**AGENDA MINUTES**
**CITY COMMISSION MEETING**
**CITY HALL, 501 W MEADOW STREET**
**MONDAY, JUNE 10, 2024 5:00 PM**

## 1. CALL TO ORDER

The Carver Heights Montclair Area Community Redevelopment Agency held a regular meeting on Monday, June 10, 2024, at Leesburg City Hall. Chairperson Burry called the meeting to order at 5:00 p.m. with the following members present:

Commissioner Robert Alderman
Commissioner Allyson Berry
Commissioner Jay Connell (5:01 p.m.)
Commissioner Theresa Conner
Commissioner Mike Pederson
Commissioner Alan Reisman
Chairperson Jimmy Burry

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

### INVOCATION

Chairperson Burry 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. APPROVAL OF MINUTES:

### A. Regular meeting held May 28, 2024

Commissioner Reisman made a motion to approve the Regular meeting minutes of May 28, 2024, and Commissioner Pederson seconded the motion.

The roll call vote was:

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| Commissioner Pederson | Yes |
| Commissioner Berry | Yes |
| Commissioner Conner | Yes |
| Commissioner Alderman | Yes |
| Commissioner Connell | Yes |
| Commissioner Reisman | Yes |

Chairperson Burry Yes

Seven yeas, no nays, the Commission approved the meeting minutes.

**3. FY 25 BUDGET DISCUSSION CONTINUANCE**

**A. Carver CRA FY 25 Proposed Budget package**

CM Minner stated this was a new process because in past years they just married the three CRA's into the regular budget process. However, Commissioner Berry asked that they change the process to make sure the CRA was given an opportunity to have influence on the budget prior to being formally adopted. This was talked about a little bit last week when their meeting ran longer than expected. He wanted to digress a little bit for the benefit of the new commissioners since they are new to this process. The City of Leesburg has two different operations that are funded by general revenues and the city itself has a number of other operations which are called enterprise funds, which are utility operations. We also have special revenue funds, the DST fund, and a debt fund.

The general fund covers the general services of the city; police, fire, library, and the operations of the commission. That is the minor portion of the city. The lion's share of what we do is utility operations. The city's total budget is just under two hundred million dollars. The general fund is about thirty million dollars. That thirty million is a portion of what we do. It is the most regulated portion of what we do because it ties back to how municipal corporations function under state statutes, and it has a diversity of revenue sources. Although the diversity of revenue is a different story, the lion's share of what is controlled is property taxes because it is a tax. A derivative of the general fund are the Community Redevelopment Agencies. The Community Redevelopment Agencies are a special portion of state statutes that allow municipal corporations to specifically use tax revenues to address blighted areas. In order to form a CRA, they have to do a blight study. They have to pick a portion of the community that meets the definition of blight as provided by statutes. When a CRA is formed there has to be a plan for how to spend the special monies. Essentially, a CRA takes on money after the base year. They calculate what the taxable value is for any given year and that starts the CRA. Then they have an increment in the revenues which is anything above the base year. They can circle a box on a map and that box has to meet the definition of blight. If it created one hundred dollars when they circle it, every dollar over that one hundred dollars goes into the CRA fund. The hiccup to the giddy up is that when you declare a CRA, whether it is a chartered or non-chartered county, there are varying rules for how they are adopted. Lake County is a home-rule county, so the rules are less cumbersome and easier to operate. They are then eligible for the political subdivisions increment which the county matches. If we kick in a dollar, the county kicks in a dollar and that becomes the revenue of the CRA. The city has three CRA's; the Carver Height CRA, the Greater Leesburg CRA, and the Highway 441/27 CRA. They were not created in that order. The first CRA created was the Greater Leesburg CRA, which was born in the mid-90s as a result of the lawsuit between the City, Lake Regional Medical Facility, and the NAACP. The decree required that a minority district be formed for the regular operations of the city, and it required that we create a CRA in the downtown area. That district would have two commissioners, one from the east side of Canal Street and one from the west side of Canal Street. Essentially, this CRA goes from US 441 to Dixie and 9th Street to Newell Hill, with the middle being Canal Street. Shortly thereafter, the Carver Heights CRA was created by the city commission. This CRA has not seen any considerable revenue up until the last few years. As part of its creation, the commission chose to bring in two appointed members; Commissioner Conner and Commissioner Alderman, who were the newly appointed members. The third CRA was created around 2009. It is Highway 441/27 CRA, and the city commission serves as the commissioners of that district. A word they will hear a lot is incremental revenue. Incremental revenue is considered as the amount of revenue brought in each year above the base year. It has the potential to grow each year, but each CRA has a sunset date. The intent was to create a CRA, use the incremental revenues to fix the blight, and when the blight is fixed, it fixes the ship. Overtime blight is removed and the CRA goes away. This CRA will sunset in 2045.

Included in the packet was a draft budget for FY 25. It will probably change several times before it is formally adopted. The workshops will be held in July. They may leak into August depending on where the commission goes. On June 1st, and on the first of every month thereafter, they will receive an estimate from the property appraisers office that gives taxable values not just for the city, but for the CRA. When they received the June 1st numbers, it showed a 38% increase. However, that was inclusive of all taxing jurisdictions managed by the City of Leesburg. That is the general fund and the three CRA's. At this stage, the numbers are all lumped together, but when they receive the July 1st numbers they will start breaking them down into what growth goes where. They will start formulating the rollback rate and that will be the maximum millage rate. Right now, we know we will go up to 38%. We know we have about seven hundred and eighty million dollars of new growth. We know most of that new growth is Villages related. Last year, the Carver Heights CRA grew between ten and fifteen percent. They are estimating that again.

With all things being equal, we think we will bring in about $972,000. That is the taxable revenue, and they break down how to spend it. As like most budgets in the city, there are fixed expenses they cannot argue about. They either have programs that need to be repeated or debt that has to be paid. So, of the $972,000, a little over $300,000 has already been spoken for. The CRA has to pay the debt on the Resource Center annually in the amount of $96,018. That is ironclad, they cannot get away with not paying that. That was a loan from the electric department to build the Resource Center and the electric department will receive 1% interest. That was a great deal for the CRA. There are personnel expenses that pay the folks who work at the Resource Center and that is $88,799. They also have operating expenses of $54,000 and a Resource Center budget of $66,790. When they put all the numbers together and subtract that from $927,000, they are left with $66,329. They assume that is what they will have available to spend on various projects. The history of the Carver Heights CRA has not been extensive because the expense history of the Carver Heights CRA has not been extensive. It has not seen significant growth until the last couple of years. The first initial growth was back when he first started here and that was when they issued the debt to build the Resource Center. His recollection was to pay the bills to run the Resource Center and to pay the debt. In recent years, we started seeing growth and there were concepts of issuing debt, to do a long list of improvements, but that was recently changed to home grants. Last year there was a bit of a deviation in some of the things they did. They took the residuals of the growth and applied it towards the creation of the new home grant program. There was a lot of pontification about why the existing home grant program was not working. They modified it significantly and increased the grant awards from $5,000 to $25,000. They put together a budget of about $300,000 to fund the home grants, and they put $120,000 towards a tuition program for the Boys and Girls Club. That program sought to pay the tuition fees for Carver Heights residents who attend the Boys and Girls Club. That program has not started yet because they have been unable to prepare an agreement that is conducive to the City and the Boys and Girls Club. He anticipates it being before them for their consideration over the next month or so, but that is an outstanding expense. That $120,000 will be carried over. It will be up to the board to decide if they want to move forward with that or not. Assuming they spend that money since it was scheduled to be spent in FY 24, but sometimes it takes longer than one year to spend money. Right now, they have somewhere in the neighborhood of $666,000 to spend next year. He suggested putting the full $660,000 into the home grant program. They received about twenty grant applications for the home grant program, and they only awarded twelve grants last month. They have about eight or nine more home grant applications waiting. They could award those grants and finish off the first batch. He believed if they announced the continuation of the home grant program, and if they opened another cycle on October 1st, they would receive another batch for several more homes. Now, that they have the experience of how to partner with Lake Action and Habitat, they could turn around the applications by the first part of the year. They could bump it up from doing ten houses to doing about twenty houses. Over the course of two years, they could have a significant impact on thirty houses that would be repaired and brought up to snuff. The concept behind that was to tackle houses that have minimum life and safety standard issues and once the improvements have been made, it will increase the assessed value. When increased value is assessed, they remove blight. At the end of the day, they are slowly tackling one of the major issues, which is the housing stock not being up to par. Fixing that type of blight is part of the mission of the CRA.

**Commissioner Conner** asked about the Boys and Girls Club and the $120,000 that is on hold. Do they have other programs for kids that are not just after-school programs? Do they have academic type programs that fit into that? **CM Minner** explained they do, but he did not know the details. The Boys and Girls Club concept was generated by the city's desire not to build a teen center and this was the happy medium. From his position, he does believe the collective wisdom of the city commission was to build the teen center, and they ended up with a compromise and the teen center was constructed with some CRA money, mostly grant money and other city money. It was a city commission decision rather than a CRA decision, but the compromise, and how we got there was a fair approach, at least from the city. The compromise at that time was that some commissioners wanted to build the brick and mortar and run the program and some commissioners did not want to do either. Some thought they could afford the mortar because it came from special revenues, so they earmarked it along with grants. The Boys and Girls Club project was roughly $2.2 million dollars when it was finished. There was a CDBG grant of about one million dollars. The Boys and Girls Club had half a million dollars and the city put in the rest, which was just under one million dollars. That was the budget for building that center. That came from capital money or earmarked money, which was special revenue, not the general fund. The city's position in this is that we helped get the brick and mortar done, so we did not need to absorb the operational expenses. That is where the partnership with the Boys and Girls club came in. When we made that deal, the city was to do the brick and mortar, and the Boys and Girls Club handled the operations. To go back now to try and dictate or change the makeup because we do not like the programming that the Boys and Girls Club is doing, we would be hard-pressed because that agreement was that they handle the operations. We just did the brick and mortar. It has operated like that since the inception of about five years ago.

**Commissioner Pederson** added that the whole idea a year ago was that there be a scholarship fund. We do not want to meddle in their business, we just want to help kids who attend the club financially. **Chairperson Burry** stated that was one of the main driving factors for building the gymnasium. We wanted after-school programs for kids who wanted a gymnasium. He knows not all kids want a gymnasium. He suggested they all go there to look. They do have computer stations and other programs. The idea was to service a large group of kids. **Commissioner Alderman** said he went and visited the facility, and they do offer other programs. They have a computer center and a music room, so there are other things to expose kids to. **CM Minner** pointed out that the concept behind the tuition stipend was due to the club being underutilized and that it was an affordability issue. The commission voted to provide scholarships to kids who reside in Carver Heights so they could attend the center. With all due respect to the Boys and Girls Club, they started negotiations but, the Boys and Girls Club is slow moving with contractual obligations because they dot every "i" and cross of every "t". Not that it is good or bad, it just slows the process down and makes it cumbersome to get these types of agreements moving. With the experience of building the center, he should have known it would take longer to bang out an agreement on tuition. The concept was to get more kids into the club by helping to defray the costs. The biggest surprise he saw from the list of about one hundred kids was that only ten percent of the kids were Carver Heights residents. The club does have a big outreach, which is good, but it was surprising that they did not serve many kids from the Carver Heights area. **Commissioner Berry** said last year when she requested the $120,000 it was due to the fact that most parents in this CRA block could not afford to send their kids to the Boys and Girls Club. If they had two or three kids it was definitely a struggle. The request she received was for a donation to pay for swimming, but then there was an issue about getting the kids to the pool from the Boys and Girls Club. When she visited the facility, and after talking to them, there was a great number of kids that were limited. All the rooms were not being utilized and that was her request. She wanted to bring in volunteers for after-school tutoring programs. They could do other fun activities as well as academic things. She understands the process, but is there a contract time for what was agreed to or decided? **Commissioner Pederson** added there is a long-term lease of about thirty or forty years and the city has a long history of working with the club. **Commissioner Berry** stated nothing against the Boys and Girls Club, but she was asking about the agreement and the Teen Center because there is so much opportunity. There are kids willing and ready to go. **Chairperson Burry** agreed. We would like to have those scholarships. We earmarked that money, but it is a matter of hammering out the agreement. It is taking longer than expected. **Commissioner Berry** said she hoped to get some assistance on the scholarships as well as collaborate on fun stuff. There were lifeguards who donated money for kids in the Carver Heights area who could not otherwise make it to swimming. If they were willing to do that again, that would bring more kids to the pool each day from the west side of town. She hoped they would meet and talk about bringing kids in and collaborate with what they currently offer. They could suggest other things, because if teachers are willing to volunteer and give their time, she would welcome that opportunity. She hoped they could meet to discuss this before summer was over. If they could, she would like to keep that assistance to allow additional kids to be a part of that. **Chairperson Burry** stated they are all for that assistance, but the agreement is moving slowly, and the operations were left to the Boys and Girls Club. Now moving forward as a board, do we like the concept of home grants? **Commissioner Pederson** questioned the revenue side. Did they just plug in 38% citywide? If so, there may not be as much money and would that be adjusted on July 1st? **CM Minner** responded that was an estimate based on last year. We had 28% total growth and revenue. It was a mix. If it goes anywhere, it will go up not down. Also, going up not down takes money away from the general fund. **Commissioner Pederson** wanted to verify that the city increased 38%, and he plugged 38% for this CRA. **CM Minner** agreed.

**Commissioner Berry** said she wanted to continue the home improvement grants because so many people have reached out and there are so many people willing to participate. She would like some additional money added to that. She wanted to know how the new commissioners felt about continuing the home grant program. **CM Minner** mentioned if the new commissioners had any questions or concerns they could reach out to his office. He only asked that they do it individually, and he would bring their thoughts to the body for discussion. They could also contact the housing department because they would bring that to him. **Commissioner Berry** questioned if they would incorporate the West Leesburg CDC into this line item. How does that work for budgeting? **CM Minner** responded that the West Leesburg CDC received a contribution from the Carver Heights CRA, so the funding stopped after they received $750,000. Those funds came from the American Recovery Act. **Commissioner Berry** asked if there was no money being budgeted, how would they do activities for kids or groups in that CRA? **CM Minner** answered that would be a West Leesburg CDC question because the commission felt that since they gave them $750,000 they should be able to figure it out.
Also, that CDC mission is a little different in terms of where they are headed with housing. **Commissioner Berry** wanted to be clear that the money from the Affordable Act that was broken out into the two different CDC's, if money remains, they have to utilize that money for budget activities. It would not be included as a line item in this CRA. Can they reserve that money? **CM Minner** replied that the direct statement there was when the city commission awarded both CDC’s $750,000, there were some other un-required funding being cut because they had $750,000 to spend. To date, they have not spent all the money. He believed they were close to sending in receipts. Also, remember they submitted an

operations plan for what they were going to use that money for. That money has been keeping them busy. From a financial funding standpoint, the Carver Heights CRA should not have to worry about that for a few years. **Commissioner Berry** inquired if they could reserve that money. **CM Minner** said they received enough money, and they have to spend what they got before they give them more. **Commissioner Berry** asked if they were to have a community event in the CRA, would that funding come from this budget, or would it come from the Recovery Act money? **CM Minner** pointed out if they wanted more money to do different things other than American Recovery Act monies, they would need to petition the CRA for those funds. That request would come to this body for a vote on whether to fund them or not. **Chairperson Burry** wanted to make sure that the funds they are spending have to be spent on a certain matter. **CM Minner** agreed. **Commissioner Berry** said that was to build homes. **CM Minner** said the funds requested, whether it be American Recovery Act or CRA monies, have to be spent for certain purposes. The American Recovery Act money has a specific purpose and CRA funds have a specific purpose. Those funds have to be spent to support and address blight. **Commissioner Berry** wanted to confirm there were no budget lines for the West Leesburg CDC. They have to use American Recovery money first and when it is zero, they can come back and request more. **CM Minner** confirmed that would be an avenue for them.

**4. ROLL CALL:**

**Commissioner Pederson** had nothing to comment on.

**Commissioner Berry** had nothing tonight.

**Commissioner Conner** had no comment this evening.

**Commissioner Alderman** had no comment.

**Commissioner Connell** had nothing to comment on.

**Commissioner Reisman** had no comment.

**Chairperson Burry** had nothing to comment on tonight.

**5. 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 Berry, the meeting adjourned at 5:29 p.m.