

REGULAR COUNCIL MEETING

A Regular Council Meeting was held on November 8, 2021 at 6:00 p.m. in the Council Chambers of City Hall.

President Knight called the meeting to order. Roll call was taken. Present were members Kenneth Burgess, Jodi Wilkeson, Alan Knight, Charles Proctor, Lance Smith and Mayor Whitfield. City Manager William Poe and City Attorney Matthew Maggard were also present.

Staff present: Police Chief Derek Brewer, Public Works Director Shane LeBlanc, Utilities Director John Bostic, Building Official Bill Burgess, Director of Planning Todd Vande Berg, Finance Director Ted Beason, HR Director Sandra Amerson, CRA Director Gail Hamilton, IT Director Mike Panak, Airport Manager Nathan Coleman and City Clerk Lori Hillman.

Alan Knight gave the Invocation. The Pledge of Allegiance followed.

1. MAYOR

1.1 East Pasco YMCA Update – Paul Conley

Paul Conley District Executive Director East Pasco and Dade City YMCA – 16017 Westerham Drive – Tampa, Florida 33647

Mr. Conley said the Zephyrhills YMCA is a community recreational center with a pool for children to learn to swim and be safe around water. The YMCA provides subsidy and scholarships to ensure that no child or family is held back by the inability to pay and last year, the YMCA contributed over \$93,000. This year the YMCA doubled their summer camp program with over 70 kids a week and 678 children attended the Learn to Swim Program.

Mr. Conley said the YMCA shifted to Relief Care during the 12 week COVID shutdown to provide child care services to emergency personnel to make sure the kids were taken care of for those who were taking care of the community. The YMCA reopened in May 2021 with limitations and in a pandemic year, over 63,000 citizens walked through the East Pasco YMCA doors.

Mr. Conley said the East Pasco YMCA is a negative surplus facility that runs a deficit of \$80,000 and he is focused on attaining a positive surplus YMCA. The YMCA wouldn't be able to run without the City's great partnership with the YMCA but said the YMCA needs to grow and expand in the next two decades to be sustainable as Zephyrhills grows. For a YMCA to be strong, it needs a strong board of advisors and he is looking for 10-15 people to serve on a board to tackle the key issues within Zephyrhills. In closing, he said \$120,000 is currently being invested in pool renovations and said anytime the YMCA and City can partner, let the YMCA manage the swimming pools.

2. CONSENT ITEMS

- 2.1 October 11, 2021 Regular Meeting Minutes
- 2.2 October 25, 2021 Regular Meeting Minutes
- 2.3 Approval of Agreement 41-21-38 for the Purchase of Products and Services to Support Drinking Water Production and Sewer Collection SCADA Needs with Data Flow Systems, Inc.
- 2.4 Approval of Agreement 41-21-37 for the Purchase of Products and Services to Support the Neptune Meter R900 Automated Meter Reading System with Ferguson Waterworks
- 2.5 Approval of Piggyback Agreement 41-21-36 with Pasco County for the Purchase of As Needed Pumps Overhaul and Related Equipment Repair for Water and Wastewater Treatment Plants with PSI Technologies, Inc.
- 2.6 Approval of Task Assignment 22-02 for the North Side Master Lift Station and Force Main Project Design with Jones Edmunds
- 2.7 Resolution 786-21 Amend Resolution No. 783-21 from Payable Semi-Annually to Monthly for Mayor-Council Compensation
RESOLUTION NO. 786-21 – “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS, FLORIDA, AMENDING RESOLUTION NO. 783-21 ESTABLISHING COMPENSATION FOR THE MAYOR AND CITY COUNCIL MEMBERS.”
- 2.8 Approval of Facility Encroachment Agreement 41-21-39 for Conveyance of Potable Water and Raw/Treated Sewage at Gagne Development with CSX Transportation, Inc.
- 2.9 Approval to Purchase Police Vehicles – Florida Sheriff's Association Contract

2.10 Approval of Piggyback Agreement 41-21-35 with the City of Milton for the Purchase of Cured in Place Pipe with Advanced Plumbing Technologies

Charles Proctor moved to approve the Consent Items. Seconded by Kenneth Burgess. Motion passed unanimously.

BUSINESS ITEMS

3. **CITY MANAGER'S REPORT**

3.1 Approval of Lease Agreement 29-21-03 for the Jeffries House and Carriage House – Tina and Joe's Café

City Manager William Poe said on September 13, 2021, City Council awarded a bid to Tina and Joe Novack to operate Tina and Joe's Cafe at the Jefferies/Carriage House located at 38537 5th Avenue. Staff prepared a lease agreement with the information listed below.

- The original term will expire on September 30, 2028;
- Two subsequent, five year renewal options, with each party issuing their decision to renew, in writing, six months in advance of expiration;
- The cafe shall remit 90% of rent collected from the second floor apartment of the Carriage House to the City;
- The cafe is responsible for all permits, licenses, utilities, and associated bills to operate;
- The cafe is responsible for all furnishings and equipment to operate;
- The cafe will provide day-to-day maintenance and cleanup of the property;
- If a license is obtained to sell beer and wine, the gross sales shall not exceed 49% of the café's revenue;
- The City will be responsible for maintaining and repairing all plumbing, electrical, lighting fixtures, nob and tube removal, heating, ventilating and air conditioning, natural gas, and building systems and fixtures;
- Contractor is responsible for light bulbs, lamps, and A/C filters, walls, doors, flooring, landscape areas, mowing, pruning, and fertilizing of sod and plants;
- All capital improvements to the property shall be permanent and shall become property of the City;
- The cafe must obtain written approval from the City Manager before making any permanent physical improvements;
- The property is offered to the cafe rent free for the first three (3) years. Beginning year 4, the café will pay the City 3% of their gross income quarterly;
- Within 90 days after the close of each fiscal year, the cafe shall submit a certified financial review to the City's Finance Director;
- The cafe will hold the appropriate insurances and fully indemnify the City;
- Neither party shall assign or delegate this lease agreement without prior written consent of the other party;
- Tina and Joe Novak will retain majority ownership of the cafe. Any proposed partnerships must be approved by the City in advance.

Spoke from the floor: Christina Novack – 37936 Tucker Road – Zephyrhills, FL

Christina Novack said she and Joe have five year's experience in the restaurant business and guesstimated initial expenses in the neighborhood of \$15,000 for kitchen equipment, coolers, indoor/outdoor seating, and signage. The café plans to open serving breakfast and once they establish a flow and hire needed staff, they will open for lunch and gradually open for dinner. She guesstimated gross revenue of \$400,000 to \$600,000 in the third year. Christina said she plans to use the rental of the Carriage House apartment as an incentive for an employee and would like to open by December 1st.

Spoke from the floor: Joe Novack – 37936 Tucker Road – Zephyrhills, FL

Joe Novack said the café's best years in Dade City generated \$200,000 with his worst year generating \$100,000 (open three hours a day). He said he will lose 10 to 15 seats with the smaller rooms in the Jeffries House but will be close to 50 total with outside seating. There will be no fried foods, only fresh salads and sandwiches. Dinner will be a pre-set menu of soup, salad, entree, and dessert for one price.

A conversation ensued relating to the first three years of the lease rent free and setting precedent for future businesses, the initial seven (7) year term of the lease, renegotiating the 3% gross income after the initial agreement prior to renewal, adjusting the initial lease term of seven years to five years with graduated percentages and the actual costs associated with replacing major building systems. Council concurred the City needs to assist the café to recoup their initial investment and then begin assessing a percentage of gross profits, ensure the matrix created for this lease is consistent moving forward while navigating uncharted water, and address long-term maintenance for City owned buildings that are returned to the City in a dilapidated or unusable state.

City Manager William Poe said the framework of this lease is similar to Tennis Pro Florida. The major factor for extending free rent for three years is based on Tina and Joe investing in a City-owned building. City Manager William Poe acknowledged Council's concerns and requested Council allow the Novacks to continue working in the building and allow staff to revisit the lease.

Councilman Proctor said the City cannot compare the Tennis Center to Tina and Joe's Café, it's apples and oranges, net sales versus gross sales.

City Attorney Matthew Maggard said the lease was written to ensure the success of the café as an economic driver downtown and cover building maintenance costs long-term, not to make money. The City will retain 90% of the cost to rent the second floor of the Carriage House and will assure the apartment does not sit vacant. He suggested Council finalize the proposed lease or reject the Request for Proposal (RFP) and re-advertise for bid.

Councilman Knight voiced his concern with the City spending \$150,000 to renovate the Carriage House under the promise that the building would be leased for \$2,000 a month. He stressed the importance of being prudent with money for the City.

Lance Smith moved to amend the proposed lease term from seven years to five years with graduated percentages of 0% of gross revenue the first year, 1% of gross revenue the second year, 2% of gross revenue the second year, 3% of gross revenue the fourth year and 3% of gross revenue the fifth year with the remainder of the proposed lease unchanged. Seconded by Jodi Wilkeson. Motion passed unanimously.

3.2 Request to Cancel December 27th Council Meeting

City Manager William Poe requested Council cancel the December 27th Council Meeting which falls two days after Christmas.

Lance Smith moved to cancel the December 27th Council Meeting. Seconded by Kenneth Burgess. Motion passed unanimously.

CITIZEN COMMENTS

Spoke from the floor: Ashley Pollard – 35982 Saddle Palm Way – Zephyrhills, FL 33542

Mr. Pollard said Florida Statute 189 gives the local municipality and or County government jurisdiction over a CDD and the Silverado CDD needs to be disbanded. He said the board members are contractors of the developer and vote for what is in the developer's best interest. He said the Board voted to increase assessments last year in the middle of the Pandemic with residents out of work and increased the assessment again this year. He said not one single board member lives at Silverado and the first time a resident can be voted onto the board is six years plus two so that's eight years. The damage will be done in that eight years. He said CDD's are 100% against the constitution.

City Attorney Matthew Maggard said he respects Mr. Pollard's opinion but challenging the constitutionality of CDD's is outside the City's purview. He said CDD's are districts setup by developers that are approved by a local government agency through an ordinance and are similar to HOA's that are developer controlled for a certain period of time and turned over to the residents of the community. A CDD is disclosed to all home buyers prior to any home being sold. The City is a regulatory authority and if the CDD has violated state statute, the City can report specific allegations through the oversight process.

Councilman Knight said Mr. Pollard brought up some valid points with the CDD being controlled by the contractors and raising the fees. He personally asked the City Attorney to check into the specifics. He thinks Mr. Pollard's complaints are valid.

MAYOR'S ANNOUNCEMENTS: N/A

CITY MANAGER'S ANNOUNCEMENTS: City Manager William Poe reminded everyone of the Chamber of Commerce Annual Banquet at Southport Springs Golf & Country Club Tuesday, November 9th. A successful community cleanup was held on Saturday, November 6th at the Train Depot on the south end of town. Governor DeSantis was in town at Bahr's Aluminum on Monday, November 29th. He said he will be out of the office Friday, November 12th attending his son's State Cross Country meet in Tallahassee.

CITY ATTORNEY ANNOUNCEMENTS: City Attorney Matthew Maggard reiterated that he will look into the Silverado CDD complaint. He wished Tina and Joe good luck and success with their café. He said he enjoyed their food when they were in Dade City.

CITY COUNCIL COMMENTS: Councilman Burgess commended council members for the healthy conversation that took place that ended with a compromise for the betterment of the City, residents, and local businesses. He said Zephyrhills High School is hosting a football playoff game with Gibbs High School Friday, November 12th. He asked everyone to support the football team and believes they have a good chance of going deep in the playoffs this year.

Councilman Smith – N/A

Councilman Proctor congratulated Joe and Tina and thanked Ashley Pollard for coming before Council to address his concerns.

Council Vice President Wilkeson congratulated Tina and Joe and thanked the community clean-up crews and the CRA. She thanked Councilman Smith for being the personal calculator and real estate investment advisor.

Council President Knight wished Tina and Joe good luck and thanked everyone who showed up at homecoming to help with the concession stand. He said on 6th Avenue between 8th Street and 9th Street (directly in front of Dr. Riley's old office) there are six parking spaces on a very narrow street. He said it is almost impossible for two trucks to pass at the same time. He said this is a traffic hazard and asked staff to address the issue and bring back a proposal.

4. NOTED ITEMS:

4.1 Mobile Tec Annual Maintenance Agreement 41-21-34

Meeting adjourned: 7:24 p.m.
Submitted by Lori L. Hillman