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**CITY OF DELTONA, FLORIDA  
CITY COMMISSION WORKSHOP MEETING  
MONDAY, MAY 11, 2015**

10 A Workshop Meeting of the Deltona City Commission was held on Monday, May 11, 2015 in the  
11 City of Deltona's 2nd Floor Conference Room at 2345 Providence Blvd., Deltona, Florida.

12 **1. CALL TO ORDER:**

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14 The meeting was called to order at 6:25 p.m. by Mayor John Masiarczyk.

15 **2. ROLL CALL:**

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Mayor	John Masiarczyk	Present
Vice Mayor	Nancy Schleicher	Present
Commissioner	Heidi Herzberg	Present
Commissioner	Mitch Honaker	Present
Commissioner	Chris Nabicht	Present
Commissioner	Diane Smith	Present
Commissioner	Brian Soukup	Present
Acting City Manager	Dale Baker	Present
City Attorney	Becky Vose	Present

24 Also Present: Economic Development Manager Jerry Mayes, Finance Director Robert Clinger,  
25 and Public Works Director Gerald Chancellor.

26  
27 **3. PLEDGE TO THE FLAG:**

28  
29 The pledge to the flag was done at the Special Commission Meeting which took place at 5:30 p.m.

30  
31 Mayor Masiarczyk opened the meeting for public comment.

32  
33 Larry Kent, 235 River Village Drive, DeBary stated this probably does not pertain to the workshop  
34 but, when he read the ordinance having to do with stormwater rates which discusses Equivalent  
35 Residential Units (ERUs) and as he was studying it, it appears commercial properties with their  
36 own stormwater management that cost thousands are also paying the stormwater fees which does  
37 not seem equitable and he suggested it could be looked at in the ordinance.

38  
39 Mayor Masiarczyk replied it was a big issue at the time but, the Commission decided to go with it  
40 anyway and the City did the same thing with some of the churches and in other areas of the City.  
41 He stated that was just something that was in the ordinance and could be looked at.

42  
43 Harry Wilkins, 2177 Gretna Drive, Deltona stated his issue had already been addressed.

44  
45 Mayor Masiarczyk closed the meeting for public comment.

46  
47 **4. BUSINESS:**

48  
49 **A. Revised proposed Storm Water rates based on updated financing data.**

50  
51 Mayor Masiarczyk turned the meeting over to the Public Works Director Gerald Chancellor who

1 went over the proposed water rates.

2  
3 Commissioner Soukup asked if the Commission should be discussing this now or to wait until the  
4 new City Manager is here and Mr. Baker replied this needed to be discussed now because if the  
5 item needed to be placed on the next two (2) Commission Meetings or it will be too late.

6  
7 Commissioner Herzberg asked if Ms. Shang is being updated and provided these documents and  
8 Mr. Baker replied he will forward them to her. Mayor Masiarczyk reminded the Commission that  
9 Ms. Shang does not go to work for the City until June 1<sup>st</sup>.

10  
11 Mr. Chancellor stated that Mr. Woodcock from Tetra Tech was present and had a PowerPoint  
12 presentation. He stated that there was a previous workshop where the Commission discussed the  
13 stormwater rate evaluation and that the primary question the Commission had was concerning the  
14 Capital Improvement Program (CIP) based upon cash or a mixture of cash and debt service and  
15 how that may work. He referred to a handout that shows a comparison of the numbers depending  
16 on the monthly rate per ERU in regards to stormwater.

17  
18 Mr. Woodcock explained when he left that previous workshop where the stormwater rates were  
19 discussed he had three (3) things to look at which were refinancing, tightening up the debt numbers  
20 with the finance department and setting up a reserve for grant funds. He went over the handout  
21 explaining that refinancing the 2009 loan will not net any savings over what is being done,  
22 however, by working with Mr. Clinger he was able to shave about \$100,000 in debt off the debt  
23 service. He explained looking at the top table at the four (4) year rate of debt funded the calculated  
24 rate is \$100 per ERU, per year whereas before it was \$103. Another option for debt is the eight (8)  
25 year CIP at \$96.61 shaving that down by about \$1.20 to where the City is currently at which is  
26 \$95.39 total cost per year. He stated the bottom table shows how these rate options stack up  
27 against all the other utilities in the region and if the City is going with the cash funded CIP where it  
28 pays the money as it is spent, it drives the rates to the high end of the survey, as the City uses debt  
29 funds and runs those costs out over time it actually drops down and the City's four (4) year CIP is  
30 now below Daytona Beach. If the City stretches that out to an eight (8) year CIP it will be right in  
31 the middle with Ormond Beach and DeLand. He stated the third thing was looking at what the  
32 City can do to build up the reserve suggesting for every \$.10 in increase in the rate per year will  
33 generate \$47,000 so if the City were to decide to set aside \$50,000 for matching funding the it  
34 would have to raise the rate by about \$.11 - \$.12. If the City wanted a reserve of \$100,000 it would  
35 double that increase. He stated he did not talk much about the cash funded CIP but, looking at the  
36 top table where there is the four (4) and the eight (8) year CIP that means the City would get the  
37 revenue in this year and spend it next year. This would drive the rates higher and of the four (4)  
38 options it is the higher rate and in when comparing the eight (8) year debt funding to the eight (8)  
39 year cash funding there is about an \$11.00 difference or about \$1.00 per month in rate.

40  
41 Commissioner Honaker stated the City is always in debt but, when looking at the list of stormwater  
42 projects against other projects most of them are \$30,000 - \$40,000 projects except for the \$200,000  
43 projected to upgrade stormwater each year and he would rather do the eight (8) year CIP cash  
44 instead of borrowing.

45  
46 Commissioner Soukup stated he would not refinance, leave the City a better place and not in more  
47 debt for those projects. He asked Mr. Chancellor which of the projects on the list have to be done

1 and which ones can be pushed off and he suggested not raising the price to \$100.00 and move it to  
2 \$98.00 and to do this by cash. Mr. Chancellor replied the list has been prioritized over the next  
3 five (5) year CIP and out eight (8) years based upon the need and severity of the flooding issue  
4 keeping in mind that he was not talking about the flooding of homes but, of swales and driveways.  
5 Commissioner Soukup suggested maybe these are things that could be pushed off and Mr.  
6 Chancellor replied these have already been pushed off about seven (7) years because most of these  
7 projects originated with the 2003 and 2004 hurricanes and then in 2005 the City received 90 inches  
8 of rainfall in a year. He stated there were also some new projects that came up after Tropical  
9 Storm Faye in August of 2008; that is why he believed the projects could be prioritized and stretch  
10 the projects out over an eight (8) year period. Commissioner Soukup asked how much it cost each  
11 time the City refinances and Mr. Clinger replied about \$50,000 and Mr. Galvin estimated there  
12 would be \$35,000 - \$50,000 in closing costs.

13  
14 Commissioner Nabicht stated he agreed with the eight (8) year cash funded option but, he would  
15 like to see that rounded out to \$108.00 which would generate close to about \$188,000 in reserve  
16 grant funds each year. He stated also if the City gets four (4) years into this and there is a project it  
17 can pull that amount out and there would still be a reserve.

18  
19 Commissioner Herzberg stated she has no problem with going with the eight (8) years but, she  
20 asked staff what if the City has a bad year with a lot of storms and it needs to bump up the projects.  
21 What type of a reserve situation does the City have? Can the City transfer funds and what is the  
22 reality if it should have three (3) hurricanes this year and have real problems? Mr. Clinger  
23 answered the City could transfer funds from the General Fund in that type of situation and that is  
24 one (1) reason the City has that \$6 million reserve. He stated also for the record he and Mr. Baker  
25 spoke with Mr. Galvin and we would recommend that \$107.00 and \$108.00 is even better; it would  
26 not be that big of a loan and the City can always do it a year from now.

27  
28 Vice Mayor Schleicher asked if the City could move funds from the General Fund, she expressed  
29 concerns with putting everything into debt service and she asked what the interest rate would be.  
30 Mr. Galvin answered he had estimated about 3.5% and the interest over the life of the issue would  
31 be close to \$2 million.

32  
33 Commissioner Soukup asked after the eight (8) years does the rate go back down or does it just  
34 hold and Mr. Clinger answered it depends on what happens with stormwater and what projects are  
35 needed. Mr. Chancellor added that a majority, if not all, of the major projects once the Leland  
36 Pump Station is completed which is the last large pump station will be done, however, there are  
37 areas that if the City has 90 to 100 inches of rain in one (1) year with hurricanes like in the  
38 previous year it will see the Lake Theresa Basin come back up and some of the effects like in 2003  
39 and 2004. He stated what this list does is address all these different areas but, if the City sees the  
40 lakes come back up, people's yards start flooding, drain fields not working which is considered an  
41 act of God then Federal Emergency Management Agency (FEMA) and everyone else will get  
42 involved.

43  
44 Mayor Masiarczyk stated the City can adjust this every year because it will know when the lakes  
45 start to move up but, Commissioner Nabicht's suggestion to put aside reserves for grants is a good  
46 idea and the City will have the money in case of an emergency. He added some grants require a  
47 dedicated source and that would be the source.

1  
2 Commissioner Herzberg stated if the City does this it is unknown what will happen in two (2),  
3 three (3) or four (4) years with economic development and will not know about the things the City  
4 may have to create. She stated there is the Lake Sidney issue and she hopes another project will  
5 come up where more and more of the City will turn up with better infrastructure. She stated the  
6 City can always lower it or redirect the funds with City planning and growth building.

7  
8 Mayor Masiarczyk stated there comes a time when the City is doing these projects and does its best  
9 to keep up with them but, there comes a time when it gets a number of inches of rain in a flash like  
10 at Tivoli Boulevard and Wheeling Avenue and it cannot plan or build for that.

11  
12 **After discussion, the Commission concurred that a flat \$108.00 be set aside to build the**  
13 **reserve up and make sure there is wording in the agreement that the funds can be used for**  
14 **emergencies or for grant matching funds.**

15  
16 **B. Discussion re: The City's transportation projects and potential financing alternatives.**

17  
18 Mr. Chancellor stated at the last transportation workshop there were some questions with one (1)  
19 of the financials that Mr. Galvin will address and one (1) that asked what if the City did not three  
20 (3) lane Tivoli Drive and simply resurface it as it is and do intersection improvements and the  
21 handout shows the cost estimates. He stated if the City were to mill and resurface Tivoli Drive as  
22 two (2) lanes and eventually put in new markings, new thermal and new Americans with Disability  
23 Act (ADA) mats at all sidewalk crossings with the side streets and assuming a contingency of 15%  
24 because if the price of oil goes up the price of asphalt goes up it would be about \$800,000 total  
25 with \$700,000 in hard construction costs of which about \$500,000 would be intersection  
26 improvements. He stated what he would like to do is have dedicated turning lanes at Saxon Blvd.  
27 and Tivoli Drive and at Tivoli Drive and Providence Blvd. where it would have a dedicated left  
28 turn lane, a lane next to it where residents can go left or straight ahead into the Church parking lot  
29 or turn right. He stated the City would have to talk with Volusia County about both of these  
30 options and he is starting discussions with Volusia County regarding the power poles on Saxon  
31 Blvd. at Tivoli Drive as one (1) sits right on the corner. He stated the county is looking at some  
32 different options to get around relocating a power pole because the cost to relocate the power pole  
33 would cost hundreds of thousands of dollars.

34  
35 Commissioner Nabicht stated the three (3) laning got on the list through a traffic engineering study  
36 and without a traffic engineering consultant to get current vehicle counts and get a fair  
37 representation today with the Walmart opening up he does not support staff coming up with a  
38 design there. He stated there are issues on the road that support it being three (3) laned.

39  
40 Commissioner Herzberg asked when the City got cost estimates it did not include curb, gutter or  
41 stormwater system so would the stormwater come out of the stormwater fund and Mr. Chancellor  
42 replied it would come out of the roadway fund. He stated if the City did three (3) lanes it would  
43 have to acquire properties that would be used for stormwater ponds and there are vacant properties  
44 available and it would have to build the stormwater system, curb and gutter. He stated the traffic  
45 engineering study and the graphic modeling was done in 2005, 2006 and 2007 by Boyer Singleton  
46 & Associates and based on the traffic counts at that time they recommended three (3) lanes,  
47 however, staff is simply presenting to the Commission what it would cost if it does not three (3)

1 lane it. He stated staff is now working with the Planning Department and piggybacking with the  
2 county to do traffic counts on a number of roads. Commissioner Herzberg stated the Commission  
3 just signed a contract with the new City Manager who has experience with this and she questioned  
4 why this was being discussed now, that she does agree on the traffic counts and working with the  
5 county and the Florida Department of Transportation (FDOT). She stated it is great to have a  
6 visual but, she does not really want any more discussion until the Commission has an analysis with  
7 a City Manager that is versed in transportation.  
8

9 Commissioner Honaker stated the City has a study, however, a study is not what a decision should  
10 be based on and he asked to wait until Ms. Shang comes on board and jump on it right away then  
11 because she is the expert and she can get money for transportation and tie FDOT and the County  
12 in.  
13

14 Commissioner Soukup asked if Mr. Chancellor pulled the cost to three (3) lane Tivoli Drive and  
15 Mr. Chancellor replied the cost is in the backup data. He stated he travels it and turn lanes would  
16 speed it up but, three (3) laning it would still not avoid the problem because it still has the school  
17 bus stops. Mayor Masiarczyk suggested designing the intersections so if Tivoli Drive is eventually  
18 three (3) laned they will be right.  
19

20 Commissioner Nabicht asked if the flooding on Tivoli Drive south of April Ave. had been resolved  
21 and Mr. Chancellor replied he would have to take a look at that but, he thinks it has been resolved  
22 by a cross pipe and a pump being installed.  
23

24 Commissioner Herzberg asked if the City can expand the Providence Blvd. area and when the City  
25 put a list together with the county for the roads did it include any improvements on Saxon Blvd.  
26 because it needs to be and will FDOT help with that.  
27

28 Mr. Chancellor stated Mr. Galvin has a short presentation regarding financing.  
29

30 Mr. Galvin stated the City has a new City Manager coming in who has transportation expertise and  
31 one (1) thing he wanted to do was give the Commission an update on where the City is, what little  
32 bond capacity there is or some sensitivity if the Commission wants to budget certain dollar  
33 amounts the Commission can increase the amount of construction funds if interested or it can wait  
34 until it decides what direction it wants to go and then do the underwriters' request for proposal  
35 (RFP) knowing that does not cost anything but, the last one (1) took six (6) to eight (8) weeks. He  
36 cautioned that the market is beginning to creep back up so the Commission would want to move so  
37 he can be in the position to do this when the Commission makes the decision. He stated the City  
38 has a transportation bond issue that is becoming eligible to be refunded at any time and he  
39 presented the PowerPoint that showed the future transportation projects, how the money flows  
40 down and gave the options. He pointed out that the City's bond ratings were upgraded so the City  
41 has good strong ratings and gives the City an opportunity if it is ready to be able to refinance. He  
42 added if the City is going to be doing future transportation projects and plans on doing debt this  
43 should be incorporated as part of that; the City should not do the refunding alone because it can get  
44 some more structuring capabilities. He stated there is also the ability to flush out some additional  
45 money because the debt service has a reserve of about \$1,460,000 that is just sitting there. He  
46 stated because of the City's strong credit ratings he was hoping to free that up so that money flows  
47 down and technically pays off the debt service which means the City can borrow more money. He

1 stated in speaking with Mr. Clinger about the transportation projects that needed to be done it  
2 looked like this would be a good opportunity to do this. He showed the Commission an option that  
3 would not impact the current budget by keeping the \$1,460,000 debt service and stretched it out for  
4 25 and 30 years which would create new money of about \$11 million to \$12.5 million. He stated  
5 he then took it to the next step; the City has about \$55 million in capital projects that the City is  
6 potentially trying to fund in the five (5) year capital fund and what if the City added in another  
7 \$500,000 additional, it would be able to generate under the 25 year scenario about \$7.6 million in  
8 additional funds to give the City a little over \$18 million and in 30 years about \$21 million. He  
9 stated the City would still use the security using the 5<sup>th</sup> and 6<sup>th</sup> cents of the Local Option Gas Tax  
10 and by covenant to annually budget and appropriate non-ad valorem revenues (CB&A) and he  
11 noted the current agreement with the county for the Local Option Gas Tax expires on August 31,  
12 2018 so the dollars the City will get could go up or down. He stated there will not be a variable  
13 interest rate, no rate swaps and no derivatives and it will be a fixed rate financing. He stated what  
14 he would like to do is when the new City Manager comes in and the Commission has a chance to  
15 decide whether to move forward, how much to fund if any and then give him direction to get with  
16 the team of Mr. Clinger, Mrs. Vose, Mrs. Carr, Mr. Chancellor, the new City Manager and the  
17 existing team of Ackerman Senterfitt the Bond Counsel, Greenberg Traurig the Disclosure  
18 Counsel, depending upon the RFPs' that come in, he would like to have direction to get with  
19 purchasing to start on the RFP process.

20  
21 Commissioner Soukup stated if the City finances this an additional 14 years to get \$11 million but,  
22 it would pay the \$1,460,000 for 14 years it would be paying \$20 million and Mr. Galvin replied  
23 that is correct; this is not cheap money but, the issue is if the City has road improvements that need  
24 to be done it will need to increase the amount of money needed for debt service or be creative and  
25 use current debt service and stretch it out to be able to maximize it, however, the problem is in  
26 2026 the loan will be paid off but, the cost to construct roads with have increased and the City's  
27 \$1.5 million will not fund much. Mr. Clinger pointed out that the difference is the interest.

28  
29 Mayor Masiarczyk stated these are just options but, the comfort level the Commission is looking  
30 for is whether these projects are important enough to do them now versus pay as you go and never  
31 get anything done. Mr. Clinger added that the question is which is more costly, the interest on the  
32 loan or the amount that the costs will go up in 10 to 15 years.

33  
34 Mr. Galvin asked the Commission to keep in mind the interest rates are very attractive now but, are  
35 slowly going up.

36  
37 Commissioner Herzberg stated after going to the Elected Officials Roundtable today and talking  
38 about transportation issues and the ½ cent to 1 cent sales tax option; yes, the money might be out  
39 there or not but, everyone knows roads are not getting any cheaper and the county claims it does  
40 not have any money. She stated the City will have to partner and work with the City Manager who  
41 has expertise in this but, something must be done. She stated she was at least in favor of going out  
42 for the RFP at no cost to the City which will save six (6) weeks.

43  
44 Commissioner Smith and Commissioner Nabicht agreed with Commissioner Herzberg that the  
45 City needed to move forward with the RFP.

1 Mr. Chancellor stated these are major projects and keep in mind that the City has about \$7.5  
2 million worth of roads that are in critical and poor condition which at the rate of funding \$.5  
3 million per year out of the general fund it will be 15 years to get those done and then there will be  
4 all the others that have been done in that same condition.

5  
6 Commissioner Honaker stated the Commissioners all get calls and he suggested each of the  
7 Commissioners should get eight (8) minutes at the Workshops for things they would like to bring  
8 up if they have any. Mayor Masiarczyk replied there are hundreds of issues that can be brought up  
9 every day to each Commissioner which should be brought up to the City Manager and the City  
10 Manager can come to the Commission with the request and he asked if the Commission wanted to  
11 look further into it.

12  
13 Commissioner Soukup stated he met with Representative Santiago, Volusia County Councilman  
14 Fred Lowry and School Board Member Dr. Hill not on behalf of the Commission but, to talk about  
15 finding some money for the complex the Commission has been talking about building and before  
16 the Commission can do anything after talking with Mr. Baker the Commission has to know what  
17 value the property would appraise for. He stated he is not asking to buy the property but, he would  
18 like to get it appraised and that cannot happen unless the Commission says "yes". He stated all  
19 three (3) people said they would fight for money for the City as well as the School Board donating  
20 that property if the Commission is on board. Mayor Masiarczyk stated it would cost several  
21 thousand dollars to get an appraisal and there is a just value on the Property Appraiser's website,  
22 the property owner has a price and if the Commission decided it wanted to buy the property the  
23 City would have to get an appraisal by the owner and one (1) by the City.

24  
25 Commissioner Nabicht stated the Commission has said it does not want to do anything until a  
26 Strategic Plan is done but, he views the Strategic Plan as a map of how the Commission is going to  
27 complete its vision and he asked if everyone agreed with that. He stated one (1) of the things he  
28 wants to do is bring in collegiate soccer, a complex to Deltona and the Strategic Plan will tell the  
29 Commission how to fund it, the timing and what residual things will occur as a result. He stated as  
30 a base to that he believes the City needs to get that piece of property to be able to build that out  
31 there because there is no other place in the City that will be big enough. He stated he thought the  
32 Commission did have the same vision to the complex out there. He stated there is a great deal of  
33 potential there for an economic engine on the Howland Blvd. corridor but, that is something that  
34 can be put in when the City Manager gets here. He stated he has had many conversations with  
35 business people that feel that would be an excellent economic driver for that area, it is his vision  
36 and he will fight to move a stadium and recreational complex forward.

37  
38 Mayor Masiarczyk asked if the Commission wanted an additional meeting to discuss the issue and  
39 Commissioner Nabicht stated at some point the Commission has to have this discussion.

40  
41 **After discussion, the Commission concurred to not schedule the discussion until the**  
42 **Commission is ready to discuss the issue of a sports complex.**

43  
44 **5. CITY MANAGER COMMENTS:**

45  
46 Mr. Baker stated the Volusia County Hispanic Association turned in a Special Event Permit to  
47 have a Latin Festival in October and along with it were letters addressed to the Commission

1 requesting a waiver of fees. Mr. Baker stated he knows it had been turned down last year,  
2 however, he is passing the letters out to the Commission.

3  
4 Mayor Masiarczyk stated there is an ordinance where the Commission had said the City would  
5 hold a multi-cultural festival sometime in September in conjunction with several other  
6 organizations.

7

8 **6. ADJOURNMENT:**

9

10 There being no further business the meeting adjourned at 7:21 p.m.

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Karissa Cook, Administrative Assistant