

**COUNCIL MINUTES
MAY 24, 2011**

Pursuant to Public Notice, Mayor Ferrante re-convened the continued May 18 meeting of the City Council on Wednesday, May 24, 2011, at 6:00 p.m., in the Council Chamber. Those present were Mayor Joseph Ferrante, Vice-Mayor Mike Chase, Councilman Jeffrey Fleis, Councilman William Higginson, Councilman Scott Rhodes, City Manager Michael P. Crotty, City Attorney James Beadle, and City Clerk Barbara Montanaro.

Councilman Higginson led a moment of silent reflection and prayer for the safe return of military friends and neighbors, especially the 920 Rescue Wing recently deployed to Afghanistan, and for the citizens of Joplin, Missouri, as they recover from the tornado. He then led the Pledge of Allegiance.

INTRODUCTION OF GUESTS

None.

CITIZEN COMMENTS

- Ron Jurgutis, 620 Ocean Street, questioned why the proposed budget and not the final budget is on the City's web page. He asked staff to include the audited financial statements on the web.
- Gregg Billman, 690 Jackson Court, referred to Chapter 163, Florida Statutes, and questioned the basis for establishing the Community Redevelopment District. He also questioned what has been done in the past nine years to correct the conditions supporting that basis. Mr. Billman referred to statements made at the Town Hall meeting about the faulty commercial lot layouts in relation to size, adequacy, accessibility, or usefulness in the CRA district and surmised that was the basis for establishing a CRA. He stated that government should not be unilaterally re-drawing sizes of lots already owned by taxpayers. [The City cannot unilaterally redraw property lines.] Mr. Billman spoke of the authority of eminent domain granted in the CRA legislation and the impact that would have on citizens. [CRAs do not have the right of eminent domain (Section 163.358(6), FS).] Mr. Billman asked that a matrix be posted showing the costs/benefits of the CRA. He recommended abolishing the CRA and amending development regulations to allow code waivers for parking, landscaping, etc., on a case-by-case basis. Mr. Billman provided a written copy of his comments.

REPORT ON DISCUSSIONS WITH BREVARD COUNTY REGARDING PELICAN BEACH PARK AND HIGHTOWER BEACH PARK OWNERSHIP ISSUES

City Manager Crotty reported that last year the Council authorized Mayor Ferrante to contact Brevard County regarding negotiations to transfer title to Pelican Beach Park and Hightower Beach Park to Satellite Beach. Meetings and discussions have been ongoing since Fall 2010. The City Manager presented a summary of the action plan intended to implement the transfer of the parks from the County to the City, including the following:

- a. State Owned Lands: According to Brevard County each Park contains two parcels that are owned by the State. These four parcels are subject to a lease from the State to the County. The County subleases these four parcels to the City. The County proposes to assign the leases to the City, thus removing the County from any responsibility regarding the parks. [NOTE: Prior to the agreement being finalized, attorneys for County and City will verify actual status of the properties that comprise these two parks.]
- b. Conditions: The City would agree to the following:
 - Public accesses and number of parking spaces must be maintained or increased.

- Parking and user fees must be charged equally for City residents and non-city residents (i.e. City could not charge one rate for City residents and a different rate for non-city residents).
- Properties would be available for construction access by the County to the beach for beach renourishment/improvements; monitoring; and maintenance if necessary.
- Reverter clause that would require properties to revert to County ownership should the City use the property for other than the park uses contained in the Agreement.

Council discussed the following:

- Having title to the parks ensures that they will remain parks; if the County retained title, they could put in parking meters, vendors, or even sell the land for development.
- The City will lose the \$8,500 the County pays annually for maintenance at Pelican Beach Park; but user fees can offset that.
- Having an end date for the reverter clause would be good. However, this may be a deal stopper, Council decided not to pursue an end date.

Mayor Ferrante asked for public comments; the following individuals addressed Council:

- Dale Abrahams, 620 Ocean Spray Avenue, asked if the \$8,500 from the County is for maintenance at Hightower and Pelican. [Pelican, only.] She asked the cost of maintenance at Hightower. [About one full time person.] She commented favorably on the \$50,000 to \$60,000 revenue generated at Pelican Beach Park.
- Ron Jurgutis, 620 Ocean Street, asked what the current lease obligation is. [Zero. No lease obligation.]

ACTION: Vice-Mayor Chase MOVED, SECOND Councilman Higginson, to approve the report dated May 2, 2011, meeting with Brevard County regarding ownership issues pertaining to Pelican Beach Park and Hightower Beach Park. VOTE: ALL AYES. MOTION CARRIED.

GREEN OPTIONS:

PRELIMINARY INFORMATION AND DISCUSSION ON PHOTOVOLTAIC POWER GENERATION LEASE

City Manager Crotty stated that the City had received a Florida Energy and Climate Grant in the amount of \$197,000, with a City match of \$3,780. The funds will be used for energy efficiency renovations in the Civic Center and City Hall (\$168,000), modifications to the chiller unit at the David R. Schechter Community Center (\$8,500), and solar energy audits (\$12,000).

Public Works Director Potter stated that the City had received information regarding photovoltaic from Allied Energy Global and Data Com Service offering free photovoltaic to governments and non-profits. Building Inspector Rob Perry and volunteer John Fergus attended a meeting and brought information back to the City about the program.

Grant Writer/volunteer John Fergus gave a PowerPoint presentation regarding DCS Energy, a small company founded in 2006, which is backed by significant funding sources and augmented by stimulus funds, which has installed photovoltaic (PV) arrays in CT, MA, NY, NJ, PA, and CA. They install the PV arrays at no upfront cost with a five-year lease; the City gets energy generated for free. At the end of five years, the company either donates the equipment or removes it if the City does not want to continue to

use it. The company and investors receive rebates, tax credits, and Renewable Energy Credits (RECs).

The City's responsibilities would be permit fees, any structural engineering, and trench or fencing needed, insurance, cooperation with rebate process, and agree to use the system in marketing. The systems can be installed on a roof or the ground with sun exposure from 9:00 a.m. to 4:00 p.m. The site visit identified roof space for 15+ arrays, but they are limited to one array per electric meter. There are ten electric meters available.

An 18 kW array produces about \$2,500 electricity per year. The savings less the \$700 per year for insurance, leaves a net savings of \$1,800 per year per array, or a \$9,000 savings for the five-year lease, or a \$53,000 net savings over the twenty-five year lifetime of the array.

Council discussed the following:

- Would it be possible to add more meters to get more arrays? [Adding a meter costs about \$50,000 so it would not be cost effective.]
- What is the deductible on the insurance and what does the policy cover?
- If the system generates more energy than used, would FPL cut a check to the City? [For the value of the fuel surcharge only. The goal would be to put the system on circuits that will use more electricity than generated.]
- Would the parapets on the David R. Schechter Community Center create wind sheer factors? [They proposed a different system for the DRS Center.]
- Who spoke to current users? [Mr. Potter spoke to three users in Connecticut. He and the Building Official will look into the roof installation before moving forward.]

Mayor Ferrante asked for public comments; the following citizens addressed Council:

- Lloyd French, 240 Colonial Court, asked about the cost to engineer roof loading, etc.? The system in the photos did not have ballast. If there is no roof penetration and no ballast, how are the arrays attached? Who performs maintenance on the system? The space under the arrays provides shelter for critters. Who monitors and cleans that?
- Rodney Smith, 265 South Robert Way, stated that its normal to have questions when things change; and the change to solar is everywhere. He commended Mr. Fergus and Mr. Potter for taking the lead on this project.
- Ron Jurgutis, 620 Ocean Street, stated that the upfront cost is a win-win but noted that there will be maintenance costs after the five-year lease period. He recommended establishing a reserve account for maintenance.
- Gregg Billman, 690 Jackson Court, stated that solar is the wave of the future when the time is right, but cautioned that there may be issues we do not know about. If it is indeed turning the meter backward, can we sell that power back? Can you determine how much power we use and determine the balance we could sell back to the power company? He talked about periodic maintenance while leased and then afterward.

The purpose of the meeting was information only. Council will address these issues at a future meeting.

DISCUSSION ON LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN (LEED) CERTIFICATION FOR THE DAVID R. SCHECHTER COMMUNITY CENTER, 1089 SOUTH PATRICK DRIVE

Public Works Director Potter stated that as part of the Energy Grant, the City received funding to produce articles on the project and energy efficiency in general. Mr. Potter introduced Helmut Kohler, a junior at Florida Institute of Technology with a number of credits in the energy sustainability field and who assisted with the first LEED (Leadership in Energy and Environmental Design) certified building in the State of Idaho.

Mr. Kohler gave a PowerPoint presentation showing the David R. Schechter Community Center a prime example of the benefits of urban grayfield redevelopment and recommending that it be recognized through LEED certification. LEED for existing building operations and maintenance ensures that a building is running at its optimal efficiency level, keeping operation expenditures at a minimum. There are three tiers of achievement based on a points system. The Schechter Center should be able to reach a level of Silver with only operation adjustments and enhancements – no major renovations.

Mr. Kohler recommended moving forward with the certification at this time because it can be accomplished in house with labor costs covered by the energy grant. The only expense would be the \$3,200 certification fee. The return of investment for the entire project would take less than one year based on a conservative estimated of 15% reduction of cost of electricity.

Mayor Ferrante asked for public comments; the following individuals addressed Council:

- Lloyd French, 240 Colonial Court, asked if the funding for the certification could come from the CRA. The small expense and time to make the City more efficient in using its resources is time and money well spent.
- Gregg Billman, 690 Jackson Court, stated that he has no argument with making the building more efficient. He did question spending the money for the certification just to have a plaque to hang on the wall.

Council discussed their desire to become smarter and greener. Funding for the \$3,200 certification fee can come from either the CRA or General Fund.

ACTION: Vice-Mayor Chase MOVED, SECOND Councilman Higginson, to authorize to proceed based on the presentation. VOTE: ALL AYES. MOTION CARRIED.

Council thanked Mr. Kohler for an excellent presentation and invited him to bring an update in six months.

DISCUSS/TAKE ACTION ON SECTION 319 GRANT NONPOINT SOURCE MANAGEMENT PROGRAM – GLENWOOD TRUNK LINE/LORI LAINE DRAINAGE TREATMENT PROJECT PHASE 1

On April 6, Council authorized the City Engineer to provide preliminary technical information and comprehensive water shed plan needed to prepare the Section 319 Grant Application for Phase 1 Lori Laine Drainage Basin (Glenwood Trunkline). The work has been completed and the Request for Grant Authorization has been prepared for up to \$853,000 (up to \$503,000 from grant funds and up to \$350,000 from City match). The project will install 1,860 linear feet of exfiltration pipe along the rights-of-way on Temple street between Norwood and Ellwood and Hamlin Avenue between Temple and Kale; regrade the park at Ellwood and Temple to function as a dry retention stormwater park; grout and abandon

2,150 feet of existing pipe running through residential lots; conduct monitoring of system flow; collect, measure, and characterize debris collected in skimmer baskets; and conduct stormwater public education.

Council discussed the flooding issues in the project area and the need to keep on top of storm water improvements, especially with the Total Maximum Daily Load requirements.

Mayor Ferrante asked for public comments; there were no comments.

ACTION: Vice-Mayor Chase MOVED, SECOND Councilman Higginson, to authorize Plain English to submit, on behalf of the City, a Section 319 grant application in the maximum amount of \$853,000 to construct stormwater-system improvements in the Lori Laine Drainage Basin, with a maximum total project cost of \$853,000 and maximum city match of \$350,000 to come from stormwater utility fund. VOTE: ALL AYES. MOTION CARRIED.

ORDINANCE NO. 1042, AN ORDINANCE OF THE CITY OF SATELLITE BEACH, BREVARD COUNTY, FLORIDA, AMENDING THE FY 2010/2011 BUDGET ORDINANCE NO. 1036; PROVIDING AN EFFECTIVE DATE (FIRST READING)

City Attorney James Beadle read Ordinance No. 1042 by title on first reading.

Ordinance No. 1042 reflects activities during the first half of the FY 10/11 Budget. It includes the revenue received from Hunt Pinnacle for the traffic signal at Shearwater Parkway and Highway A1A, the Elder Care Grant, and a transfer from the CRA for expenses incurred in the CRA.

Mayor Ferrante asked for public comments; the following individuals addressed Council:

- Lloyd French, 240 Colonial Court, indicated that the City is using CRA to fund activities (emergency services) outside powers granted by Chapter 98-314 and House Bill No. 627. Mr. French read from Section 163.340 (9) and (12), Florida Statutes, regarding redevelopment, blight, and slums. He suggested that a real innovation would be the use of these funds to find efficiencies in departments that would ultimately reduce the tax burden to every resident in the City. Mr. French provided a written copy of his comments.
- Ron Jurgutis, 620 Ocean Street, asked where the \$124,455 is going.

Council and the City Manager discussed the following:

- Referred to the Police Department report showing 590 calls for the month of April, which includes many in the Redevelopment District as well as the residential district.
- A certain allocation for community policing is permitted under statute and has been a City practice since FY 03/04. To establish a percentage, staff documented the business checks and other activities in CRA. When Council decided to hire an additional two firefighters per shift to meet the two in – two out rules, staff did analysis of emergency services within the City to determine what percentage of services were for the CRA. These funds come from the CRA Tax Increment Fund generated in the District.
- This funding has been reviewed in the audit process and reports have been provided to all other CRA funding sources.
- Requested that the record reflect that CRA funds are used in accordance with Florida Statute.

- Requested that CRA funds and political and financial reasons for the CRA be discussed at a future meeting.

ACTION: Vice-Mayor Chase MOVED, SECOND Councilman Higginson, to approve Ordinance No. 1042 on first reading. VOTE: ALL AYES. MOTION CARRIED.

BUDGET ISSUES

City Manager Crotty presented property tax calculations based upon assumed reduction of overall assessment of ten percent. The calculations range from the current millage of 8.1439 mills up to the millage that brings in same amount received this year (rolled back). The City has set a goal of reducing personnel and benefits costs by 5.25% (\$273,118) and is within \$5,000 of reaching that goal. The current millage of 8.1439 mills would reduce revenue to City for FY 10/11 by \$578,156, or \$305,038 less than current revenue minus 5.25%. A millage rate of 8.6781 mills would be revenue neutral to the City. This report is informational only; the City has not received the official assessment or numbers from other sources of revenue.

Mayor Ferrante asked for public comments; the following individuals addressed Council:

- Ron Jurgutis, 620 Ocean Street, stated the schedule is very confusing. He asked that Council authorize him to review the schedule and help staff prepare a schedule that is easier to understand. He stated that he is trained to review financial schedules and this is too difficult for citizens to understand. [This is the format required for governmental accounting.]
- Gregg Billman, 690 Jackson Court, asked if the bottom line we are trying to maintain is the same absolute value as last year. If so, how many residents are doing the same? [Staff has reduced expenses 5%. No decision has been made regarding millage; a range of options has been presented.]

DISCUSS/TAKE ACTION CITY ATTORNEY'S ATTENDANCE AT THE FLORIDA MUNICIPAL ATTORNEY'S ASSOCIATION 30TH ANNUAL SEMINAR JULY 21-23, 2011

Council has budgeted for the City Attorney to attend two training seminar per year. However, this year the City Attorney has asked to attend only this one.

Mayor Ferrante asked that Mr. Beadle provide a report when he returns. Mayor Ferrante asked for public comments; there were no comments.

ACTION: Councilman Rhodes MOVED, SECOND Councilman Higginson, to authorize the City Attorney's attendance at the Florida Municipal Attorney's Association 30th Annual Seminar July 21-23, 2011. VOTE: ALL AYES. MOTION CARRIED.

APPOINTMENTS TO BOARDS

City Clerk Barbara Montanaro presented a list of board vacancies and applications.

ACTION: Councilman Fleis MOVED, SECOND Vice-Mayor Chase, to reappoint Michael Hensley to a two-year term on the Recreation Board, said term to end June 1, 2013. VOTE: ALL AYES. MOTION CARRIED.

AGENDA ITEMS FOR NEXT REGULAR COUNCIL MEETING

