

October 7th, 2014
5:30 PM

The City Council of the City of Inverness met on the above date in Regular Session at 212 W. Main Street with the following members present:

President Hinkle
Vice President Hepfer
Councilwoman Bega
Councilman McBride
Councilman Ryan
Mayor Plaisted

Also present were City Manager DiGiovanni, City Attorney Haag, Asst. City Manager Williams, Community Development Director Malm, Public Works Director Cottrell, Finance Director Chiodo, Event Director Skeelee-Hogan and City Clerk Davis.

The Invocation was given by Councilman McBride and the Pledge of Allegiance was led by the City Council.

ACCEPTANCE OF AGENDA

Councilwoman Hepfer motioned to accept the Agenda as presented. Seconded by Councilman McBride. The motioned carried.

PUBLIC HEARINGS

4)a) Carry Forward Reserve Balance – Resolution was address by Council President Hinkle and turned over to City Manager DiGiovanni. It was explained how this was an annual exercise to reconcile closure from the current fiscal appropriation to the new, and explaining the process. Completion of these projects and the carry-forward of respective allocated funds means the adopted level of spending will technically increase for 2014-15. This action represents exiting funds, and no new money is involved. The budgeted carry-forward amount is \$4,625,095 to compete project with appropriated funds from 2013-14. A list of projects and amounts for all affected sections of the budget was provided.

Councilwoman Hepfer motioned to have the City Clerk read the Resolution by title only. Seconded by Councilman Ryan. The motion carried.

RESOLUTION 2014- 24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INVERNESS, FLORIDA AMENDING THE ADOPTED BUDGET FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2014 AND ENDING SEPTEMBER 30, 2015, AMENDING THE GENERAL FUND, CAPITAL PROJECTS FUND, WATER/SEWER FUND, AND CEMETERY FUND REVENUES AND EXPENDITURES AND PROVIDING FOR AN EFFECTIVE DATE.

Public Hearing was opened.

There was no one speaking for or against the Resolution.

The Public Hearing was closed.

Councilman Ryan motioned to approve Resolution 2014-24 by roll call vote. Seconded by Councilwoman Hepfer. Roll call vote was as follows:, Councilman Ryan, yes; Councilwoman Bega, yes; Councilman McBride, yes; Councilwoman Hepfer, yes; President Hinkle, yes. The motion carried.

OPEN PUBLIC MEETING

John Holloway, Broker/ Owner Holloway Group - Spoke on disagreement with sections of the parking ordinance and noted concerns of citing the two-hour limit and the current practice by some of moving their vehicles from spot to spot. He stated the ordinance, as written, would create zones throughout the city, and a person wouldn't be able to park a vehicle longer than 2 hours within an entire zone. With his business being a real estate business, they are in several times a day with customers, it would be difficult for some of them to park and walk for blocks to his office. He stated that it seems that the City is making solutions to problems that don't exist. He additionally mentioned vehicle wraps, and cars for sale, which need to be looked at.

CITY ATTORNEY REPORT

None

SCHEDULED APPEARANCES

6) a) – Hospital Board Presentation – William Grant, representing the Citrus Co Hospital Trustee Board, addressed Council and provided details and the scope of the pending transaction and transition of Citrus Memorial Health Services (CMH) to Hospital Corporation of America (HCA), for the hospital asset across the street and all of the associated properties.

We are here today to move a public enterprise into a private industry, who we felt could more efficiently and effectively be health care providers. HCA will be the largest taxpayer in the City, bringing into the city coffers “hundreds of thousands of dollars annually.

He spoke of the multiple agreements to include the Master Agreement, which requires that Hospital, at its current location, must remain an Acute Care Hospital for 15 years, and spoke to the required services that will remain, ie; Ob/Gyn (7 years only), and the services currently being offered.

We are receiving \$140 million for the lease of the facility to HCA, for a term of 50 years, with an option to extend. His opinion is that he believes in the 9th or 10th year, they have the right to do a purchase option on the 40 acre parcel off Hwy 491, and believes they are going to move an acute care hospital or construct one in that location. He stated that this could significantly reduce the tax income to Inverness and needed to be aware of this for long range planning. It's important to understand that it's my opinion they will not be here on the 16th year, and he could be wrong, but the City needs to plan otherwise.

Mr. Grant advised that \$8 million has been put aside to be sure the building is taken care of (asset protection). The name of hospital will remain the same name with the addition of HCA, being either Citrus Memorial Hospital/HCA or HCA/Citrus Memorial Hospital. He spoke to the Citizens Advisory Board, and highly recommends that the COI gets with Peter A. Marmorstein, President of HCA West Florida, about having a member of the City on this board, which is defined in the Master Agreement. The Advisory Board will get first hand knowledge and will be helpful to the City.

He spoke to property evaluation in the Master Agreement, which calls for \$45 million for capital improvement to the building, which is also defined as new construction and must be spent within 9 years.

The Auditor of the Foundation is the Clerk of Court, which has 12 members (COI, COCR, Citrus Co. Hospital Bd., Board of County Commission, Chief of the Medical Staff, of Seven Rivers and Citrus Memorial Hospitals, Health Dept., College Provost, Florida Well Care Alliance, and the Citrus Co. Medical Society), have no elections and are all designated. There are six rotating positions beginning with the COI being the Chairman and CR will choose a V. Chairman. The only election would be the COI choosing which elected official will be the Chairman. The bylaws can only be changed with the consent of the Hospital Board.

He spoke to the finances and how only 80% of the generated interest will be spent, and never the principal, and he additionally spoke to how the money flows.

He clarified the Highpoints:

- The Foundation has dissolved
- CCHB Tax has been permanently removed.
- Statutorily gave ourselves one tax year left and the board stated they didn't need it and placed -0- millage and there will no longer be a hospital tax of any kind in this county.
- Assets – both the building and the cash are long term protected - \$45 million dollar community charitable foundation
- We have one of the best partners which is HCA, which is the largest healthcare provider in the world.

Mayor Plaisted questioned if the 40 acre parcel was already purchased. Grant advised that it is currently being leased with option to purchase. If they execute their options, they must build and complete an acute care facility within 7 years, or it reverts back to the Hospital Board.

Councilman Ryan questioned that the \$45 million was included in the capital improvement which included new construction? Grant – in addition to the \$140 million they must pay another \$45 million to an aggregate of \$185 million which was not specific to the Inverness site.

Councilwoman Hepfer noted her concern with the possibility of them moving from Inverness to Lecanto.

Councilwoman Bega questioned if they have not optioned to buy any of the surrounding properties the Hospital currently owns in the downtown and Mr. Grant stated that was correct and this was a lease.

Councilman McBride questioned what the city could do to convince the hospital to remain here, and they may use as a satellite facility, etc. Mr. Grant suggested that the

City be very proactive and engage on the Advisory Board and HCA once the deal is closed and make them feel that they cannot leave Inverness.

President Hinkle questioned Indigent care and confirmed that per State Statute they are required as a Hospital, taking Federal & State money, to provide a level of care.

There was conversation regarding what practices were staying or no longer with the hospital. Mr. Grant advised that Peter A. Marmerstein, President of HCA West Florida, will come before City Council if they were to invite him.

Mr. Grant wanted to clarify that he sufficiently explained the three Escrow Accounts - \$38.7 Indemnity Escrow; Proceeds Escrow and a Subsequent proceeds escrow, and how no money will go to the charitable foundation, with the exception of the interest from those three escrows until the end of the third year.

Council President thanked Mr. Grant for his presentation regarding one of the biggest assets of our community.

6) b) MPO – Long Range Transportation Plan – Dennis Dix, Planning Staff Coordinator for the Hernando/Citrus Metropolitan Planning Organization was present to inform and discuss the Transportation Long-Range Plan. He stated that they are in the process of developing a two county long range transportation plan. On October 24th the MPO will get their first view of the draft Long range transportation plan and will obtain 30 days of public input and adopting December 9th, 2014. He will go to each jurisdiction in Citrus County and bring to you where we are and engaged in the process. He commented on how Councilman McBride is doing excellent job of representing Inverness, on the MPO. He spoke to a needs plan and the modeling process is from FDOT District 7, and in the next few weeks we will find out what we can afford. The road widening of U.S. 41 north of State Road 44 (to Arlington St) is a highly prioritized project and will stay in the program. However, he wished there was enough funding to go north to St. Road 200, but don't see the revenue yet, however there is pressure from Marion County who have in their draft plan to continue the widening of Hwy 200 to the River. The bridge at the River is the responsibility of Citrus County.

MAYOR'S LOCAL ACHIEVEMENT AWARDS

Mayor Plaisted presented City Manager Frank DiGiovanni with the ICMA 40-year award for 40 years in government. The Mayor complimented him for all the years of working with our City government and his leadership.

City Manager DiGiovanni stated it is a team that works together. The support of the elected officials and the staff putting the interest of the community first makes things happen.

CITY ATTORNEY'S REPORT

None

CONSENT AGENDA

Councilwoman Bega motioned to accept the Consent Agenda with the addition of the Bill Listing. **Seconded by Councilwoman Hepfer. The motion carried.**

a) Bill Listing*

- Recommendation – Approval

- b) Council Minutes – 09/16/14; 09/18/14PH; 09/18/14SP*
 - Recommendation – Approval
- c) Proclamations:
 - “National American Indian Heritage Month”
 - “Red Ribbon Week”
 - “The 43rd Festival of the Arts”
 - Recommendation – Approval

CITY MANAGER’S REPORT

10) a) WRPC – Agreement Renewal 10/01/04 – 9/30/14 - City Manager DiGiovanni presented to Council the annual agreement with the Withlacoochee Regional Planning Council (WRPC), which we have had with them for many years. The WRPC provides planning services that may be affiliated with any project or purpose the city may choose. The WRPC has administered state mandated updates for the Comprehensive Plan, and has a solid base of information to assist us to meet other state mandates for planning purposes. The enclosed agreement has a term of one year.

Council President Hinkle noted he is a member of the organization and mentioned all the services they do and what a great organization they are.

Councilwoman Hepfer motioned to accept the agreement with the WRPC and authorize the President to execute the document for a one-year term. **Seconded by Councilwoman Bega. The motion carried unanimously.**

10) b) Fund Designation – Resolution – was addressed by City Manager DiGiovanni who noted that on an annual basis, the City Council receives recommended allocations of available funds to be earmarked for specific purposes. A resolution has been created to support the recommended action for the 2014-15 Fiscal Year. The total amount of this action is \$15,735,031, and is found on Exhibit A of the presented resolution.

City Manager noted the resolution shows a fund balance for Whispering Pines Park of only \$75,000 and funds have been drawn down to a critical point. He stated the park is highly utilized with a number of buildings, ballfields, facilities, etc. and County government is not supporting the services their residents wish to receive. The City of Inverness is paying for this unilaterally and does not know if we can continue supplementing and underwriting these services to the entire side of eastern Citrus County. Staff will look at policies and protocols that are going to protect not only the operation of the park but the fiscal solvency of this community. He spoke of the nine point interlocal agreement that Council had previously adopted, and that agreement has not been adopted by the County. It takes partnership to make these things work.

Councilwoman Hepfer motioned to have the City Clerk read the Resolution by title only. **Seconded by Councilman Ryan. The motion carried.**

RESOLUTION 2014-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INVERNESS, FLORIDA ESTABLISHING FUND BALANCE RESERVE DESIGNATIONS FOR FISCAL YEAR 2015 AND PROVIDING FOR AN EFFECTIVE DATE.

Councilman McBride stated that after November 4th there may be a more refreshed attitude with our partners.

Council President Hinkle agreed with the comments the City Manager made regarding the nine point agreement. He noted the property exchange and the Whispering Pines Park issues.

Councilman Ryan motioned to approve Resolution 2014-25 by roll call vote. Seconded by Councilwoman Hepfer. Roll call vote was as follows: Councilman Ryan, yes; Councilwoman Bega, yes; Councilman McBride, yes; Councilwoman Hepfer, yes; President Hinkle, yes. The motion carried.

10)c) Architectural Aesthetic Review Committee – Reappointments – was addressed and City Manager stated that was highly recommended to reappoint the following to an additional four year term to conclude September, 2018 on the City's AARC: Tom Slaymaker, David Arthurs, and Paul Gibbs.

Councilwoman Bega motioned to reappoint the above listed members to a four year term that concludes on the last day of September, 2018. Seconded by Councilwoman Hepfer . The motion carried.

10) d) Federal Emergency Management Agency (FEMA) Map Change (verbal) was presented by City Manager DiGiovanni that no action is required, but wanted to keep Council aware of letters from Federal agencies, and FEMA regarding floodplain maps being changed, etc. Locally, we will make this information available on the city's website and in the Department of Community Development.

10) e) Withlacoochee Vo-Tech Institute – Name Change (verbal) - City Manager DiGiovanni referenced correspondence received regarding a name change to replace the word Institute with College and asks for Council support, with all being in support of the name change.

10) f) Citrus County Sheriff's Office – Fire Services/MSBU Correspondence - City Manager DiGiovanni referenced recent correspondence received from Sheriff Dawsy with regard to the proposed MSBU for delivery of fire services in this community. He spoke of upcoming elections and possible changes within Citrus County government in the near future. The County Commission is the entity to address concerns of the City with respect to taxation, MSBU and any related funding mechanism. We have recently engaged conversation with three communities with regard to fire services. He noted a recent trip to NY and conversations with volunteer fire departments in that area and information will be forwarded to him regarding building and recruiting for a volunteer program, incentives, etc. Elements of the Inverness' Fire approach have been discussed with the Senator (Dean), and all are supportive of looking for grants. Our conversation needs to be with County Government.

Comments:

Councilwoman Bega thinks it is excellent that we got the letter, with good points being made, but have come from the wrong source.

City Attorney Haag noted the second bullet point on page 1 did not make sense with regard to an MSTU. The tax that is paid now is to a special district which is the only

money appropriated involving the City of Inverness towards fire protection in Citrus County.

City Manager DiGiovanni stated there is confusion on the county's part, as they continue to refer to the 1973-74 voter initiated tax as an MSTU. It is not an MSTU.

Council President Hinkle noted the County's lack of direction has been going on for a long time, and agrees that should be addressed after the election.

City Manager DiGiovanni will communicate that Council had public discussion regarding this. The proper means must be found to make this happen.

Mayor Plaisted spoke of how the 9 point agreement presented in June was to open the door to work together with the County, and nothing has come of that.

10) g) Audit Services – Bid Recommendation was addressed and City Manager noted that competitive proposals were solicited from firms to perform auditor services to the City. He noted that we have had the same firm for 36 years. The respondents were Purvis Gray and Company - Ocala; Williams, McCranie, Wardlow and Cash - Inverness; McDirmit Davis - Orlando; and Mauldin & Jenkins – Bradenton. Each respondent is suited to provide service to Inverness, but are not equal in size, stature and dimension. Inverness has transformed from a small, quaint, simple operation to a dynamic program that is emerging to become more complex with an expanded CRA. The recommended course of action was generated by staff level appointed committee. The preferred firm to award the 3-year bid is Purvis & Grey. A quick comparison shows them to be the highest cost firm. The second ranked firm to consider is McDirmit & Davis, a good firm that can deliver audit services at a highly qualified, competent level. Consideration must be given to the level of service, and depth of audit services that will be demanded to keep operations well above board through the next three years.

Council President Hinkle questioned if it is good to have an unqualified audit everytime, which means you are in good standing. City Manager asked **Finance Director Chiodo** if she had the comfort level of having a duly unqualified audit every time? She felt there could have been comments made on the management side that should have been commented on, but we met the legalities as required. City Manager stated the systems in place have to be stress tested at a much more diligent level.

Councilwoman Hepfer commented on how we usually concentrate on local firms and are now going out of town and more expense. City Manager noted that Council sets the policy and the responsibility as City Manager is to make the presentation and provide background information as to why the presentation is the way it is. He spoke of other projects that required going out of town, not locally. **Councilman Ryan** questioned the recommended auditors and their performance and capabilities. **City Manager DiGiovanni** stated it to be done with due diligence by reviewing the client base on the firm's performance in other areas. **Mayor Plaisted** stated since Williams, McCranie has handled the City's account for so many years, perhaps this requires a conversation with them. **City Manager** stated they have had conversations with them. The CAFR report recommends changes and we haven't done that. **Councilwoman Bega** questioned the differences in the two highest ranked firms. **City Manager DiGiovanni** noted staff recommendation being presented is that if we were not moving and changing dynamics, expanded CRA, etc., he would not be making this recommendation. You are here to find what the balance should be. **Mayor Plaisted** surmised we are getting 3 years of auditing

from Purvis and Grey, where for that same amount we would get four years with Williams, McCranie. **City Manager** knows they are good firm, but change and depth of knowledge have changed greatly. **Councilman McBride** stated what we don't have is how each company was evaluated, and asked for that information. **Finance Director Chiodo** provided that information. **Councilman McBride** read aloud the ranking scores of each company.

Councilmembers spoke to complexities of auditing a City, ranking of the firms, and recommendations regarding the auditor presentations.

Councilman McBride motioned to award the Auditor Services bid to McDermit & Davis and authorize the City to enter negotiations with that firm to structure a 3 year working agreement. Seconded by Councilwoman Bega. The motion carried unanimously.

10) h) Parking Ordinance (1st Reading) was presented by City Manager DiGiovanni stating the ordinance is structured to maintain decorum and the functionality of the downtown area and beyond. He reminded everyone that parking in the downtown area is at no cost. Keeping parking free is an attempt to blend the interests of diversity to keep the downtown and those areas of high need functional. He spoke of different zones regarding parking in the downtown area. This ordinance has been structured to have flexibility for accommodation if the need is determined.

This is also an attempt to be responsive to what the conditions of the City of Inverness in the historic downtown area are.

Council President Hinkle called for five-minute recess and noted the parking ordinance has been discussed by the Council previously.

Councilwoman Bega referenced paragraph 17 stating no one vehicle can be parked in the same place for more than 72 hours consecutively, without being moved for 12 hours. City Manager stated parking cannot be personalized, it needs to be communal. This is public parking that needs to be available to the public and this ordinance is designed to manage public resources and not for individuals.

Councilman Ryan has gotten positive and negative comments. Clarification is needed with regard to zones and 2 hour parking, and moving the vehicle between spaces. Councilman spoke to concerns involving the parking enforcement specialists.

Councilwoman Hepfer remembered parking meters in the downtown when she was a child, and noted that the topic of meters might need to be revisited.

Mayor Plaisted spoke to specific situations regarding certain businesses and parking.

Councilman McBride spoke of the complexities of the ordinance and a great deal of discretion given to City Manager. There are things that can be done to maintain the ordinance to get the discretion to the City Manager when there is a special circumstance.

City Manager noted this is the first reading of the ordinance and a public hearing will follow. City Attorney Haag has a couple of changes to be addressed.

City Attorney Haag questioned Section 21.12 regarding the definition of a commercial vehicle and the weight should be raised to possibly 8,000 pounds. Section 21.13, subparagraph 6 that states may/shall and should read "shall", regarding the City Manager's authority for discretion. He was concerned with Section 21.19 dealing with parking of vehicles for sale, and how this would affect attorneys handling probates, etc. Another

concern was subparagraph 4 of that same section regarding advertisements being displayed on vehicles, with City Manager attempting to clarify the wording.

Consensus was to table this issue and bring back in the first meeting of November.

City Manager DiGiovanni additionally reported on the following:

- Advised of correspondence sent to Citrus County regarding the land swap between the City and County, and told them that was only one item in the nine point agreement. Once that agreement is executed this issue will be addressed.
- This week we received a donation of \$4,282.24 restricted to Whispering Pines Park from the US Families Foundation for the betterment of the park.
- Received a reimbursement check for surplus disposal of equipment in which we received a check in the amount of \$36,363.49.
- He was awaiting information from New York regarding Volunteer Fire Services. He noted that the option of the Tri-City cooperative approach is being embraced by all three entities.

COUNCIL/MAYOR SUBJECTS

Councilwoman Bega stated Bill Grant was interesting and that the city has one position on the charitable trust foundation and opportunity to be on the advisory council.

Councilman Ryan noted he has been on dais for one year and thanked all for the mentoring.

Councilman McBride stated this was a very good meeting and now until the end of the year Inverness will be hopping.

Council President Hinkle spoke to the information Bill Grant provided regarding the hospital, etc. It is about the betterment of the city.

CITIZENS NOT ON AGENDA

George Gouldbourn, Hunting Lodge Dr., Inverness referenced the parking ordinance with regards to his double-decker bus.

Karen Esty provided an update of the recent CAC meeting and the long range transportation plans, and spoke to various concerns.

John Holloway questioned the 2-hour parking enforcement in the City parking lot.

The meeting adjourned at 8:45pm.

City Clerk

Council President