

City of Clermont
MINUTES
COUNCIL WORKSHOP
July 19, 2017

The Clermont City Council met at a workshop on Wednesday, July 19, 2017, in the Council Chambers at City Hall. Mayor Ash called the workshop to order at 6:30pm with the following Council Members present: Council Members Mullins, Goodgame, Travis and Bates. Other City officials present were City Manager Gray and City Clerk Ackroyd Howe.

Proposed Fiscal Year 2017-2018 Budget Discussion

City Manager Gray stated this is the last night of the budget workshops. Tonight, James Kinzler will give an update on the Capital projects and the consultants will give an update on the Utility Fee Study.

Capital Projects Director Kinzler - Victory pointe is the first phase of the master plan. It is the regional storm water project. It has boardwalks, trails and many amenities in this project. The project is on track with an expected completion date in the summer of 2018. A total of \$4 million in grant commitments have been received. The goal is to have \$5.5 million in grants for this project. The next project is the existing boat ramp, which is proposed to be relocated. It will provide for additional parking, lighting and vehicle trailer stacking. It will be adjacent to Lake Hiawatha Preserve. Bids will be coming before the Council in August.

City Manager Gray noted there would be a Community meeting on August 3 at 6:00pm to hear concerns regarding the boat ramp relocation. There were three locations presented and this is the best location for it. Consultants will be present.

Capital Projects Director Kinzler presented additional signage and wayfinding. There will be two large towers on the east and west boundaries of Highway 50 to differentiate Clermont from the Orange County line. Council expressed concern with the size of the proposed signage at the city limits entrance. City Manager Gray and staff will bring it back to the Council.

Minneola Streetscape to compliment new businesses. This project will be completed the end of 2017. Downtown Waterfront District includes streetscape, landscaping, lighting, banners and beautification. The design will create a focal point at City Hall Park and a revised park at 8th Street pier called Meet us in the Middle. City Hall Park plaza will include a large open marketplace or square. The stairs at City Hall is proposed to be expanded to create a stage area. There will be additional seating, shade area, fountain and an interactive board to display information. The projected completion date is in late 2018 or early 2019. The Meet in the Middle Plaza will be recognized as the center of the trail.

City Manager Gray noted the goal is to have the entire project completed by 2020.

Capital Projects Director Kinzler reviewed the cost of the Kehlror Building. The replacement-estimated cost is \$600,000 for construction. Demolition of the existing building is an additional \$35,000 that is currently in the budget. The building includes an office, storage room and multi-purpose room. It is larger than the existing building. Public Works relocation land is 18 acres off Hancock Road. In June, the Council approved the land purchase agreement.

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Furthermore, he reviewed the estimated cost of each of the projects. General Fund reserves will not be used for these projects.

Finance Director Van Zile noted the utility rate study is the second piece of the process we have been working on for the last three years. Last year, the non-utility study was completed. This study deals with water, sewer, and sanitation and storm water. This study spans over a five-year window. The study has been ongoing since March of last year.

Public Resources Management Group presented the finding of the rate study.

Murry Hamilton, PRMG, presented the results of the study to the City Council. He reviewed the following:

- Projected sufficiency of revenues
- Water and wastewater Capital Improvement Plans
- Capital Improvement Plan
- Proposed water and sewer debt service
- Storm water system Capital Improvement Plan
- Proposed storm water debt service
- Sanitation system Capital Improvement Plan
- Proposed sanitation debt service
- Projected residential rates
- Water and wastewater, storm water and sanitation rate comparison
- Miscellaneous charges
- Existing and proposed miscellaneous fees and recommendations

The need for rate increases is to maintain reliable service; keep up with rising costs of operation and maintenance; fund renewal and replacement/capital needs; fund additional debt service associated with the Capital Improvement Plant; maintain adequate cash balances (City Reserve Policy) and maintain compliance with debt service coverage requirements.

The conclusions and recommendations are the city's water, wastewater, storm water and sanitation rates are not sufficient to meet the projected financial obligations of the respective Utility Enterprise Systems. The City Council should adopt the October 1, 2017 (FY18) rates and miscellaneous charges for each utility as proposed. Thereafter, the rates should be adjusted each October 1 by the greater of the increases noted in the study or the Florida Public Service Commission's annual deflator index percentage. The City should consider updating this study in five years.

Mayor Ash and Council Member Travis expressed concerns with the recommendations and requested time to review.

The workshop adjourned at 7:45pm.