this CRA is the one million-dollar a year payment for the bond and that retires in 2036. They have done a couple of little projects with facade sign landscape money, but they have been very successful. With the growth rate now, they are bringing in about one million dollars and that covers the bond payment. If they keep squirreling that away, they may be at a spot in FY 27 or 28 where they have enough cash banked to retire that debt. If things continue to be positive, there could be one million dollars each year for potential capital projects. In the interim, one big capital project on the horizon in the US Highway 441/27 CRA, is a partnership with FDOT to move utilities and widen the road. He believes that to be an allowable expense because they are improving that corridor. Using US Highway 441/27 CRA monies would take the expense away from some of the utilities that are a bit stressed now. In order to move water, electric, and gas, that adds up to about seven and a half million dollars. It is a big number and they may not put it all in this fund. He just wanted to throw that out there. He recommended that they continue to stockpile cash, pay the debt, and let that fund build. **Mayor Burry** asked if those repairs would be from Perkins to Newell Hill. **CM Minner** replied yes.

Moving on to Discretionary Sales Tax, when they talk about other projects, the city brings in about 3.1 million dollars in discretionary sales tax revenue. One thing they have not talked about is that they see this number increasing as the population increases with The Villages. That is a good thing. However, first we have a payment of eight hundred thousand dollars and that goes to police and fire lease payments. That is all the police and fire vehicles. They are already purchased and we have to pay the lease payment to the fleet fund using discretionary sales tax, that is an allowable expense. The second thing is the debt owed on the radios and the police department cameras. That is paid for with discretionary sales tax revenue. Those two items add up to a little over one million dollars. The next thing they do is transfer money over to the fleet fund to pay for the debt for replacement vehicles. After those are paid, there is about one million dollars for capital projects. There is about one million dollars every year available for capital improvements. There are $750,000 worth of projects he wanted to recommend, which leaves about three hundred and ten thousand dollars available. The discussions tonight for improvements included the two restroom facilities, one at Corrine Williams Park and one at John L Johnson Park. He may have misspoke earlier because Corrine Williams was for overall park improvements, not just restrooms. It was facilities and changing structures along with upgrading the facilities. The John L. Johnson was for a restroom.

There are capital improvement projects that he would recommend looking at. They always reserve about $150,000 for roof improvements. The new one this year is security improvements. Since covid the world has continued to unfortunately get stranger. There has been discussion about making security improvements. We are looking at City Hall and the Leesburg Municipal Service Center (LMSC) building where the building department, purchasing, IT/GIS, and planning and zoning are housed. We are also looking at the Resource Center. We lack some security measures because if you go to different cities in the region or even the county buildings, they are all locked these days. We want to work with the public, but we also want to make sure our employees are safe. These facilities are very open and lack some safety measures. The concept would be to secure the facilities. We would move to where the doors are locked and you would need a badge to get through the facilities. For example, city hall would continue to be open to the public where they can walk in the front door and go to the front desk to sign in. If they needed a pass to get to another part of the building, there would be a citizens' pass. They could swipe that card to enter the elevator to get to other departments. For the commission room, employees would be able to unlock the doors and elevators, but everything else would be closed after hours. The public would be able to access the city commission chambers. The finance department would have a pass to swipe. Every employee and commissioner would have a pass. If someone was here to pay utility bills that would be open for them to go to, since the employees are behind glass, they would be secured. It would be the same type of concept for the LMSC building. They have the same issues there. They would make the entry vestibule, they could gain entry to building through the administrative assistant as well as Planning and Zoning. The same for the Resource Center. The rough estimate to accomplish all this is about $175,000.
There are splash pad improvements needed. The splash pad has reached the end of its life cycle. When they originally built the splash pad, it had a concrete surface, which was not very popular. They had a couple of kids fall. There were no major claims but they immediately changed that, making it better. They eliminated that from the inception and installed the spongy cool blue stuff. However, the life cycle for that is about five years and they hit that. To change that, they are looking at $125,000. They will see that as a recurring expense to keep the splash pad in a tip-top shape. There was a concept to put the Corrine Williams Park improvements into the discretionary sales tax fund versus the Carver Heights CRA fund. That leaves $310,000 for other potential projects that the commission may want done that were not included. That $310,000 would not be an eligible expense for the $100,000 for the Partnership. It can be funded by cash from the CRA or any general revenue. It is not an eligible expense for the discretionary sales tax fund. It would have to come from a capital expense fund. He provided a new chart that showed the different projects they were working on. There could be a trade off on the Partnership and Downtown CRA issue. They still have the Market Street design concept in the CRA and that money is available if they choose to shift that around. They never went back to revisit that concept, but that could be something to deallocate and spread that money.

Commissioner Reisman wanted to know if that was $320,000 and not one million dollars. He was going to provide a number after they talked about this. He thought there was one million dollars allocated. **CM Minner** said that is $321,000 if they do not want to do the Market Street project. **Commissioner Reisman** said he thought there was one million dollars. **CM Minner** replied that is where they talked about one million dollars but he believes that was ARP money. The John L. Johnson Park improvements were the fence and there are some scraps in the residuals where they could trade around. There are some flexibilities. The Partnership building still has $250,000 for upgrades. They have been bogged down with supply issues and Wharton Smith being busy. They have struggled to get to that project, but it is still on the list. He does not think that is a project the commission wants to do away with. The Aquatic Center and the monument signs are done and that leaves $26,000. They have the Rails to Trail and Marina Project. They are still working on Pat Thomas and that has about $100,000 left. The baseball folks are inquiring about that. He knew they left it with the locker room discussion and he needed to report back on that. Sleepy Hollow and Susan Street are the rectangle field stuff and that is in there because they are working on that. Then the other available cash money throughout the city is about 3.1 million dollars. There have been discussions about the lighthouse project and that will be on their desks soon. Other projects are things they have not talked about. What they have not allocated from the American Recovery Act is about $700,000. There are some interest revenues floating around along with general fund revenues from projects. Shuffling the deck and putting that all together makes it about one million dollars that they have sitting there. There is 1.3 in DST money, and about three million dollars in other residual projects. As they tighten up the budget, those are some of the revenue streams they will look at. If there are any other concepts let him know and they will review them.

Moving on to gas tax, the local option gas tax is the other special revenue we have. There is a couple thousand dollars from the penny everyone pays at the pump. They get about $900,000 from that revenue source and all of that is transferred into the general fund. He hoped they could start weaning that back as we see other growth come in. They could shift to paving streets, fixing potholes, and other eligible expenses.

With the housing Assistance program, **CM Minner** said this fund is for the Mispah Simmons Apartments, which is basically the rent and maintenance for the facilities.

Debt Service is a clearing house based on statutes where when we do capital projects and pay off debt, it is taken from one pocket and put into another, because you have to pay your debt out of the debt service fund. This is more of an accounting type fund.

CM Minner stated that he misspoke to Commissioner Reisman when he asked about grant funding. He thought tonight was the grant funding night but he was wrong. They will talk about grant funding for civic programs; that includes the cemetery and all the other ones. They will do some homework on that and review it on Thursday. They will finish off with the civic funding and, if they want, they will do it at the top of the meeting. **Commissioner Reisman** replied that it did not matter. **CM Minner** said they would start out with civic funding, then review the rest of the enterprise funds; water, sewer, solid waste, and the airport. They will review the pension funds, but they are all doing well. They will move into the internal service funds and there will be a discussion on the Health Insurance Fund and the Workers Comp Fund. The highlight of that is, last year they propped up the health insurance fund because of claims with worker's compensation money, and this year the health insurance claims did better, so there is some stability there, but worker's comp did not do as well. They will talk about the Fleet Fund which hangs on. That is the highlight and prelude to Thursday night's meeting. They will recap tonight and they have a meeting with Carver Heights on Monday to discuss different concepts about John L. Johnson Park, the home grant, police, the lighting, and speed bumps. Speed bumps were one thing they wanted to avoid and they will talk about that more next week. They also have the electric department working on some lighting issues. He thought they would address some of the outages and take a look at different light styles to prevent them from going out. He will have a full report on those items at the next commission meeting.

Ms. Stevens-Coney mentioned that her spirit and her soul ached and that ache could be eased if they were to decide, as an honorary remembrance of John L. Johnson, that we would, in memory of him, decide to implement or construct the bathrooms in the park. There appeared to be enough money to make that decision if they had the will to do so in his memory and his legendary historical life that he lived. **Mayor Burry** stated that it was not a decision they could make tonight without having more information about costs and where that money would come from. A lot more goes into it than just making a decision.
CM Minner added that the FY 24 budget so far has been a good one. We have some cool stuff in there. We made some taxing changes and some big modifications. He was optimistic that there was a little something in there for everybody and it was good. They will keep moving forward.

3. 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.

With a motion by Commissioner Reisman and a second by Commissioner Connell, the meeting adjourned at 7:42 p.m.