AGENDA MINUTES
CITY COMMISSION MEETING
CITY HALL, 501 W MEADOW STREET
MONDAY, JULY 25, 2022 5:30 PM

1. CALL TO ORDER

The City of Leesburg Commission held a regular meeting on Monday, July 25, 2022, at Leesburg City Hall. Mayor Pederson called the meeting to order at 5:32 p.m. with the following members present:

Commissioner Jimmy Burry
Commissioner John Christian
Commissioner Jay Connell
Commissioner Dan Robuck
Mayor Mike Pederson

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

Commissioner Christian 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. PROCLAMATIONS:

A. None

3. PRESENTATIONS:

A. None

4. PUBLIC COMMENTS:

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

Don Friend, 1023 McNamee Street, Leesburg, stated he is the owner of this apartment complex. The reason he was here was to bring up a matter of concern and to request assistance from the city commission to address a safety problem that had been reported to him by his tenants. Recently, several tenants have reported that they feel unsafe due to the activity that occurs across the street at John L. Johnson park on Sunday nights. This event happens on a weekly basis and it is known as the "Park and Chill". These events can include hundreds of people, their cars, drug use, alcohol and excessive noise. It has very loud music and they leave a significant amount of trash. It causes a significant disruption to the residents as well as the businesses in the area. Many of his tenants, especially those with small children, are rightfully concerned for their safety. He would like to ask the commission for help on this matter. He asked for any recommendations to help solve this problem. **Mayor Pederson** asked for help with the address. He was trying to understand what part of town this neighborhood was in. **Mr. Friend** stated his apartments are located directly across the street from John L. Johnson Park, on the south side of US 441. **Mayor Pederson** said that helps him. **Commissioner Robuck** wondered if this group of people were getting permits from the city to run these functions. **CM Minner** responded no, they are not. We do have this issue that arises from time to time. He does not have an immediate solution to the situation. It is something that we periodically deal with through the police department. He asked if Mr. Friend had spoken with the police department when these issues arise. **Mr. Friend** answered that he had spoken with the police department. Recently there was gunfire reported at this event about four weeks ago. He drove by last night and the event was still occurring. It happens every week. **CM Minner** advised the commission that we deal with this from time to time and it would be best for Mr. Friend to get with the Chief of Police. We can set up neighborhood watches and do these types of things. We do deal with this periodically and sometimes we have success and sometimes we do not. Unfortunately, right now, that is the best answer he could provide. It is a matter of police issues and keeping up with them. He asked that he speak with the chief and give him more information about the issue so we could move forward. **Mayor Pederson** wanted to be clear that the issues were not on his property and that the issues were happening at John L. Johnson Park. **Mr. Friend** said it is directly across the street from his property. There is such a large number of people that attend. However, they park in their parking lot, so it does directly affect their tenants and residents and they leave a lot of trash in their parking lot. **Mayor Pederson** stated that we would get it right. **Mr. Friend** thanked him.

5. CONSENT AGENDA:

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

Items pulled for discussion:

5.C.6 - Purchase and sale and lot line deviation with Concire, Inc. for real estate within the Lake Harris Shopping Center in order to accommodate the expansion of Lift Station #72

5.C.7 - Accepting a Right of Way Deed from Village Community Development District No. 14, for the purpose of dedicating all roadways located within Villages of Westlake Unit No. 40, Unit No. 41, Unit No. 50, Unit No. 51, Unit No. 52, Unit No. 53, and Unit No. 54 as described therein.

Commissioner Christian moved to adopt the Consent Agenda except for 5.C.6 and 5.C.7, and Commissioner Burry seconded the motion.

The roll call vote was:

Commissioner Christian	Yes
Commissioner Burry	Yes
Commissioner Robuck	Yes
Commissioner Connell	Yes
Mayor Pederson	Yes

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

A. CITY COMMISSION MEETING MINUTES:

1. Regular meeting held July 11, 2022

B. PURCHASING ITEMS:

1. None

C. RESOLUTIONS:

1. Resolution of the City Commission of the City of Leesburg, Florida authorizing the Mayor and City Clerk to execute Public Transportation Grant Agreement 451127-1-94-01 between the City of Leesburg and the Florida Department of Transportation (FDOT), for the purpose of obtaining funding for the Leesburg International Airport Wildlife Hazard Assessment; and providing an effective date.

ADOPTED RESOLUTION 11,134

2. Resolution of the City Commission of the City of Leesburg, Florida accepting and approving a plat for Villages of West Lake Unit No. 65, a subdivision of the City of Leesburg, Florida, being a portion of Section 08, Township 20 South, Range 24 East, Lake County, Florida, and accepting and dedicating to the use of the public any easements or public places shown thereon as being dedicated to the public; and providing an effective date. (Villages of West Lake Unit No. 65)

ADOPTED RESOLUTION 11,126

3. Resolution of the City Commission of the City of Leesburg, Florida accepting and approving a plat for Villages of West Lake Unit No. 67, a subdivision of the City of Leesburg, Florida, being a portion of Section 08, Township 20 South, Range 24 East, Lake County, Florida, and accepting and dedicating to the use of the public any easements or public places

shown thereon as being dedicated to the public; and providing an effective date. (Villages of West Lake Unit No. 67)

ADOPTED RESOLUTION 11,127

4. **Resolution of the City Commission of the City of Leesburg, Florida amending the Fiscal Year 2021-22 Budget for the Stormwater, Airport and Fleet Services Funds for the Third Quarter; and providing an effective date.**

ADOPTED RESOLUTION 11,128

5. **Resolution of the City Commission of the City of Leesburg, Florida authorizing approval of the Interlocal Agreement between Lake County, Florida and the City of Leesburg regarding use of Impact Fee Trust Funds for the Leesburg Public Library; and providing an effective date.**

ADOPTED RESOLUTION 11,129

6. **Resolution of the City Commission of the City of Leesburg, Florida authorizing the Mayor and City Clerk to execute a contract for purchase and sale and lot line deviation with Concire, Inc for real estate within the Lake Harris Shopping Center in order to accommodate the expansion of Lift Station #72; and providing an effective date.**

ADOPTED RESOLUTION 11,131

Commissioner Robuck introduced the resolution to be read by title only. CC Purvis read the resolution by title only.

Commissioner Robuck made a motion to adopt the resolution and Commissioner Christian seconded the motion.

Mayor Pederson requested comments from the Commission and the audience.

Commissioner Robuck said he was the one that pulled this. This is the property for the waste station. We have no good alternative. We have to have a lift station, and it has to be expanded. However, this company Concire, Inc. is charging us the equivalent of one point six million dollars an acre for a twelve hundred square foot piece of property and that is just ridiculous. We do not have a choice so he will support it, but if this guy or company ever needs something from the city, he would encourage the city to never do him any favors. **Mayor Pederson** appreciated him pulling this and explaining this, but he came up with one point eight million, just to throw gas on that fire. **Commissioner Burry** remarked he accidentally pulled the wrong item. His comments are the same as Commissioner Robuck. There is some extortion here, because it is only twelve hundred square feet, which is a thirty by forty pad and we are paying fifty thousand dollars. The public should know what these guys are doing to us. He had a discussion with the city manager about it today, and our choices are very limited. If we do not move on with this, we will have to spend a lot more money to buy a bigger piece of property. However, we are being taken to the cleaners for this. **CM Minner** understands where the commission is on this and it should be made public. However, we still need to do the deal even though the price is so high and included in the packet was the explanation. We need to upgrade the lift station to accommodate the growth in South Leesburg. That project is slated to be about a million dollars and that amount has been put in the FY 2022-2023 budget. It is set to be approved in September and was reviewed during the budget workshops. To make those improvements to the lift station at a cost of a million dollars, we need twelve hundred square feet in order to make that lift station bigger. If we do not get the twelve hundred square feet, we will need to look for a new site. If we have to go off and look for a new site; buy it, build a new lift station at the size we need, that million dollar project now becomes a two million dollar project. Unfortunately, we are getting a bad deal on twelve hundred square feet, but spending fifty thousand dollars saves a million dollars. **Mayor Pederson** appreciated the comments. He believed the public needed to know what was going on.

The roll call vote was:

Commissioner Burry	Yes
Commissioner Robuck	Yes
Commissioner Connell	Yes
Commissioner Christian	Yes
Mayor Pederson	Yes

Five yeas, no nays, the Commission adopted the resolution.

7. Resolution of the City Commission of the City of Leesburg, Florida accepting a Right-of-Way Deed to the City of Leesburg from Village Community Development District No. 14, for the purpose of dedicating all roadways located within Villages of West Lake Unit No. 42, Unit No. 43, Unit No. 44, Unit No. 45, and Unit No. 46 as described therein; and providing an effective date.

ADOPTED RESOLUTION 11,132

Commissioner Burry introduced the resolution to be read by title only. CC Purvis read the resolution by title only.

Commissioner Christian made a motion to adopt the resolution and Commissioner Burry seconded the motion.

Mayor Pederson requested comments from the Commission and the audience. There were none.

The roll call vote was:

Commissioner Robuck	Yes
Commissioner Connell	Yes
Commissioner Christian	Yes
Commissioner Burry	Yes
Mayor Pederson	Yes

Five yeas, no nays, the Commission adopted the resolution.

8. Resolution of the City Commission of the City of Leesburg, Florida

accepting a Right-of-Way Deed to the City of Leesburg from Village Community Development District No. 14, for the purpose of dedicating all roadways located within Villages of West Lake Unit No. 40, Unit No. 41, Unit No. 50, Unit No. 51, Unit No. 52, Unit No. 53, and Unit No. 54 as described therein; and providing an effective date.

ADOPTED RESOLUTION 11,130

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

A. SECOND READING OF ORDINANCES

1. WITHDRAWN BY APPLICANT

An Ordinance of the City of Leesburg, Florida, annexing certain real property consisting of approximately 0.59 acres; and being generally located on the west side of County Road 468 and north of Schoolview Street, lying in Section 21, Township 19 South, Range 24 East, Lake County, Florida; providing that said property so annexed shall be liable for its proportionate share of the existing and future indebtedness of said city; providing that such annexed property shall be subject to all laws and ordinances of said city as if all such territory had been part of the City of Leesburg at the time of passage and approval of said laws and ordinances; providing that such annexed territory shall be placed in City Commission District 2; and providing an effective date. (Schoolview AX)

DENIED ORDINANCE 22-31

Mayor Pederson pointed out for clarity that the second reading of ordinances items one, two, and three were withdrawn by the applicant. They would still go through the readings for discussion. They would all be read at one time and combined for discussion purposes.

Commissioner Burry introduced the ordinances to be read by title only. CC Purvis read the ordinances by title only.

Mayor Pederson stated we could accept the withdrawal by the applicant and we also have the right to vote on this if the commission so chooses. This applicant has come before the commission a few times and we have never voted on it, but there are a lot of concerns regarding this application. **CA Grant** said the commission could combine the discussion on these items, but there would have to be separate motions for each item. He then swore in city staff and the public who wished to provide evidence for items 6.A.1, 6.A.2 and 6.A.3. **Mayor Pederson** pointed out that we had a lot of discussions on this in the past and he wanted to know where the commission stands on this. **Commissioner Burry** wanted clarification when making a motion to vote. With the outcome of that vote, how would that influence the ability for Schoolview to reapply? **CA Grant** responded there would be a one-year time period where they would not be able to apply if the commission voted to reject the application. **Mayor Pederson** commented that if we vote to withdraw they could bring it back at the next meeting or two. **CM Minner** commented that he spoke with the city attorney about this. Just as a formality, and because it is a scheduled public hearing, it is best that the commission deal with this and vote on the matter. They should take the applicants withdrawal as they do not want to be in the city any longer. He does not think he is saying anything against the quasi-judicial proceeding, but they withdrew, so your vote should be no. That would close this matter formally and they would have to wait a year to come back. **CA Grant** mentioned that the applicant did seem to indicate they were planning to deal with the county as opposed to the city, so that seems consistent with not wanting to move forward in the city. **Mayor Pederson** thanked him for that clarification.

Commissioner Connell commented on the way he read it is that they asked for it to be withdrawn. We should vote and honor their request versus vote against it. If they decide to come back to the city because they cannot work something out with the county, they will have to wait a year. We should go with what they asked for. **Mayor Pedesron** wanted to clarify about the withdrawal, they could bring it back at any time. If we vote no, they would have to wait one year. **CA Grant** stated that was correct. **Commissioner Connell** said he would recommend honoring what they requested, which is the withdrawal. If they want to come back with a modified plan, they can do that. If we vote to deny it tonight, they cannot come back for a year. They asked for it to be withdrawn and that is what we should vote on tonight. They can always come back at a later date with a modified plan if they cannot work out something with the county. **CM Minner** stated when we had these discussions at the first reading there were concerns about having six units on less than an acre. The commission expressed their concerns that this development was too dense and that it did not properly fit the code, which was the reason for the delay and the subsequent withdrawal. Now, because of the public hearing, he would say to vote on this and finish it. It does not preclude them from coming back, it only precludes them from bringing back six units on one acre. It will be up to the planning and zoning departments' discretion, as we have seen in the past, if they want to come back. They would just have to make substantial changes. As we had those discussions about what we believe the petitioner is going to find out, when he talks to the county, they will not be able to get six units per acre, as they want from the county. It will not be compliant with their code and they will need to come back to the city for water. We advised him at the last meeting that the plan would not work. Therefore, if we kill this by a no vote tonight, there is a formality and it forces them to substantially change the plan. Then, if they bring back a plan like you guys would like to see, they can come back before the six months is over. The new plan will have to accomplish what we want. **Commissioner Connell** thought it was not necessarily the six units per acre. He thought it dealt more with the concern over the parking for those units. **CM Minner** replied that all those things added up. It was the parking, the attached garages for each unit. When we do that plan in accordance with the land development regulations, we are not going to get six units. **Commissioner Christian** stated he lives the closest to this development. It would be uncomfortable for us to say we are going to permit twelve units an acre. When we talk about other parts of our city, how can we allow or even think about allowing twelve units an acre? This is six units on a half acre lot. He does not think anyone on this commission has or would vote to approve this. In fact, we even talked about three units an acre. However, now in this neighborhood we are going to say it is okay. We are going to approve twelve units an acre, which is six houses on a half acre with no garages, no parking or sidewalks. We asked the applicant and we gave them a month and a half, almost two months, to come up with a new plan. Now, we read an email that he sent to staff that says he is going to the county to see what he can do there and then maybe he will come back to the city. For him, whether he is on the commission or off the commission, he will be in the hallway telling the new commission members if you bring twelve units an acre to his neighborhood, he wants them to do it in their neighborhood. We should not be discussing this. When we talk about Sunnyside, Silver Lake, South US 27 or anywhere else in the city, he does not think any neighborhood could handle six units on a half acre lot with no garages. What are we saying to this community? It is okay because you are near a bus line. That was one of the craziest lines of defense anybody could have said. How can we expect someone with a three-bedroom house to have only one car and then they are supposed to park it in front of their house and everybody else in that house is supposed to catch the bus? He will vote no on this today with or without the applicant being present. Withdrawing this is not an option. Let them come back with a plan and build one house or whatever on half an acre, but not six units. That is not fair to the Montclair Carver Heights Redevelopment organization. We have a CRA and it is not fair to us. We have worked hard on redevelopment and to just throw this on half an acre. **Commissioner Connell** wanted to clarify that he was not saying it was a good plan, he would have voted against it. What he is saying is he would hate to completely shut the door on them. It would lock them out without the ability to come back. If they make significant improvements, we could go that route, but he did not want to completely shut the door that could not be done with the City of Leesburg. However, he did not support the plan as drawn, the density is too high and there was not enough parking. He does not want to make it where they cannot develop something on the property. He believes in property rights and they should have an opportunity to do something. **Commissioner Christian** agrees with that, but not at six units an acre. **Commissioner Robuck** commented that he would definitely support six or more units an acre with a very different type of project. If someone wants to come with condos, apartments or townhouses with parking garages and all sorts of stuff. Absolutely bring that, but not anything like this. He agrees with Commissioner Christian's comment on the sense that six single family homes on a half acre is too much.

Commissioner Robuck made a motion to adopt the ordinance and Commissioner Christian seconded the motion.

Mayor Pederson requested comments from the Commission and the audience. **Commissioner Connell** asked if we were voting to approve or withdraw? **Mayor Pederson** said he needed clarification on that because he did not make the motion. **Commissioner Robuck** stated the motion was to approve the item, it would be a yes or no for the item. He did not make a motion to withdraw. **CM Minner** remarked there was a motion on the floor to annex half an acre into the city. Based on discussions in the public hearing, he recommended if they do not like this development they should vote no. They should not bring the parcel into the city. Voting no does not preclude the developer from significantly changing the plan and bringing it back to the city. His direction, based on the vote, would be to work with the developer. If they vote yes on this and then vote no on the next two subsequent items, that hamstrings the developer because now they would be in the city. The best thing to do would be to vote no and the planning and zoning department will let the developer know how this commission voted. We would still continue the process and plan, but they would be required to substantially modify the plan to address all the concerns. **Commissioner Christian** wanted to clarify that the city prefers this to not be annexed. **CM Minner** recommended that this not be annexed. **Mayor Pederson** mentioned there were discussions about whether we should vote to withdraw or vote it down. **CA Grant** said it depends on the motion that is made. It all depends on the motion that the commissioner wants to make. **Commissioner Robuck** stated he had already made a motion and it was to approve the annexation. **CM Minner** confirmed the motion was to approve the annexation. **Commissioner Christian** asked if we do not approve the annexation, do we need to move on with the next two items? **CA Grant** answered those items would become null because the property would not be annexed. **Commissioner Robuck** stated that by doing this, it gives clarity to the county about how we feel, so they do not have to come and ask for water and utilities.

The roll call vote was:

Commissioner Connell	Yes
Commissioner Christian	No
Commissioner Burry	No
Commissioner Robuck	No
Mayor Pederson	No

One yeas, four nays, the Commission denied the ordinance.

2. **WITHDRAWN BY APPLICANT**

An Ordinance Amending the Comprehensive Plan of the City of Leesburg, changing the Future Land Use Designation of certain property containing approximately 0.59 acres, from Lake County Urban Medium Density to City of Leesburg Medium Density Residential for a property generally located west of County Road 468 and north of Schoolview Street, as legally described in Section 21, Township 19 South, Range 24 East, Lake County, Florida; and providing an effective date. (Schoolview Properties)

ORDINANCE 22-32 FAILED DUE TO DENIAL OF THE ANNEXATION

3. **WITHDRAWN BY APPLICANT**

An Ordinance of the City of Leesburg, Florida, rezoning approximately 0.59 +/- acres from Lake County RP (Residential Professional) to City of Leesburg SPUD (Small Planned Unit Development) to allow for residential development for a property generally located west of County Road 468 and north of Schoolview Street, as legally described in Section 21, Township 19 South, Range 24 East, Lake County, Florida; and providing an effective date. (Schoolview Properties)

ORDINANCE 22-33 FAILED DUE TO DENIAL OF THE ANNEXATION

B. FIRST READING OF ORDINANCES

1. **An Ordinance of the City of Leesburg, Florida modifying the existing zoning of PUD (Planned Unit Development) on approximately 214.84 acres, for a property generally located east and west of U.S. Highway 27 and north of Florida's Turnpike, as legally described in Section 01, Township 21 South, Range 24 East, and Section 06, Township 21 South, Range 25 East, Lake County, Florida; and providing an effective date. (Lyden-Nicholson)**

Commissioner Christian introduced the ordinance to be read by title only. CC Purvis read the ordinance by title only.

Mayor Pederson requested comments from the Commission and the audience.

Commissioner Burry said he was very happy to see interest in the property. He requested that we alter the PUD to include the road clauses that we have been putting in all the other PUDs along with the darksky lighting and trees. **Commissioner Robuck** asked that we add all the prohibited uses. We have the permitted uses that include a bunch of commercial, but no prohibited uses. It does have a language about it, but they are not specifically listed. He would like everything listed out very clearly, so nobody can come back and say we did not say that. **Mayor Pederson** stated this item would lay over.

2. **An Ordinance of the City of Leesburg, Florida changing the zoning on approximately 32.86 +/- acres from City of Leesburg PUD (Planned Unit Development) to City of Leesburg PUD (Planned Unit Development) to replace 208 townhouses with 83 detached single family residential units for a property generally located north of Sunnyside Drive and west of Fern Drive, as legally described in Section 30, Township 19 South, Range 25 East, Lake County, Florida; and providing an effective date. (Sunnyside Oaks)**

Commissioner Burry introduced the ordinance to be read by title only. CC Purvis read the ordinance by title only.

Mayor Pederson requested comments from the Commission and the audience.

Commissioner Burry questioned the entrance to Sunnyside. He had a few people asking where that would be. Are they going to make the three-way into a four-way or how is that going to be handled? **PZD Miller** said he heard discussion about that, but the answer would have to come from Lake County Public Works because these are Lake County roads. However, the city staff does not have a problem with roundabouts from a planning and zoning standpoint. We could talk to the Lake County Public Works and get their take on it for you. **Commissioner Burry** replied that the road is kind of like a roundabout now. Few people stop. **Commissioner Robuck** questioned if the decision was completely up to the county on that or if we could put a preference in the PUD. If we mentioned a preference to the county, do you think that would matter or can we add something to the PUD? **PZD Miller** responded from that standpoint, because we have no legal authority over the roads, we would need to be careful. We could put something in there that says what the city would prefer to see, but he does not know if that language would be legally binding.
Mayor Pederson stated this item would lay over.

3. **An Ordinance of the City of Leesburg, Florida annexing certain real property consisting of approximately 9.74 +/- acres; and being generally located east of Sleepy Hollow Road and north of Sunnyside Drive, lying in Section 29, Township 19 South, Range 25 East, Lake County, Florida; providing that said property so annexed shall be liable for its proportionate share of the existing and future indebtedness of said city; providing that such annexed property shall be subject to all laws and ordinances of said city as if all such territory had been a part of the City of Leesburg at the time of passage and approval of said laws and ordinances; providing that such annexed territory shall be placed in City Commission District 1; and providing an effective date. (Frazier's Sleepy Hollow)**

Commissioner Robuck introduced the ordinance to be read by title only. CC Purvis read the ordinance by title only.

Mayor Pederson requested comments from the Commission and the audience.

Commissioner Burry commented that this property lies north of the east-west transfer of Sunnyside. He does not know if the property owner has any disagreements with it dating back to the 2004 agreement between the county, the city and the property owners. Other than that, he thinks this is a good project. **Mayor Pederson** thanked him for clarifying that and stated this item would also lay over.

4. **An Ordinance amending the Future Land Use Map of the Comprehensive Plan of the City of Leesburg, changing the Future Land Use Map designation of certain property containing 9.74 +/- acres from Lake County Rural Transition to City of Leesburg Estate Residential, for a property generally located east of Sleepy Hollow Road and north of Sunnyside Drive as legally described in Section 29, Township 19 South, Range 25 East, Lake County, Florida; and providing an effective date. (Frazier's Sleepy Hollow SSCP)**

Commissioner Connell introduced the ordinance to be read by title only. CC Purvis read the ordinance by title only.

Mayor Pederson requested comments from the Commission and the audience.

Max Parker, 7822 Silver Drive, Leesburg, asked where this property was located north of Sunnyside. He wondered if there was a map for this? **Mayor Pederson** responded that there was a map available in the packet on the city's website. **CM Minner** referred to the map in the packet that showed where it was located. **Mayor Pederson** stated this item would lay over.

5. **An Ordinance of the City of Leesburg, Florida changing the zoning on approximately 9.74 +/- acres from Lake County R-1 (Rural Residential) to City of Leesburg PUD (Planned Unit Development) to allow a single-family residential development for a property generally located east of Sleepy Hollow Road and north of Sunnyside Drive, as legally described in Section 29, Township 19 South, Range 25 East, Lake County, Florida; and providing an effective date. (Frazier's Sleepy Hollow)**

Commissioner Burry introduced the ordinance to be read by title only. CC Purvis read the ordinance by title only.

Mayor Pederson requested comments from the Commission and the audience. There being none, he stated this item would lay over.

6. **An Ordinance of the City of Leesburg, Florida changing the zoning on approximately 280 +/- acres for a property generally located south of Florida's Turnpike and east of County Road 33, lying in Sections 34 and 35, Township 20 South, Range 24 East, Lake County, Florida; and providing an effective date. (Battaglia)**

Commissioner Connell introduced the ordinance to be read by title only. CC Purvis read the ordinance by title only.

Mayor Pederson requested comments from the Commission and the audience. There were none. He stated this item would lay over.

7. An Ordinance of the City Commission of the City of Leesburg, Florida providing for amendments of the City Charter; amending Article I, Section 5 relating to Powers of the City; providing requisite ballot language for submission to electors; providing for severability; providing for inclusion in the Charter; providing for conflict; and providing an effective date.

Commissioner Robuck introduced the ordinance to be read by title only. CC Purvis read the ordinance by title only.

Mayor Pederson requested comments from the Commission and the audience.

Commissioner Connell stated he would have liked to have seen this item come up as a discussion item. He was a bit blindsided by this when he saw it on the agenda. He does not feel that he has had enough time to gather the information needed to compare the pros and cons of doing this. He would like to postpone this item for further discussion, possibly even a workshop. Anytime we propose a change to the charter, that is a big deal, so to randomly put it on the agenda without any discussion or without looking at the pros and cons of doing this is a bit premature. He would like to see further discussion, so he has time to look at both sides to see which way looks best. We could have the first reading, but he would like to postpone the second reading until there is further discussion on it. **CA Grant** said they could do that and the first reading is tonight. This item could be continued until another time, depending on what the commission refers to. **Commissioner Robuck** pointed out that this item being on the agenda this quickly was his fault. This is all based on getting it on the ballot. If we postpone the first reading, he is not sure it would allow enough time to get it on the ballot or if we hold off on the second reading. **CM Minner** stated he has spoken with most of the commissioners individually about this and he wanted to share those discussions. Obviously, the discussion has been the same with all the commissioners. As he prepared for this and with no disrespect to Commissioner Robuck because this is his swansong before he leaves the commission. However, almost eight years ago, he approached him about the concept of a utility authority. The purpose of the utility authority was to better monitor the cash flow, the transfers and operations of the enterprise fund. We endeavored to put together an enterprise authority and we created some broader strokes of how they would function in reviewing the budget and those types of things. We put some advertisements out with hopes of getting folks on the utility authority. Nonetheless, we did not get a lot of interest from folks who wanted to serve on that committee. Now, time has passed and we have a functional board by ordinance. The utility authority is supposed to review our enterprise funds, but we have not practiced that. He would take responsibility for that because the utility authority concept is not favorable to the city commission. He thinks that is because we have a commission manager form of government and this commission, since inception, has managed the utilities. We have had some ups and downs through the years, but this commission has done an excellent job of managing the enterprise funds. With this commission being the ultimate body, there are questions about additional reviews that are repetitive and where the ultimate authority lies with this body on how you manage those funds. He has had discussions with Commissioner Robuck and he also approached him on Thursday last week at the FMPA Conference and he did not digress too much. He believes Commissioner Robuck's response "was okay. I get it. I see what you are saying about the utility authorities, but I am leaving the commission." He wants to do something that ensures the utilities are handled in the way they have been handled over the past eight years. He asked what would happen if the community mismanaged or if this body mismanaged the utilities to the point where an investor or other utility association may want to come in and try to buy our utilities. We have seen it happen across the state from time to time. At this time, it is volatile. Gas prices are spiking. We saw the notice that was sent out today and the projection is still low. We projected it to bump so we bumped the BPCA power cost adjustment up to twenty five dollars per thousand because three weeks ago we thought power costs were going to be in the hundred dollar megawatt range. Now, the cost came through in July and one hundred dollars was blown away by one hundred and twenty dollars, all based on gas prices. We reacted quickly and August power cost adjustments went up fifty dollars. We are at a volatile time right now and it is not of our doing, it is the circumstances of the natural gas industry. Natural gas runs the power wholesale and it runs the power generation in this state. It is not just the City of Leesburg municipal utilities, our co-op utilities and our investor-owned friends, we are all suffering from these spikes. Another dynamic thing happening in our community is that we have massive growth occurring in our city. We see it along CR 44 and the Radio Road corridor. We also have it at the south end of our city, along the US 27 corridor south of Commissioner Connell's neighborhood, which is a Duke and SECO territory. Right now, our composite, especially the electric fund, of in-city versus out-of-city residents, is about fifty-five to sixty percent. That means fifty-five to sixty percent of our electric customers are in the city limits. That is a high number for municipal utilities, but that number will start to shrink as our city keeps growing. He can foresee that percentage going below fifty percent. We have Whispering Hills, Lyden Nichols and a lot of the other big subdivisions coming, including The Villages. When these subdivisions develop, we will have a significant number of city residents who are not on our utility system. That could leave future commissioners of this legislative body questioning why we need this, and why this is an important thing? Now, those commissioners will be dealing with our finances and they will deal with rate control issues, but at the end of the day it may not be a benefactor of the great things that come with Leesburg electric, which is local control and local ownership. When it comes to hurricanes, emergency response times, and controlling how we do it and how quickly we respond to things, that is the area where municipal utilities are the best. We saw that in the hurricane season when Leesburg electric was back up and running and Duke was not. It was back when Commissioner Dennison was still on the commission. There was a two to three weeks of lag time after that hurricane. **Commissioner Connell** stated that it was Hurricane Irma. **CM Minner** continued to say the control issues are significant and the principle behind the referendum is that we want to make it hard to sell our enterprise funds. We do that by embedding something in the charter by charter amendment. It is a two-step process of an ordinance and a vote of the people. For example, when we did the districts, we did that by charter amendment and we had a vote of the people. We established that by an ordinance that was passed by a majority vote of the commission, it then went on the ballot to a majority vote of the electors. That is the process for changing the charter. It makes it harder to sell the utility because it is embedded in the charter. The utilities can not be sold unless you climb hurdles, which is what this would do. The first thing this would do is put a hurdle into selling the system by making it a charter issue. It would make it harder because it would not be a three-vote majority from the city commission, it would require a four-vote majority to even ask the electors the question. Now, in the future, we may have three commissioners who are on the system and two that are not. That could be how the commission is ten or fifteen years from now, so we need to make it a four commission yes vote in order to ask the question. Then, if it does get a four out of five vote from the city commission, it would need a two-thirds vote of the electors to say yes. It would not be a simple majority. It will make it harder to sell the systems.

The enterprise fund systems are the electric fund, the water fund, the sewer fund and the gas fund. Those are the systems that we control. We need to protect these systems, especially the gas side, because if we did all our work right in the last eight years, that cash flow will come from the gas system. We will have extra money coming back to re-invest in the core of Leesburg. We want to protect that from a whim or an outside agency who may have different goals and perspectives on different financial strategies than we do. We need to keep future commissions from selling our utility. Our utilities return capital when we want them to return capital and that is a very important statement. We only want them to return capital to the city after we have been a utility first. That means we make sure our rates are in the right spot, our systems are in the right spot and our inside and outside customers are taken care of. We also need to make sure we have competitive rates and when all those things are done, that is when we can have party money. Right now, we see that in the gas fund and he hopes to see it again. We do not see that much in the water and sewer funds other than the transfer issues, but hopefully we will see it again in the gas fund. The future will tell us, but we are seeing it right now. He does not think we will see that in the electric fund, because when the electric system was created, we were getting wholesale and we made our own energy, then we got wholesale deals, but that was back in the glory days of the 70's through the 90's, when we were able to buy power for forty dollars a megawatt. Those days are gone and they are never coming back. That all stopped in February of 2001 during the "all requirements project" which this city is a member of, when everybody bought gas for one or two dollars a deck a therm and then over night it went to fifteen dollars. Then we had the hedging and the economy crashed and there was global chaos. We saw numbers go from fifty dollars a megawatt to seventy up to ninety dollars. Well, now we are back in that timeframe. There is a real concern that we have to be a utility first. Utilities are not just about providing us with reserve monies or transfer monies, especially on the electric side, it is the service part of that. It is how we manage the system, it is how we respond and control it. We do not want to give that up. We need to protect that from potential citizens who might not be a benefactor of those who may be intrigued by the cash. Another thing the referendum does is it says we know we need to be competitive in electric, it says to keep the transfer from the electric fund to the general fund, which we do in all of our funds, at six percent. Our current policy right now is ten percent and we have imposed six percent on ourselves. We do not think electric was ever ten percent. He knows it was in the mid-nines or so, but we whittled that down from nine percent to six percent and that is where we are now. In the next part of the referendum, we are asking that it stay at six percent because six is the universal franchise number. If you are not a municipal electric utility, you have a franchise agreement with your electric provider, which is a co-op, potentially another city or an investor in a utility, so you will have a franchise agreement with them because providing electricity is a municipal service. It is our right to provide that by Florida statutes in exchange for them using our municipal service in our right-of-way. They have to pay us a franchise fee. We have a franchise fee in place with two other utilities; SECO and Duke. For those customers that reside within the city limits that we do not serve, which is not within our recognized territorial limits, the best thing we can do is to stay competitive and show our customers by charter amendment that we will not transfer more than six percent of total revenues. Now, the secret to total revenues is that we have some wiggle room for whoever is sitting in these chairs later. We had a discussion a couple of weeks ago regarding gross revenues and net revenues and we were dealing with net revenues which reduces the six percent even more. So, honestly, depending on total volume, we have somewhere between a quarter and a half a million dollars of wiggle room and that is sufficient. We purposely have some wiggle room in the total revenues. However, we do not want the intrusion of having to fend off people who would want to sell the utility and we want to show our customers that we want to be super competitive while keeping the electric fund transfer at six percent. That was the conversation he had with Commissioner Robuck and he acted quickly. The referendum question only comes with special elections and we have the primary election August 23rd and the general election November 8th. To get this question on the ballot we have to move quickly. It has to be at the Supervisor of Elections office by August 25th. That is why he lit up the city attorney and he told him he needed an ordinance like tomorrow and here it is. That is why it is on the agenda so quickly. These are things that should be widely accepted by the city and widely accepted by the commission. We will have time to discuss it in this forum. He cannot say anything as far as data, because the only other city that has done something like this is a utility authority in Key West. They made a charter amendment to their community which makes it harder to sell their utilities. There have been some communities who have flirted with it. It is not a bleeding edge. It is a bit of a different animal. The city attorney and himself had a conversation with Jody Finklea from FMPA. He is the general counsel there who, when we posed the idea to him, he jumped out of his chair with excitement because our electric advisors like to see communities do things to protect their electric funds from crazy spending and we have to be competitive.

That is the gist behind all of this. He can work with any commissioner on whatever data they need. Frankly, he would not recommend postponing this because the 22nd would make it too tight. On August 8th we need to get this done and run it down to the Supervisor of Elections because the deadline is the 25th. He would not want the city clerk running down there on the 23rd asking to get it in because that cuts it too close. He thinks it is an easy question and he would be happy to work with anybody on what they need. The conversations he had with FMPA show we have their support and there has really only been one or two communities who have done this. It is super critically important that we protect the systems and maintain our competitiveness. It will show at this time to our customers that even though our prices are going up, those are things that are out of our control, so we are doing things to protect our ratepayers who are both in and outside the city limits. **Mayor Pederson** agreed that we need to move this along. This is the first reading and we can discuss it tonight. He complimented both the city manager and Commissioner Robuck for bringing this forward and moving it. He asked if we were tying our hands with the six percent? **CM Minner** answered yes, we are tying our financial hands and we are doing that on purpose. Historically, we have been up around eight and it has ticked up above eight, but it dropped back down. We have been at six for about the last three fiscal years. Ever since he has been here, we have trimmed the transfers little by little to get to the goal of being a municipal utility that has a six percent transfer to match a non-electric utility or a non-municipal electric utility city that has a six percent franchise fee. **Commissioner Robuck** commented that there is one other way that, outside of the transfer, the electric helps and that is through the cost allocated to the departments and there is a real cost. Obviously, a large part of the city manager's time goes to electric because it is the biggest revenue line and a big part of IT, but it allows us to have a level of service throughout the city that we would not be able to afford without the utilities. If we were to get rid of utilities, we would have to cut staff, the lineworkers and the support staff. There would be a thirty percent reduction if we did not have the utilities. That is a big number. We are able to provide better customer service throughout the city because of the utilities. When the electric transfer was in that nine range, there were political consultants contacting people in Leesburg about launching campaigns to have the utility sold just as they did in Vero Beach. When City Manager Minner came aboard, he started reducing that number and their attention was no longer on Leesburg, and that was an odd thing. So, if you are an investor in utilities like Duke or Florida Power, you are not allowed to raise your rates like we do, you will have to go to the Public Service Commission and the only way you are allowed to raise your rates is you have to get a guaranteed return on your assets. The best way to make more money is to overpay for assets. They paid way over what they should have for Vero Beach and they are adding that to the bill. It was added to the rates and now the people in Vero Beach who thought they would have cheaper electricity ended up paying more, as does everyone else in Florida because of that. In fact, the FMPA and the all requirements project is closing a deal on some gas power plants that came available for sale and they are paying about twenty percent of what they are worth and that is because the investor and utilities do not want discounted power facilities. They only want to build new facilities even though it does the exact same thing. They all come in and do some weird things. **Mayor Pedesron** asked if he was okay with the six percent. **Commissioner Robuck** replied he was. Even though he would love to have some more, it is where you have to be to protect yourself. **Commissioner Burry** inquired when it was at nine was that irresponsible spending on our part? **Commissioner Robuck** answered that at that time we had the second highest electric rate in the State of Florida. **CM Minner** said he was hired in December of 2013. The previous year, the commission had approved a three-year fifteen percent rate increase, that went in five percent increments each year. He thinks at the time we measured it per thousand. We went from one thirty-two to one thirty-eight to one forty-two in the fourth year. The first year he was here, we approved the increase to one thirty-eight and we stayed there for a little bit. We worked it down from one thirty-eight all the way to one o-three. Then a couple of years ago, we started giving back power cost monies and power cost adjustments. That year the cost was about sixty-five dollars a megawatt and it was so super competitive. Then, as the price slowly leaked back up, we started running out of the power cost adjustment money like we thought we would because we were holding nine million and we wanted to stay around three, so we started giving it back. Now, today we are back to one twenty five or one twenty seven. Come August we will be up about one fifty-two and that is higher than we have ever been. When we were headed to one forty-two, that was the highest rate. One fifty two is going to be about equivalent to Duke, but next month we also have DUKE and FPL before the Public Service Commission looking for a rate increase, which they will probably get due to the economy and the gas world. That is the condition it is in and everybody will be seeing that. Even at one fifty, the unfortunate thing is we will still be competitive, and that is the reason why we provided those slides during the workshops. We want to see what Duke, Mount Dora and SECO are doing and even at that number we are going to be competitive. Now, there will be other utilities that go beyond that, but we will not know the fallout until the fall because that is when all this is disclosed. At that time we will compare, but even with the fifty dollars on the power cost adjustment, it will be pretty tight, meaning competitive. It will be important to watch the six percent as we get tight on the other end. That is why we have done stuff on the general fund side to get that fund independent so that taxes and other fees start paying their share. We do not want the enterprise funds, and with no disrespect to the fire and police, because fire and police are sixty-five percent of the general fund, but we do not want the enterprise fund paying for fire and police services. However, we have done a great job because we have made advancements in our emergency services with our collective bargaining agreements. We have become more competitive with their pay and we have brought in a couple more officers. We do go up and down, but all the while we have lowered our transfers. It will not be easy to put out a charter amendment that says six percent, but it is the right fiduciary responsibility to show that rate to our customers. Especially the outside-rate customers, because as the environment becomes more competitive, and depending on where everything goes, when we get more non-electric customers who are residents of Leesburg, we will be managed. Territories are going away and everyone is fighting the fight. The only way to remain competitive in the regulated utility world is for those investors who invest in utilities will need more customers. When they want more customers and when they want to expand their portfolio, they will pick off the municipal utilities that are not competitive. They will wine and dine commissioners. They will say we do not know the business. We saw that with gas, but when we went into that battle with TECO over gas and the theme of that at the Public Service Commission was that Leesburg did not know what they were doing. However, we showed the Public Service Commission that we have been in the business longer than TECO and that we do have a better safety record and we do know the business. Municipal utilities started electrification and those people who are not in the industry do not know that and this community needs to protect that. The coming years will be volatile because the dog is not sleeping. Actually, the dog is out running around. He is not even near his dog's house, but when he comes back, we need to be ready. We have to have the rules changed. **Commissioner Robuck** said he knows where it would come from because he was one of those people that was pushing to raise our electric rates before he was on the Commission. As Commissioner Christian probably remembers, it was between 2010 and 2012 and we were still very much in recession here in Central Florida. The city was struggling for property tax revenues and we had already cut and cut again. The idea was that we needed to raise a little more revenue, so they were floating a property tax increase. Now, people like him who own a business said, whoa, my business is struggling and we do not have a homestead extension on a business. If you are going to raise my property tax, that is going to cost a lot of money, so why don't you just raise the utilities a little bit because that will hit everyone. Then, supporting the business position, we have everyone like Duke who comes in and says, raise the electric rates. Do not raise the property tax rates. So, the next time we have a recession, that is where it will come from. His concern is that it will be a lot worse, because we will have a lot more people who are paying property taxes, but do not have an electric bill from the City of Leesburg. It is well-meaning, but it would be the natural thing to do is to ask us to raise it. That is where all this came from. **Mayor Pederson** thanked them both for the clarification. **Commissioner Christian** commended Commissioner Robuck because he has been very consistent for eight years on lowering electric rates. He is right on point, because between 2008 and 2010 we had business owners who basically said people who do not own houses would not get hit by raising their property taxes. Leesburg has been blessed because we have been able to transfer six or seven percent from utilities to keep our property taxes low. If you look at our property taxes, we are really low compared to Mascotte or other cities. We will have to do a balancing act when we get a whole lot of people in the south end of the county. They will fill up this room asking why their rates are high and what are we going to do about it. Then we may get an investor who says we will give you ninety million dollars and that would give Leesburg a lot of cash. There could be three commissioners who say, oh yeah, that is a great idea. We do not have to worry about the electric and all this other stuff. Let's give it to them. This is a good idea to explore and the city manager can get with any commissioner who has questions. Plus, we still have the second reading and we can talk more there and get more educated, but this is something that we need to protect. The pressure would come because when Vero Beach was going through their scenario it became political and one of the state reps was pushing and leading the fight. It even came out of the community. They even had the state pushing and, of course, people started talking about millions of dollars. Then you get a headache. Remember what we went through with the Smartgrid where everybody in the community was complaining and fussing saying to get rid of it. No matter what we talk about, whether it is a light bill for five hundred dollars, the average resident is going to care less. They do not care about the kilowatts, with one thirty-five, they do not care to be compared to Mount Dora or Duke. They just care about their electric bill being five hundred dollars and what we are going to do about it. What we are doing is good, and if we need the city manager to give any further explanations, he can do that. We just need to make sure we are competitive. They do not care, they just want to know what is coming out of their pocket at the first of the month. Our charge is to see and make sure that we are competitive and that we keep rates as low as possible while maintaining a great productive city. He applauded Commissioner Robuck. This is your swansong, you go off to conferences and come back with these great ideas. That is it. **Mayor Pederson** thanked everyone for their comments. He asked for any further comments. There being none, he stated the second reading would be August 8th.

C. NON-ROUTINE ITEMS

1. Resolution of the City of Leesburg, Florida authorizing the issuance of the City's not to exceed $30,000,000 Utility System Revenue Bond, Series 2022 for the purpose of financing the costs of the Acquisition, Construction and Equipping of the Construction of a Wastewater Treatment Facility and other Capital Projects of the Utility System and pay costs of issuance for such bond; authorizing the Mayor, Mayor Pro-Tem, City Manager or Finance Director to award the sale of such bonds to Truist Bank, in accordance with certain parameters set forth herein; approving the form and authorizing the execution and delivery of a loan agreement to secure the repayment of said 2022 bond; providing for the payment of such 2022 bond from the pledged revenues of the City's Water, Sewer and Gas systems on parity with certain existing city utility system debt, all as provided in the loan agreement; approving the form and authorizing the execution and delivery of an allonge to its Utility System Revenue Refunding Note, Series 2010 originally purchased by Truist Bank (Successor to SunTrust Bank); authorizing the proper officials of the City to do any other additional things deemed necessary or advisable in connection with the execution of the loan agreement, such 2022 Bond, and the security therefor; authorizing the execution and delivery of documents in connection with said loan; providing for severability and other matters in regard thereto; and providing an effective date.

ADOPTED RESOLUTION 11,133

Commissioner Robuck introduced the ordinance to be read by title only. CC Purvis read the ordinance by title only.

Commissioner Robuck made a motion to adopt the ordinance and Commissioner Christian seconded the motion.

Mayor Pederson requested comments from the Commission and the audience.

Commissioner Burry commented that he called the city manager earlier and he had some enlightening comments and he thinks it would be good information for the public. Two years ago, he was in the audience and the commission talked about going from two mgd to four mgd. There was also a discussion about going from two mgd to six mgd. The conversation had a lot of conversation about being conservative and what would happen if we did not need the six mgd. It was decided to go with four mgd. Now, tonight we are looking at another increment and he asked the city manager the question of whether we should look at eight mgd instead of six mgd. We had a conversation about who would end up paying for the freight. He thought it was germane to at least discuss the possibility. **CM Minner** said that the predicament we are in is that we have major growth in the south. We have a non-related contractual relationship with The Villages and these things did not come in a fashion where we could tackle them all at once. We endeavored and we went off and we made a deal with The Villages to bring in three mgd of their wastewater. In 2000, when we thought we were going to get a lot of growth and development, we built a big giant wastewater treatment facility, which was the heart of the commissioner's question. Right after we did that, the economy dropped and we did not have the housing and the growth that we anticipated filling that up. The existing ratepayers then paid the bonds that were on that plant. So, fifteen years after everything crashed, we have this three and a half million gallon plant with one mgd in it. We have now partnered with The Villages. At that point, we asked ourselves the question when we should expand this one-point-five mgd, and should we go up to five or six. We talked about that in 2018. The bottomline is that it was a super hard decision because we felt with our current growth that we would have some wiggle room. That once the load from The Villages would come in, we would not be at eighty percent of the nameplate, four point five capacity. We thought we would have some time to figure it out. Well, that was in 2018. Since then, we issued some debt in 2020 and now we are in 2022. In those four years, we have gone from a thousand units, which is a couple of subdivisions, to having twenty-seven subdivisions, so now we are looking at thirty thousand. We could argue whether it is 27 or 30, but right now we have enough platted units or approved units that we are going to double the size of the city. When that actually happens, we do not know. However, our new growth projections for wastewater treatment say we are going to need six mgd by 2031. Basically, by the time The Villages fill up, we will already be at eighty percent of the nameplate capacity of the plant. When we hit eighty percent of the nameplate capacity of the plant, we have to start building. So, now we are asking ourselves the same question that we did back in 2018. Do we need to build bigger than what we have on the table and the honest answer is that we do not know. The professional answer is we do the conservative thing and we do the right thing, which is what we can afford. We do not want to start building a lot of capacity that the current ratepayers have to pay for. It will sit empty waiting for houses that may or may not be built. We could go out and get eighty million instead of thirty million dollars. We could look at sixty million dollars. So, instead of a two point two million dollar annual debt payment, we would be looking at four and a half to five million dollars that the sewer fund cannot afford. The things that we know are that we have a lot of houses on the books and it seems that a lot of them will be built. We have been clipping at seventy houses a month for single-family residential permits issued, which is the biggest we have ever been and we have sustained that for the last six to nine months. Now, will it continue probably, and some of the things helping that is Commissioner Robucks company because he cannot sell roofs, doors, or windows that fast. That is probably helping us and artificially keeping growth from really growing. Long story short, what the six million level does is it gets us a little bit of extra capacity. It is affordable and it kicks the can down the road. Probably somewhere around 2030. It gives us an eight-year window where we can breathe a little bit. In 2025, we will be at eighty capacity, so now we have to start building. He does not think we should build beyond six, because then we start building too much capacity. We would make existing rate payers pay the debt proceeds and we would have to raise rates. We also cannot guarantee that additional. We may be sitting at fifty percent capacity if we stop around four mgd. What we can assume is that The Villages will grow and we will hit four mgd by 2025. Once we hit that number, that is when we will have to expand. When we get to 2025, we will have a three-year window to see our side and if we need to start filling up our side of the plant. If we do, we have time to think about how we should do it. We will start seeing impact fees coming in, so all the other houses, like Whispering Hills and the ones that were approved before, those twenty-seven thousand houses that are sitting out there, half of them are not Village houses. If we multiply that number by two thousand eight hundred, that is your sewer impact fee money that is waiting to be collected. That number will help get us from six to eight. He does not think the system and the number will support anything more than six right now. Having said that, he said very confidently that we can afford this number. The projections are already in the fiscal year 2022-23 budget, so we have already crunched those numbers and we will continue to do that. As long as those trends are there, we will easily cover this. He thinks when the bond council went out they saw our trends, they saw our numbers and we know interest rates went up recently, but we still got a competitive interest rate. We are 3.37%, which is super good right now. At two point two million a year we are right in that envelope. We know we have the cash flow to cover. **Mayor Pederson** asked if we were pulling all the money down at one time. **FD Williams** replied yes. **CM Minner** commented that we are about two years into this. We are looking at starting construction in October of this year and it would take about eighteen months. We would be looking at mid 2024 when we are at six mgd. That is when we would start repaying the entire full number. **Commissioner Robuck** jokingly commented that the public works director needed enough time for everyone to forget his jokes from the last one. He questioned the impact fees. Have we looked at those lately? He knows the costs have gone way up since we first started talking about building this. He thinks we have to do studies or something to change the fees since it has been a long time. We might want to revisit it at that twenty-eight hundred number. **CM Minner** answered that he thinks twenty-eight is low. **Commissioner Robuck** said he hates raising fees, but he knows construction costs on everything are going crazy. **CM Minner** said the numbers today, a million gallons, cost us thirty million bucks. If we have thirty thousand houses on the books and half of those are in The Villages, that is fifteen thousand homes. So, that is fifteen thousand times twenty-eight hundred. That would be forty-two million dollars not being collected. That is a good chunk at the next rate, but we can go do a study on the impact fees. He would bet lunch that we would probably need to go up at least twenty-five percent. **Commissioner Robuck** remarked that would be doable. He has seen municipalities go out and hire firms. Those firms will give you whatever you want, and tell you what you want to hear to cover what they want to do. He does not want to see us raise the fee by three hundred percent because we think we need to cover the entire thing at one time. We are also getting revenues, but the twenty-eight hundred seems low. That is twenty-five percent. **CM Minner** said he thinks what we could do if the commission wants, is look at our existing costs on this expansion for the upgrade from three to four and a half. We will compare it with the next jump to six and we can put that cost in the hopper. We could put a reasonable inflation number in it and divide it by the number of houses on the books. That would be the impact fee with some reduction in numbers there, because we know that is going to grow. That will get us about twenty five to thirty percent. **Commissioner Robuck** said to go from twenty-eight hundred we are talking about another seven hundred and fifty dollars. That will not be the difference in building or not building these houses, but it is substantial in terms of making sure we have capacity so they can be built in the first place. **Mayor Pederson** asked about the agreement with The Villages. Do we have the right to adjust rates as needed? **CM Minner** answered yes, the simple sentence in the agreement is their rate is adjusted as we adjust all our other rate users.

The roll call vote was:

Commissioner Christian	Yes
Commissioner Burry	Yes
Commissioner Robuck	Yes
Commissioner Connell	Yes
Mayor Pederson	Yes

Five yeas, no nays, the Commission adopted the resolution.

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

A. Financial Reports as of May 2022

Mayor Pederson asked if there were any comments from the commission. There were none.

8. CITY ATTORNEY ITEMS:

CA Watson commented that the closed session, the attorney client session is coming up. He wanted to remind everybody that his firm has a conflict so he would not be able to stick around for that meeting. He reminded everybody attending the meeting that there would be a court reporter present and that all discussion would be recorded and transcribed as a public record. The subject matter is settlement discussions and strategy sessions related to litigation expenditures. He would not be there, but he would be happy to stick around until the session was over. He could come back in and close down the meeting and answer any questions. **Mayor Pedesron** said the commission appreciates the offer, but they could talk about it at a later date. **CA Watson** informed the commission that he would be attending the municipal attorneys conference later this week and he will be out a couple of days. He will share updates when he returns.

9. CITY MANAGER ITEMS:

CM Minner stated he wanted to formalize the Art Committee. About a month ago, we endeavored, collected and put together an Art Committee. Everybody was supposed to come up with appointments for that committee. Just for formality purposes, he spoke to each commissioner individually and he wanted to publicly recognize who was being appointed. Maria Stefanovic has already talked with him about having a meeting on some issues that are pending. Commissioner Robuck, appoints Danielle Strode; Commissioner Burry, Semeion Richardson; Commissioner Christian, Vonda Parker; Commissioner Connell, Darel Craine; and Mayor Pederson, Vicki Murphy. This should be the Art Committee. He offered the commission chambers to the Art Committee for their meetings and the services of the city clerk to advertise for the public meetings, along with taking and keeping the minutes for records. Maria would work through him and the city clerk to keep everything running according to standards.

10. ROLL CALL:

Commissioner Christian stated every year there is an issue with the hotel on the boulevard, the old Stay and Safe. It looked like they started some work and then it stopped. Do we have any updates on that? **CM Minner** said he would have to get back to him on that.

Commissioner Burry had no comment.

Commissioner Robuck had no further comment.

Commissioner Connell had no comment.

Mayor Pederson had no comment.

11. SUSPEND REGULAR MEETING

Mayor Pederson suspended the regular meeting at 7:00 p.m. to move into the closed attorney client session. He stated the average time for the meeting would be about forty-five minutes. He announced the attendees who were allowed to stay for that meeting.

12. OPEN the CLOSED ATTORNEY-CLIENT SESSION

13. EXIT all BUT THE FOLLOWING INDIVIDUALS:

A. Mike Pederson - Jimmy Burry - John Christian - Jay Connell - Dan Robuck, III - Mark Brionez - Stephanie Brionez - John Metcalf - Al Minner - Court Reporter

14. END CLOSED SESSION AND REOPEN COMMISSION MEETING

The closed attorney client session closed at 8:07 p.m. and the Commission meeting was reopened.

15. ADJOURN:

The commission meeting adjourned at 8:07 p.m.