City Council
September 13, 2021
Council Chambers
6:30 PM

WELCOME to our City Council meeting. In the interest of time efficiency, the following will prevail for comments by the public. Each speaker will be permitted up to 3 minutes to state his/her case. Group presentations will be permitted 3 speakers including the spokesperson - each being limited to up to 3 minutes. No speakers will be interrupted. <u>Please silence all electronic devices during the meeting</u>. THANK YOU for participating in your City Government.

I. Call to Order

II. Invocation

III. Pledge of Allegiance

IV. Public Hearing

  1. Resolution - Annual Budget - Adopt Tentative Millage Rate for Fiscal Year 2022

V. Old Business

VI. Consent Agenda

  1. Approve the City Council meeting minutes of August 23, 2021
  2. Resolution - Loan from Florida State Revolving Fund Update

VII. Public Period

VIII. Decision

  1. Ordinance - Capital Improvements Program 2022-2026

IX. Discussion

  1. Thurston House Lease

X. City Manager's Report/City Attorney/Council Reports

XI. Adjournment

Notice: Any person who desires to appeal any decision made at this meeting or hearing will need a record of the proceedings and, for this purpose, may need to ensure that a verbatim record of the proceedings is made which includes testimony and evidence upon which the appeal is to be based. Persons with disabilities needing assistance to participate in any of these proceedings should contact the City Clerk's office (407-539-6219) 48 hours in advance of the meeting.

Disclaimer: Any opening invocation that is offered before the official start of the Council meeting shall be the voluntary offering of a private person, to and for the benefit of the Council. The views or beliefs expressed by the invocation speaker have not been previously reviewed or approved by the City Council or the city staff, and the City is not allowed by law to endorse the religious or non-religious beliefs or views of such speaker. Persons in attendance at the City Council meeting are invited to stand during the opening invocation and to stand and recite the Pledge of Allegiance. However, such invitation shall not be construed as a demand, order, or any other type of command. No person in

attendance at the meeting shall be required to participate in any opening invocation that is offered or to participate in the Pledge of Allegiance. You may remain seated within the City Council Chambers or exit the City Council Chambers and return upon completion of the opening invocation and/or Pledge of Allegiance if you do not wish to participate in or witness the opening invocation and/or the recitation of the Pledge of Allegiance.

MEETING DATE		AGENDA
September 13, 2021	MAITLAND FLORIDA	Section: Public Hearing
Department/Office : Administration	AGENDA REPORT	Item #: 1.

Subject:
Resolution - Annual Budget - Adopt Tentative Millage Rate for Fiscal Year 2022

Requested Action or Motion:
(1) Move to adopt the tentative operating millage for the 2021 tax year as 5.0000, which is 19.92% above the rolled-back rate of 4.1693;

(2) Move to adopt the tentative voted debt millage rate for the 2021 tax year as 0.2370 for a combined total of 5.2370 mills;

(3) Move to adopt the tentative budget for the General Fund in the amount of $31,125,600.

Final Resolution to adopt will be on September 27, 2021.

Summary Explanation & Background:
On July 19, 2021, City Council held the General Fund budget workshop. The rolled back rate and proposed operating and voted debt service millage rates for the 2021 tax year were set on July 26th. The proposed operating and voted debt millage and the date and time of the tentative budget public hearing were included on the proposed tax bills sent out by the Orange County Property Appraiser in August.

The Fiscal Year 2022 budget draft was prepared based on the operating millage rate of 4.3453 or $4.3453 per thousand dollars of taxable value, which was the rate adopted for Fiscal Year 2021. The proposed tax rate set at the July 26th Council meeting was 5.0. The FY 2022 tentative budget is $31,125,600, a reduction of $360K from July (funded Mohican sidewalks with FY 2021 savings). Attached are two alternative scenarios, one with a millage rate of 5.0000 (funding all recommendations) and one with an unchanged millage rate and alternative funding of capital outlay from the CRA repayments and American Rescue Funds (eliminates all but additional police officer recommendations to allow for additional discussion by the Council).

Below are the maximum millage rate options, and the tentative millage requires only a simple majority vote as proposed.

MAXIMUM MILLAGE RATE OPTIONS	MILLAGE RATE
Majority Vote (Adjusted rolled back millage rate per State formula)	Up to 5.3034
2/3 Vote of the Governing Board (110% of Majority vote millage rate)	Up to 5.8337
Unanimous vote of the Governing Board or referendum - Any rate up to the Statutory limit.	Up to statutory limits

The above motions are required to be read separately and completely to comply with the Truth in Millage (TRIM) process. The TRIM notice will be placed in the newspaper and the tentative budget placed on the City's website prior to the final public hearing on September 27, 2021.

After setting tonight's tentative millage rate, the Council may adopt that rate or any lower rate at the final public hearing.

Fiscal Impact:
General fund budget amount of $31M.

Exhibits:
1. Budget Summary FY 2022 Alternative Funding Sources
2. Budget Summary FY 2022 at 5.0 Mills
3. Resolution - Tentative Millage Rate FY 22 / TY 21

Commission/Board: City Council

Contact Person: Sharon Anselmo 407-539-6221

Reviewed by City Attorney
N/A

MEETING DATE		AGENDA
September 13, 2021	MAITLAND FLORIDA	Section: Consent Agenda
Department/Office : Administration	AGENDA REPORT	Item #: 1.

Subject:
Approve the City Council meeting minutes of August 23, 2021

Requested Action or Motion:

Summary Explanation & Background:

Fiscal Impact:
N/A

Exhibits:
1. CC Meeting 08232021

Commission/Board: City Council

Contact Person: Maria Waldrop 407-539-6219

Reviewed by City Attorney
N/A

MEETING DATE		AGENDA
September 13, 2021	MAITLAND FLORIDA	Section: Consent Agenda
Department/Office : Finance Department	AGENDA REPORT	Item #: 2.

Subject:
Resolution - Loan from Florida State Revolving Fund Update

Requested Action or Motion:
Move to approve a resolution authorizing a loan from the Florida State Revolving Loan program for the purpose of financing water utility improvements, Lift Station 1 and Dommerich Phase 1; approving the execution and delivery of note amendment not to exceed $7,500,000 plus capitalized interest and 2% closing costs, and authorizing the form of the supplemental loan agreement. providing for conflicts, severability, and effective date.

Summary Explanation & Background:
On May 24, 2021, Council approved execution of the State Revolving Fund Loan which was approved on February 8, 2021, for up to $6,000,000 plus accrued interest to finance Dommerich Phase 1, which includes relocation of Lift Station #1. On June 14, 2021, Council approved the relocation of Lift Station #1 but, due to the increased cost of the project, compared to the original engineer's estimate, it required the City to request a loan increase with the State FDEP loan program. FDEP approved the increase to $7,419,562; plus accrued interest, if applicable, plus 2% closing costs $148,391. The original loan agreement provided for Principal Loan $5,010,720 and estimated Capitalized Interest $0 (interest that accrues as the City draws down funds to pay for construction) at 0.00% per annum; for which Council approved $6,000,000; plus debt issuance costs of 2% of the loan.

Once the project is complete, it will be closed out and the State will make final calculations and provide necessary amendments, which will come back to Council for the City to execute and the repayments will begin at that point.

The State requires the City to pledge the net operating revenues of the water and waste water system as surety for the loan which includes maintaining rates sufficient to Net Revenues in each Fiscal Year sufficient to pay one hundred fifteen percent (115%) of the loan servicing requirements on the outstanding loan amount. The State also requires that in the event the anticipated Pledged Revenues are insufficient to make the semiannual loan payments for such fiscal year when due, the City will include in such budget other legally available non-ad valorem funds which will be sufficient, together with the utility pledged revenues to make the loan payments.

This loan revision and the prior loans approved through the State Revolving Fund loan program are still within the $20 Million borrowing capacity approved under Ordinance 1349 on March 11, 2019.

	Loan	**Balance**
Loan Ordinance	$20,000,000	$20,000,000
17-92 Design	(270,515)	19,729,485
17-92 Construction	(9,550,000)	10,179,485

Lift Station 6 Force Main	(2,650,000	7,529,485
Dom Ph 1 & LS1	(7,419,842)	109,643

The attached resolution was reviewed by the City Attorney.

Fiscal Impact:
Debt issuance costs of 2% ($100,214) and annual Debt Service $255,546.

Exhibits:
1. WW48027 Resolution Amendment
2. WW480270 A1 Increase Amendment
3. Agreement WW480270
4. Resolution 2-2021
5. Resolution Maitland - SRF Loan Agreement LS1 Dommerich

Commission/Board: City Council

Contact Person: Jerry Gray 407-539-6201

Reviewed by City Attorney
Bond Counsel and City Attorney

MEETING DATE		AGENDA
September 13, 2021	MAITLAND FLORIDA	Section: Decision
Department/Office : Administration	AGENDA REPORT	Item #: 1.

Subject:
Ordinance - Capital Improvements Program 2022-2026

Requested Action or Motion:
After receiving public input, move to introduce an ordinance to approve the FY 2022-2026 Capital Improvements Program (including revised Table 1), to replace Table 1 within Chapter 7, Governance and Implementation Element, Capital Improvements Sub-Element of the 2035 CDP, to recognize the annual update of the 5 year CIP; and recognize the annual update of the Orange County Public Schools 10-Year Capital Outlay Plan.

Summary Explanation & Background:
This document summarizes the major capital expenditure projects contemplated by the City of Maitland over the next five years. The projects included are consistent with the City's approved Comprehensive Development Plan ("CDP"). Capital improvement projects, by definition, are physical assets constructed or purchased to provide, improve or replace a public facility and are large scale and high in cost. The cost of a capital improvement is generally non-recurring and may require multi-year financing. For the purposes of the State requirements, physical assets which have been identified as existing or projected needs in the individual comprehensive plan elements shall be considered capital improvements.

This five-year Capital Improvements Program ("CIP") represents the implementation of key master plans within the City; the Stormwater/Lakes Management Plan, the Trails Master Plan, Downtown Maitland Plan, Parks Master Plan, and the Sewer Master Plan. In addition, this CIP also considers major projects that have achieved the objectives identified in the CDP, but must continue to be maintained to sustain those objectives. An example of this type of project would be the Pavement Treatment Program, which has an achieved result of exceeding the condition rating score above 7. The rating is based on pothole presence, cracking, rutting and other pavement conditions criteria. Funding for resurfacing over the five-year period is $2.5M.

The Stormwater Lakes Management Program represents a long-term commitment to improve lake quality and environmental concerns in the City, as emphasized with the adoption of the Stormwater/Lakes Management Master Plan in Fiscal Year 1996. The Lakes Advisory Board reviews technologies annually and the Master Plan was updated in 2016. The five-year program includes improvements to several area lakes designed to remove pollution from stormwater inflow, including the reconstruction of stormwater pipeline at Gem Lake Drive and Elvin, watershed improvements at Park Lake, Gem Lake, and Lake Minnehaha, eliminate structural flooding at Gamewell Avenue and Robinhood Drive. The five-year total for this project is currently estimated at $3.7M.

Improvements to the Water Transmission & Distribution System include upgrades to the water distribution system to increase pressure to provide for adequate fire protection in residential areas. The project also includes construction of 12-inch water main on Orlando Avenue from Ventris Avenue to Monroe Avenue and the addition of a new ground storage tank. Improvements in the Sanitary Sewer System element will be focused on implementing the Sewer System Master Plan which includes an increased need for capacity to serve the Downtown area by upgrading the Eastern service area and extension of service to unserved areas. Efforts continue to improve the system by upgrading lift stations to submersible stations. Combined, the capital improvements for utilities total $24M over the five-year period.

The implementation of the Parks Master Plan is a five-year program totaling $2M. Much of this program is funded from the Parks Trust Fund and projects are completed as funding is available. Construction of improvements to Hill Rec Park, Lake Sybelia Beach and several smaller parks are planned for the five-year period, as well as a Community Park building expansion. The City plans to continue installing pedestrian friendly paths through the Bicycle/Sidewalk Network Program which is funded at $4.7M over the five-year period. The Bicycle/Pedestrian Master Plan was adopted in FY 2020, and the study will guide the selection of sidewalks and bike paths to be designed and constructed by this program.

With the completion of the Space Needs Master Plan in 2012, the City Facilities Program is mostly focused on maintenance of current facilities and parking needs in the downtown area. One parking deck in the downtown core area has been included at $1.8M and is anticipated to be funded by development or grants. Additionally, undergrounding of related utilities is planned and the Utility Relocation Program totals $2M, with the Dommerich Estates undergrounding planned to be phased in beginning with design of the first phase in Fiscal Year 2023. The projects listed above and detailed in this five-year Capital Improvements Program promote the goals established in the Comprehensive Development Plan, which are to enable Maitland to continue to develop in a positive way, reflecting the City's character as a "community for life."

In addition, the City has included the Orange County Public Schools ("OCPS") facilities work program as required supplemental information (Section X). The City does not have responsibility for the financial feasibility of this program, but it is included as required to reflect the coordination efforts between the City and OCPS to address the Public Schools required CIE in the City's CDP.

Staff is recommending adopting the ordinance amending table 1.

Fiscal Impact:
Total 5 Year CIP - $45M.

Exhibits:
1. Table 1 FY 2022 CIP
2. CIP 2022-2026 Final

Commission/Board: City Council

Contact Person: Sharon Anselmo 407-539-6221

Reviewed by City Attorney
N/A

MEETING DATE		AGENDA
September 13, 2021	MAITLAND FLORIDA	Section: Discussion
Department/Office : Administration	AGENDA REPORT	Item #: 1.

Subject:
Thurston House Lease

Requested Action or Motion:
Staff and the Ballard's are requesting direction from the City Council on the following:
1. Does the Council desire to allow the continued use of the property as a Bed and Breakfast and, if so, under what lease terms?
2. If the City council does not want to continue the use, staff request directions on proposed uses.
3. If the direction is to proceed with option 1, staff would request directions regarding the specific changes the Council would like to see in the lease, so prospective tenants are aware of the requirements prior to approaching City Council.

Summary Explanation & Background:
Background
- In 1989, the City purchased the property under consideration (located at 851 Lake Avenue), Thurston House
- December of 1990, the Ballards submitted an application for a Comprehensive Plan Amendment to allow Bed and Breakfast establishments in the City of Maitland
- June 10, 1991, the City Council approved the Comprehensive Plan Amendment
- October 16, 1991, the City entered into a lease agreement with Joe Ballard Enterprises, Inc. (Joseph A. Ballard, Jr. and Carole M. Ballard) for a period of ten years with an option to purchase.
- November 11, 1991, the City Council approved a Permitted Conditional Use Permit for the Thurston House Bed and Breakfast
- March 2000, the electorate of Maitland voted against the sale of the home to the Ballards
- September 2001, the City entered into a new twelve-year lease with the Ballards
- January 2014, the lease was renewed for two additional five-year terms
- Recently, the Ballards approached the City regarding their desire to retire and find a buyer for the B&B business and the contents, and had found a buyer
- August 23, 2021 - The City council held a public hearing to discuss renewal of the Thurston House lease with prospective buyers. Issues discussed included:
    1. Other uses should be considered for the property (e.g. event center).
    2. The City should examine selling the property.
    3. The rent was perceived to be below the market.
    4. The cost of maintenance to the City.
    5. The lease renewal should be at the option of the City, not the tenant.
    6. There is no guarantee that the tenants would use the property as a bed and breakfast.
- Based upon this discussion, the prospective tenants terminated their agreement to purchase the Bed and Breakfast Business from the Ballards.
- The Ballards desire to continue to market the business and allow a prospective tenant to enter into a lease agreement with the City.

Based upon this desire, the Ballards and staff are requesting direction regarding discussions with future tenants and the form that a new lease might take.

Discussion

Zoning/Land Use

To assist in facilitating the discussion on the use of the property, an examination of the zoning and land use is required. The current land use is Conservation (Public) with an RS-2 (Residential Single-Family) zoning. This land use and zoning allows Single Family dwellings and typical accessory uses such as garages, sheds, pools, etc.; existing citrus groves and foster care homes. As stated above, the previous comprehensive plan allowed Bed and Breakfast as Permitted Conditional Uses. With the adoption of the new comprehensive plan, this type of use was removed from the district. This renders the Bed and Breakfast an existing nonconforming use. This status allows the Bed and Breakfast to remain and continue operations as the current use provided it does not cease operation for more than 180 days. Additionally, a nonconforming use cannot be expanded or intensified.

This relates to the discussion of changing uses, specifically to an event center, as it was the only alternate use discussed. This would be considered an intensification of the use, which is prohibited by the code. To remedy the nonconforming aspect of the Bed and Breakfast use specifically, a future tenant could apply for and be granted a Short Term Rental License to operate the facility as it is. An alternative would be to change the land use and zoning of the property to allow different uses. These zoning issues are further complicated by the status of the land as Heritage Lands under the Charter.

Heritage Lands

If a change in use or sale of the property is a priority option for the City Council, the property's designation as Heritage Lands must be taken into consideration. Both the Thurston House (O'Heir House) and the surrounding property (O'Heir Property) are designated as Heritage lands under the City Charter. Section 7.05 of the Charter discusses classification of lands owned by the City.

> Sec. 7.05. - Classification of lands.
> All city-owned land shall be classified by the Council as to actual or prospective use. Those lands whose use or intended use will promote aesthetic and/or ambient character of the City; namely, park, recreational, cultural and special purpose such as environmental or botanical shall be termed Maitland heritage lands. In addition to any other procedure or procedures required prior to the change of use or sale, final determination of change of use or sale of Maitland heritage lands shall be by referendum.

Within the Heritage Lands, the City Council designates the type of use for the land. In this case, the Thurston House is designated Cultural/Historical. In terms of a change in use (in addition to the zoning issues discussed above), the City must request approval of the change in use by the voters through referendum. Likewise, if a sale is contemplated, the same rules apply. Any sale of a property designated as Heritage Land must be approved by the voters through a referendum. As mentioned above, the voters rejected an attempt to sell the Thurston House in 2000.

Lease Amount

In terms of lease payment and expenses, the lease payment is $1780.25, which includes the base lease plus the property taxes due divided over the 12 lease payments less a caretakers fee of $300. This yields a total annual lease payment of approximately $18,000. This figure is adjusted by increases or decreases in the Consumer Price Index (CPI) on an annual basis. This is the formula that has been in place for the last 30 years. If the Council feels the lease payment is below market rate, the question becomes what is the correct rate to lease a Bed and Breakfast, that the tenant agrees to provide upkeep and maintenance of the interior of the house and leased grounds?

Maintenance Costs

In terms of maintenance, the tenant is required to maintain the interior of the structure as well as the exterior doors and windows. The tenant is also required to maintain all landscaping on the leased premises.

The city is required to maintain the exterior of the structure. This includes the roof, walls, mechanical systems, etc. A question arose regarding the annual maintenance cost of the structure. A review of the last three years revealed that material and labor costs to the City average approximately $8400 per year. This has included, among other smaller projects:

- Fire/intrusion panel replacement and repairs
- Air conditioning repairs
- Installation of a new ramp to the main entrance
- Pressure washing exterior (yearly)
- Replacement of the screening on the wrap around porch

A review of the 20-year cost of materials and major projects for the house averaged $2800 per year without labor costs (there is no record of labor costs prior to 2018).

Lease Renewal Options

Another concern that was raised at the City Council meeting was the term and renewal option within the lease. The current lease has approximately 2 ½ years left. The existing and proposed lease contained a 10-year term with a renewal at 5 years at the option of the tenant. Some concerns were raised that the renewal should be at the discretion of the City. This was discussed in terms of the use of the structure. That is, if the City decides an alternative use of the property within the first 5 years, the tenant could be put on notice that they would be required to vacate the property. This gives flexibility to the City. However, it was a significant concern for the potential buyers who proposed to purchase the business and run the bed and breakfast. The concern was twofold. First, the prospective buyers felt that the initial term was not long enough to recoup their investment. Secondly, they were concerned that they could be left without a business or home at the discretion of the City, leaving them unable to attempt to recoup their investment in the business and leaving them without a residence.

Guarantee of Use

The final concern that was discussed by the Council was assurances that the owners of the business would run a Bed and Breakfast versus using it as a single family dwelling. The current lease allows for termination if the business fails to operate for a period of 60 continuous days. The termination language is as follows:

> Tenants fail to open for business as and/or operate a Bed and Breakfast Homestay, Bed and Breakfast Inn, or Country Inn business catering to the general public for any continuous 60 day period during the term of this Lease.

In addition to this language, the lease requires the applicant to maintain all state and local licenses and inspections associated with those licenses. The tenants are also classified as a business use, so are required to pay commercial rates on utilities as well as pay intangible property taxes.

If the Council would like a more robust verification, language would need to be added to the lease. The nature of that language must be determined.

Request
Staff and the Ballards request direction from the City Council on the following:

1. Does the Council desire to allow the continued use of the property as a Bed and Breakfast?
    1. If so, under what terms?
2. If the City Council does not want to continue the use, staff requests direction on proposed altenatives.

If the direction is to proceed with option 1, staff would request direction regarding the specific changes the Council would like to see in the lease so prospective tenants are aware of the requirements prior to approaching City Council.

Fiscal Impact:

Exhibits:
1. Thurson House OCPA map
2. Thurston House Final Lease 2021

Commission/Board: City Council

Contact Person: Mark Reggentin 407-539-6220

Reviewed by City Attorney
Yes