

**REGULAR MEETING OF THE CITY COMMISSION
MARCH 26, 2018**

The meeting of the Winter Park City Commission was called to order by Mayor Steve Leary, at 3:30 p.m. in the Commission Chambers, 401 Park Avenue South, Winter Park, Florida. The invocation was provided by Father Richard Walsh, St. Margaret Mary Catholic Church, followed by the Pledge of Allegiance.

Members present:

Mayor Steve Leary
Commissioner Pete Weldon
Commissioner Greg Seidel
Commissioner Sarah Sprinkel
Commissioner Carolyn Cooper

Also Present:

City Manager Randy Knight
City Clerk Cynthia Bonham
City Attorney Kurt Ardaman

Oath of Office

William Leary (Mayor Leary's son) provided the oath of office to re-elected Mayor Steve Leary. Mayor Leary thanked his family and the commission for the support and respect for one another.

Approval of agenda

City Manager Knight announced the pulling of public hearings 'g', 'h' and 'i' from the agenda to be held on April 9. Commissioner Cooper asked to reverse the order of public hearings 'e' and 'f'. There was no consensus.

Motion made by Commissioner Sprinkel to approve the agenda; seconded by Commissioner Weldon and carried with a 4-1 vote with Commissioner Cooper voting no.

Mayor's Report

a. Presentation: 2017 Bicycle Friendly Community of the Year Award

Butch Margraf introduced Becky Alfonso, Executive Director, Florida Bicycle Association, who presented the Mayor with the 2017 Bicycle Friendly Community of the Year Award.

City Manager's Report

Commissioner Cooper asked about the process regarding the Fairbanks Avenue transmission where the City is working with DOT to acquire additional funding. City Manager Knight stated they have been working with the lobbyist and DOT to try to find additional funding because of the time that has elapsed and the cost increasing. We have a verbal commitment and hope to bring back something soon that formalizes the agreement.

City Attorney's Report

No report.

Non-Action Items

No items.

Consent Agenda

- a. Approve the following solicitation awards: **PULLED FROM CONSENT AGENDA FOR DISCUSSION BY MAYOR LEARY. SEE BELOW.**

1. Comp-Air Service Co. - IFB-9-2018 - Nitrogen Boost Compressed Air System & Services; \$99,549
2. Professional Services Industries, Inc. - RFQ-10-2018 - Continuing Contract for Professional Geotechnical & Environmental Consulting Services; As-needed basis
3. Terracon Consultants, Inc. - RFQ-10-2018 - Continuing Contract for Professional Geotechnical & Environmental Consulting Services; As-needed basis
4. Universal Engineering Sciences, Inc. - RFQ-10-2018 - Continuing Contract for Professional Geotechnical & Environmental Consulting Services; As-needed basis

Commissioner Seidel announced a conflict of interest on items 2-4 and did not vote on these items.

- b. Approve the following purchase and authorize the execution of a purchase order:
1. USA Services, Inc. - FY18 mechanical street sweeping services utilizing piggyback agreement of City of Daytona Beach contract #13-159; \$206,000
- c. Approve the following contracts and authorize the Mayor to execute:
1. Associated Consulting International, Inc. - Amendment No. 1 (first renewal) of RFQ-3-2017 - Continuing Contract for Architectural Services; As-needed basis
 2. Le-Huu Partners - Amendment No. 1 (first renewal) of RFQ-3-2017 - Continuing Contract for Architectural Services; As-needed basis
 3. Zyscovich, Inc. - Amendment No. 1 (first renewal) of RFQ-3-2017 - Continuing Contract for Architectural Services; As-needed basis
 4. Singhofen & Associates, Inc. - Amendment No. 1 (first renewal) of RFQ-4-2017 - Continuing Contract for Stormwater Design & Management Services; As-needed basis
 5. Geosyntec Consultants - Amendment No. 1 (first renewal) of RFQ-4-2017 - Continuing Contract for Stormwater Design & Management Services; As-needed basis

6. CPH, Inc. - Amendment No. 1 (first renewal) of RFQ-5-2017 - Continuing Contract for General Civil & Public Facility Engineering Services; As-needed basis
7. Comprehensive Engineering Services, Inc. - Amendment No. 1 (first renewal) of RFQ-6-2017 - Continuing Contract for Transportation Planning & Engineering Services; As-needed basis
8. Kimley-Horn & Associates, Inc. - Amendment No. 1 (first renewal) of RFQ-6-2017 - Continuing Contract for Transportation Planning & Engineering Services; As-needed basis
9. Interlocal Agreement for Maintenance of Cady Way Bike Trail - Second Approval of Continuation

Commissioner Seidel announced a conflict of interest on items 4-8 and did not vote on these items.

- d. Approve the minutes of March 12, 2018. **PULLED BY COMMISSIONER COOPER FOR DISCUSSION.**

Motion made by Commissioner Sprinkel to approve Consent Agenda items 'b', c-1, c-2, c-3 and c-9; seconded by Commissioner Seidel. There were no public comments. **The motion carried unanimously with a 5-0 vote.**

Consent Agenda Item 'a'

Motion made by Mayor Leary to use the top two finishers Terracon Consultants and Universal Engineering Sciences, Inc. (because of not having enough business for two groups and did not understand why a third business would be added). Motion failed for a lack of a second. Public Works Director Attaway explained the scores of all three were very close which is why they went with three businesses.

Motion made by Mayor Leary to approve Consent Agenda 'a' 1; seconded by Commissioner Sprinkel and carried unanimously with a 5-0 vote. There were no public comments made.

Motion made by Commissioner Sprinkel to approve Consent Agenda items 'a' 2-4; seconded by Commissioner Cooper and carried with a 4-0 vote with Commissioner Seidel abstaining from voting because of a conflict. Form 8B is attached.

Consent Agenda Item 'c'

Motion made by Commissioner Cooper to approve Consent Agenda items 'c' 4-8; seconded by Commissioner Sprinkel and carried with a 4-0 vote with Commissioner Seidel abstaining from voting because of a conflict. There were no public comments made.

Consent Agenda item 'd'

Commissioner Cooper asked to add the summary provided by Police Chief Deal under the City Manager's Report because she believed the data he provided was important regarding the Orange Avenue intersection. There was no consensus to change the minutes.

Motion made by Commissioner Sprinkel to approve Consent Agenda item 'd', Minutes; seconded by Commissioner Weldon. There were no public comments. **Motion carried with a 4-1 vote with Commissioner Cooper voting no.**

Action Items Requiring Discussion

a. Discuss naming of Library and Events Center Campus

Tom McMacken, representing the Library Task Force, addressed the task force being tasked with developing a name/brand for the new facility and their meetings held where this was discussed. He spoke about the campus wide theme they carried though during all the task force discussions and that the recommendation came with a unanimous vote of the task force.

Mark Calvert, 161 Burks Circle, Winter Park and an owner of the Evolve Design Group summarized the process and the branding name they had a unanimous recommendation on. He presented the branding exercise where they developed a campus name that embraces the people, place, past and future of Winter Park and concluded that the decision of the Library Board was in favor of "Canopy".

The next steps after approval is to develop a style guide that will include color pallets, fonts, treatments, etc. and then the City will retain all electronic files for their own individual execution.

After questions, there was a consensus to put this on the next agenda for further discussion and to allow time to digest what was presented this evening.

Public Hearings:

- a. AN ORDINANCE OF THE CITY OF WINTER PARK, FLORIDA AMENDING CHAPTER 58, "LAND DEVELOPMENT CODE", ARTICLE I "COMPREHENSIVE PLAN" FUTURE LAND USE MAP SO AS TO ESTABLISH COMMERCIAL FUTURE LAND USE ON THE ANNEXED PROPERTY AT 1562 WEST FAIRBANKS AVENUE AND TO INDICATE THE ANNEXATION ON THE OTHER MAPS WITHIN THE COMPREHENSIVE PLAN, MORE PARTICULARLY DESCRIBED HEREIN. First Reading
- b. AN ORDINANCE OF THE CITY OF WINTER PARK, FLORIDA AMENDING CHAPTER 58, "LAND DEVELOPMENT CODE", ARTICLE III, "ZONING" AND THE

OFFICIAL ZONING MAP SO AS TO ESTABLISH COMMERCIAL (C-3) ZONING
ON THE ANNEXED PROPERTY AT 1562 W. FAIRBANKS AVENUE, MORE
PARTICULARLY DESCRIBED HEREIN First Reading

Public hearings 'a' and 'b' were presented simultaneously. Attorney Ardaman read both ordinances by title. Senior Planner Allison McGillis explained the two ordinances and staff's recommendation for approval.

Motion made by Commissioner Sprinkel to accept the comprehensive plan ordinance on first reading; seconded by Commissioner Weldon. There were no public comments. **Upon a roll call vote, Mayor Leary and Commissioners Seidel, Sprinkel, Cooper and Weldon voted yes. The motion carried unanimously with a 5-0 vote.**

Motion made by Commissioner Sprinkel to accept the zoning ordinance on first reading; seconded by Commissioner Weldon. There were no public comments. **Upon a roll call vote, Mayor Leary and Commissioners Seidel, Sprinkel, Cooper and Weldon voted yes. The motion carried unanimously with a 5-0 vote.**

- c. Conditional Use approval for a Class III (4COP) liquor license in conjunction with the proposed Irish 31 restaurant with 130 seats at 510 S. Park Avenue, within 1,000 feet of Rollins College

Senior Planner Allison McGillis provided a summary of the request.

Motion made by Commissioner Sprinkel to approve the conditional use request, seconded by Commissioner Weldon.

After questions of Commissioner Cooper, Ms. McGillis explained the other restaurants on Park Avenue with a full liquor license. Commissioner Cooper spoke about her preference to give the applicant a more restrictive license and to make an exception to the number of seats. Attorney Ardaman commented that the conditional use is tied to the land, not to the applicant. Ms. McGillis addressed the various types of liquor licenses that prompted further discussion.

Attorney Frank Hamner, representing the applicant, spoke in favor of the approval.

Commissioner Seidel expressed concerns with parking because of the increase in restaurants on Park Avenue. City Manager Knight commented that converting retail space to fine dining on Park Avenue can happen under the existing code. He stated that is a valid policy decision and discussion to have if the Commission wants to see additional retail space convert to fine dining. Ms. McGillis stated they are reviewing this.

There were no public comments made.

Motion amended by Commissioner Cooper that staff works on language to make sure this conditional use stays with the tenant and not the property. Motion failed for lack of a second.

Upon a roll call vote, Mayor Leary and Commissioners Seidel, Sprinkel, and Weldon voted yes. Commissioner Cooper voted no. The motion carried with a 4-1 vote.

Public comments – items not on agenda

Mary Randall, 1000 S. Kentucky Avenue, spoke in opposition to the proposed townhouse project on Aloma Avenue that will be on the next agenda.

Sally Flynn, 1400 Highland Road, spoke about Ms. Lurline Fletcher who had a big heart who passed away and her involvement with Commission meetings.

Kim Allen, 1800 W. Fawsett Road, spoke in opposition to the naming of the library and events center being proposed (Canopy).

Recess

A recess was taken from 5:12 – 5:31 p.m.

- d. Request of Z Properties Inc. for subdivision or lot split approval to divide the property at 566 Sylvan Drive, combined with ten (10) feet from the 1570 Bryan Avenue property to form two single-family building lots.

Senior Planner Allison presented the request to divide the property into two single lots that compared favorably to the majority of the neighborhood. She addressed staff's conditions that the homes be varying architecture as presented.

Motion made by Commissioner Cooper to approve the request; seconded by Commissioner Seidel.

John Skolfield, 118 W. Comstock Drive, spoke in favor of the request.

Jame Hunter Denney, 440 Sylvan Drive, asked for information on the lot split and setbacks required because of concerns that the existing canopy will disappear. Staff will answer the questions for Mr. Denney.

Beth Hall, 516 Sylvan Drive, asked if the specimen trees on the corner will be lost and hoped they could be protected. Ms. McGillis provided information regarding the setbacks but as of this time did not have the tree plans.

Motion withdrawn by Commissioner Cooper.

Motion made by Commissioner Sprinkel to approve the lot split; seconded by Commissioner Weldon. It was clarified that only the lot split request was before them and they are not approving the landscape plan or layout. **Upon a roll call vote, Mayor Leary and Commissioners Seidel, Sprinkel, Cooper and Weldon voted yes. The motion carried unanimously with a 5-0 vote.**

- e. Request of Verax Investments, Inc. for Conditional Use approval to construct a new two-story, 20,000 square foot medical and general office building on the property at 1111 W. Fairbanks Avenue, zoned C-3.

Planning Director Dori Stone presented the conditional use application. This is the property the City has under contract with Verax Investments, Inc. based on the Notice of Disposal from last year. She stated the City held back the first 20' of Fairbanks Avenue and 10' on Harper Street that is not part of the contract amount. Ms. Stone stated the applicant submitted two different plans for consideration: the north/south configuration and the east/west configuration and showed both configurations. She stated the applicant and the Planning and Zoning Board prefers the east/west orientation. Commissioner Seidel spoke about parking spaces at the site and if the City can build more spaces at the property.

Motion made by Commissioner Sprinkel to approve the conditional use with the east/west orientation and to remove the condition of 25 parking spaces and for staff to negotiate that with the applicant; seconded by Commissioner Weldon.

Commissioner Cooper expressed her preference to put landscape islands on the parking lot between Harper Street and the building to soften the view of the parking lot if using the east/west orientation. She spoke about wanting to receive a public benefit from selling this property and if the parking lot has 104 spaces and we will only be able to use 25 spaces she would rather not have that use there because it needs to be exceptional architecture or derive some large public benefit as the City is giving up property she believes has great public use.

Attorney Anna Long, representing the applicant, spoke in favor of the approval with the east/west orientation. She stated the applicant is amenable and obligated to working on the parking agreement that is a condition of approval.

There were no public comments made.

Motion amended by Commissioner Cooper that the shared parking arrangement be for all available parking spaces during non-business hours and be of no cost to the City. Mayor Leary stated he wants staff to negotiate that and not make it a condition of approval. **Motion failed for lack of a second.**

Upon a roll call vote, Mayor Leary and Commissioners Seidel, Sprinkel, and Weldon voted yes. Commissioner Cooper voted no. The motion carried with a 4-1 vote.

- f. ORDINANCE NO. 3106-18: AN ORDINANCE OF THE CITY OF WINTER PARK, FLORIDA, AUTHORIZING THE SALE AND CONVEYANCE OF THE CITY OWNED PROPERTY LOCATED AT 1111 WEST FAIRBANKS AVENUE PURSUANT TO THE SALES PROCESS APPROVED BY THE CITY COMMISSION; PROVIDING FOR CONFLICTS AND AN EFFECTIVE DATE Second Reading

Attorney Ardaman read the ordinance by title.

Motion made by Commissioner Sprinkel to adopt the ordinance; seconded by Commissioner Weldon.

Commissioner Cooper opposed selling the property and provided the following: the CRA plan for years contemplated to the east of this being purchased with CRA funds for the expansion of MLK, Jr. Park and even though this property was not included in that list it meets the intent and wanted to see this happen. She also spoke about the lake being at maximum capacity for drainage and the unknown with the library and its need for drainage and also what will happen with the parking. She also believed this is consistent with increasing greenspace and that it provides a great view from Fairbanks Avenue onto our new library and park. She provided her vision of the future that the ballfield and laundry mat will not be there and will then be looking at trees and their new library. She concluded that she does not want to sell the property until the design of the library and ability to procure more property is better known.

Commissioners Seidel expressed support for selling the property because of the original intent to put in turn lanes and that we used money from reserves to purchase the property that needs to be returned to the reserves.

Commissioner Weldon expressed support for selling the property. He read an email he sent to the Parks Board regarding the bowling alley property being sold and that the \$3 million should be put back into the reserves and to improve other parks.

Motion amended by Commissioner Seidel that we take half of the surplus from the original purchase price and put that in our Parks Acquisitions Fund and the other half the Commission determine the best use for those funds; seconded by Commissioner Cooper.

The following opposed the ordinance and selling the property:

Beth Hall, 516 Sylvan Drive
Charley Williams, 757 Antonette
Sally Flynn, 1400 Highland Road
Kim Allen, 1800 W. Fawsett Road

Upon a roll call vote on the amendment, Commissioners Seidel and Cooper voted yes. Mayor Leary and Commissioners Sprinkel and Weldon voted no. The motion failed with a 3-2 vote.

Upon a roll call vote on the original motion, Commissioners Seidel, Sprinkel, Weldon and Mayor Leary voted yes. Commissioner Cooper voted no. The motion carried with a 4-1 vote.

The following public hearings were postponed until April 9.

- g. AN ORDINANCE OF THE CITY OF WINTER PARK, FLORIDA AMENDING CHAPTER 58, "LAND DEVELOPMENT CODE", ARTICLE I "COMPREHENSIVE PLAN" FUTURE LAND USE MAP SO AS TO CHANGE THE AN OFFICE FUTURE LAND USE DESIGNATION TO A MEDIUM DENSITY RESIDENTIAL FUTURE LAND USE DESIGNATION ON THE PROPERTY AT 1835 ALOMA AVENUE, MORE PARTICULARLY DESCRIBED HEREIN PROVIDING FOR CONFLICTS, SEVERABILITY AND AN EFFECTIVE DATE First Reading
- h. AN ORDINANCE AMENDING CHAPTER 58 "LAND DEVELOPMENT CODE" ARTICLE III, "ZONING" AND THE OFFICIAL ZONING MAP SO AS TO CHANGE FROM OFFICE (O-2) DISTRICT ZONING TO MEDIUM DENSITY MULTIPLE-FAMILY RESIDENTIAL (R-3) DISTRICT ZONING ON THE PROPERTY AT 1835 ALOMA AVENUE AND FROM SINGLE FAMILY (R-1A) DISTRICT ZONING TO PLANNED UNIT RESIDENTIAL (PURD) DISTRICT ZONING ON THE PROPERTIES AT 1791, 1801, 1811 AND 1821 ALOMA AVENUE, MORE PARTICULARLY DESCRIBED HEREIN, PROVIDING FOR CONFLICTS, SEVERABILITY AND AN EFFECTIVE DATE First Reading
- i. Request of Ansaka, LLC for preliminary and comprehensive development plan and subdivision approval for a planned unit residential development of eighteen (18) two-story, fee-simple, townhouses to be developed collectively on the properties located at 1791, 1801, 1811, 1821 and 1835 Aloma Avenue

City Commission Reports:

Commissioner Seidel – Spoke about gun laws and commended the kids that marched in Washington to stand up for gun safety.

Commissioner Sprinkel – Expressed concerns about communication between other Commissioners because of receiving emails from others explaining how other Commissioners think about things. She said she did not want to receive emails from anyone about what a Commissioner thinks about something. She only wants to hear from others when they are sitting in public.

Commissioner Cooper – Spoke about the VoTech Request for Proposal and the new mixed use zoning codes that she wanted the City to get into place. Mayor Leary

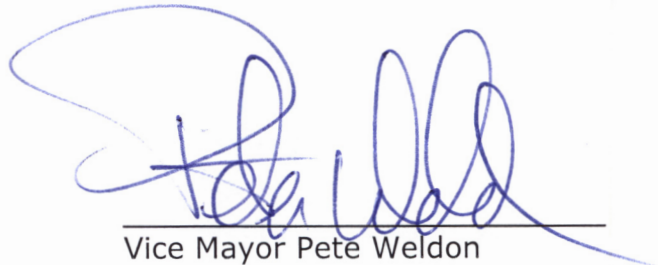
suggested that OCPS reach out to the City to discuss this before moving forward. Commissioner Cooper believed the City should be involved in the conversations between the School Board and the private developer. Mayor Leary commented the City will get involved when and if it comes before them.

Commissioner Weldon – Provided a response that he sent to the Utilities Advisory Board and staff (attached to minutes) regarding electric rates. Commissioner Weldon spoke about his conversation with City Manager Knight and hoped the Commission would give direction to staff of what they want to see in the budget process. He wanted to ask the City Manager and staff to strive towards an objective of doing more with less. Commissioner Seidel addressed the additional \$25,000 homestead exemption next year and wanted a plan to decrease our tax rate to offset that.

Commissioner Weldon expressed concerns with Commissioner Cooper sending out emails to residents promoting her opinions prior to a meeting whereby the remainder of the Commission cannot respond without risking a violation of the Sunshine Law. It was expressed that this puts the remainder of the Commission at a disadvantage and the opinion of the City Attorney has always been it is something the Commissioners can do although it is advised against it. Mayor Leary suggested informing the residents after meetings what was decided and her perspective.

Mayor Leary – No report.

The meeting adjourned at 7:00 p.m.



Vice Mayor Pete Weldon

ATTEST:



City Clerk Cynthia S. Bonham, MMC

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

| | | | |
|---|-------------------------|--|--|
| LAST NAME—FIRST NAME—MIDDLE NAME SEIDEL GREGORY STEPHEN | | NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE CITY OF WINTER PARK CITY COMMISSION | |
| MAILING ADDRESS 1250 RICHMOND RD | | THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF: | |
| CITY WINTER PARK | COUNTY ORANGE | <input checked="" type="checkbox"/> CITY <input type="checkbox"/> COUNTY <input type="checkbox"/> OTHER LOCAL AGENCY | |
| DATE ON WHICH VOTE OCCURRED | | NAME OF POLITICAL SUBDIVISION: WINTER PARK | |
| | | MY POSITION IS: <input checked="" type="checkbox"/> ELECTIVE <input type="checkbox"/> APPOINTIVE | |

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which inures to his or her special private gain or loss. Each elected or appointed local officer also is prohibited from knowingly voting on a measure which inures to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent organization or subsidiary of a corporate principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

* * * * *

ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

* * * * *

APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you otherwise may participate in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on other side)

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, GREGORY S. SEIDER, hereby disclose that on 3/26/18, 20 :

(a) A measure came or will come before my agency which (check one)

- ☒ inured to my special private gain or loss;
- ☐ inured to the special gain or loss of my business associate, _____;
- ☐ inured to the special gain or loss of my relative, _____;
- ☐ inured to the special gain or loss of _____, by
whom I am retained; or
- ☐ inured to the special gain or loss of _____, which
is the parent organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

10a 2.3.+4.

10c 4.5.6.7.+8.

3/26/18
Date Filed

[Signature]
Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.



CITY OF WINTER PARK

401 South Park Avenue

Winter Park, Florida

32789-4386

OFFICE OF THE
CITY COMMISSION

P 407.599.3234

F 407.599.3436

March 26, 2018

TO: Utility Advisory Board Members

Copies to: City Commission, Randy Knight, Dan D'Alessandro

FR: Pete Weldon

Subject: Electric Rate Options

I want to thank Richard James and all members of the Utility Advisory Board for their service to Winter Park and for the March 20, 2018 response to my January 22, 2018 memo regarding electric rates. I attach both documents.

My memo was intended to expand discussion of our options, not to recommend an immediate change in our electric rate structure. Delays in obtaining consulting engineering resources needed to plan undergrounding efforts may limit our current ability to accelerate the program in any event.

But, the discussion I believe is important in the effort of our entire community to think through and prioritize funding of the remaining undergrounding tasks.

Commissioner Seidel has been asking to accelerate the plan and city staff prepared a "what if" analysis based on borrowing \$31 million now that would provide funding to double the current annual undergrounding budget, thereby potentially cutting completion time in half. I share Greg's desire to accelerate undergrounding if we can do so wisely. I do not support borrowing funds for this purpose. My written response to Greg on the borrowing issue is attached.

Borrowing money to further accelerate undergrounding can keep rates constant but only at the cost of millions of dollars of interest costs that would be otherwise be available for rate reductions and/or other civic investments after undergrounding is complete.

My summary of Richard's memo to me is that the utility board recommends caution given potential political reaction to rate increases. This is always a given, but I believe there is substance in facing the alternatives together with all Winter Park residents and rate payers.

Assuming resources are always available, the pace of undergrounding is purely a timing issue as the total accumulated cost of undergrounding does not materially change as a function of time. That is, from an electric customers standpoint, I am going to pay the same amount toward undergrounding whether I pay it over 5 years or 10 years.

When undergrounding is complete, the city will have to decide what to do with the surpluses that will result assuming constant rates, applying such surpluses to rate reductions and/or other civic investment at that time. The sooner that time comes the better given typical uncertainty as to energy costs and other factors. So, to me, the issue is not political. The issue is how we make best use of our investment in the electric distribution system to get the best return for all residents in the shortest period given operational and business risks.

One aspect of our return from undergrounding is improved reliability in storm conditions. Hurricane Irma this past fall clearly demonstrated this benefit as only one outage resulted from an underground system failure. All other outages related to overhead line issues. If the cost to complete undergrounding is roughly the same whether completed in five or ten years, why wouldn't we then strive to complete the project as short a time as is practical? Wouldn't any reasoned resident or rate payer agree with this conclusion?

The political issue, as far as it exists, is really to address what we will do with rates once the undergrounding program is complete. The answer to this question cannot be the subject of a commitment by the current city commission, but I argue that getting to this point sooner rather than later is in our best interest as residents and rate payers.

Regarding the "Objectives for Electric Pricing" in Richard's memo, the only commitment made when we acquired the electric distribution system was that the city would keep rates at or below those of the incumbent provider for the first five years of ownership.

Please consider this explanation of our rate structure: *The city will maintain rates at or below those of the incumbent provider as originally committed when acquiring the distribution system. Every penny of surplus above that needed to operate and maintain the system will be spent to complete the undergrounding program. When the undergrounding program is complete, residents, as owners of the system, will debate and decide among opportunities to reduce rates, increase electric fund reserves, and/or invest in new programs generally benefiting all constituencies.*

I continue to see our ownership of the Winter Park electric distribution system as a significant opportunity for all those who choose to live here. I trust that residents and future elected officials will make wise decisions regarding electric rates and the use of any surpluses when the undergrounding program is complete. While there are practical aspects that may limit our ability to accelerate undergrounding, I see

no reason to limit our horizons for fear of a political reaction and every reason to explain the possibilities to our residents and to move to complete the undergrounding program as expeditiously as possible with the benefit of their informed input.

In conclusion, I welcome the utility board's consideration of this alternative view and encourage the city's broad public outreach and discussion of the possibilities. Such consideration may or may not result in a decision to increase rates in the short term to accelerate undergrounding, but I hope it will change the context within which we have rate discussions throughout the community to reflect the realities and opportunities of our ownership of the electric distribution system.

Respectfully,

A handwritten signature in black ink, appearing to read "Pete Weldon", with a long horizontal flourish extending to the right.

Pete Weldon
Vice Mayor

Memorandum

To: Members of the Winter Park City Commission
Fr: Richard James, PhD, Chairman, Utilities Advisory Board
Dt: March 20, 2018

Re: Comments on a Memorandum on a Formal Electric Pricing Policy

On behalf of the members of the Utilities Advisory Board, thank you for the opportunity to provide comment on Commissioner Pete Weldon's Memorandum of January 22, 2018 to City Commissioners discussing the issue of a "formal electric pricing policy."

At our last meeting on Wednesday, February 28, the Memorandum generated substantial and lengthy discussion. The following summarizes the findings and conclusion of the Board's deliberations.

Although the City does not have a formal, written electric pricing policy, electric rates have been reviewed and increases proposed over the past several years based on a set of simple, straightforward and well-reasoned Objectives and Goals, which constitute a robust though *de facto* pricing policy. These are:

Objectives for Electric Pricing

- 1) Cover annual operating costs;
- 2) Provide sufficient working capital;
- 3) Generate \$3.5 million per year for undergrounding, and
- 4) Remain below the state's average municipal electric rate.

Goals for Electric Pricing

- a) Ensure fiscal and operational stability for the Electric Utility and the City (Objectives 1 & 2) even in a changing economic climate;
- b) Enable undergrounding to move forward in a financially responsible manner (Objective 3);
- c) Provide an easily understood and highly visible benchmark to measure effectiveness and efficiency in operations and service delivery (Objective 4), and
- d) Build and maintain Goodwill and ratepayer and voter support (Objective 4).

Members of the Utilities Advisory Board are mindful of interest in speeding undergrounding and building a larger reserve as referenced in the Memorandum. Both issues are of deep concern to our members. However, we have been advised

that generating substantial additional funding for undergrounding may not accelerate construction proportional to additional funds budgeted. The primary constraints are the time required for engineering design and the varying complexity of construction logistics for each project. The Board has recently recommended to Staff that engineering design should be accelerated as much as possible. A natural outgrowth of completing undergrounding would be the availability of the undergrounding funds to build reserves. However, to generate funds to build bandwidth would seem to require the creation of a new enterprise funding source.

Benchmarking Winter Park Electric's rates against the statewide average among municipal utilities, because of the variety in size, service areas, and number in this pool, provides an easily understood metric for evaluating the effectiveness and efficiency of Winter Park Electric's operations. Because it is simple to grasp, keeping our rates below the statewide average also enables our ratepayers to feel confident that costs are reasonable, operations are efficient and his or her rates are fair. That, in turn, strengthens Goodwill. If we raise rates to those of Duke Power, it is the Board's view that we would erode the Goodwill and trust that has been accrued.

The continued ability of the Electric Utility to meet its Objectives and Goals at rates *both* below Duke and the state average for municipal utilities is viewed by this Board as a very positive result. Especially considering this has been accomplished while advancing the plan to underground.

The utility industry is entering an unprecedented era of change in its external environment. The adoption of solar power by customers, the impact of climate change on the frequency and violence of storms, the decline in energy demand resulting from energy conservation, and rapidly changing customer expectations, are all coming into play. These have the potential for unforeseen outcomes on operating costs. To set Winter Park's electric power prices to conform to the substantially higher rates of an investor-owned utility, serving 7.2 million customers, covering a service area of 104,000 square miles and over 250,000 miles of distribution lines, could cause entrenched opposition to future rate increases among the electorate prior to the time voters' support might be crucial to the City and the utility.

Should the Commission decide that a formal, written electric pricing policy is desired, the Utility Advisory Board recommends that the current set of rate-making criteria be considered for formal adoption.

We look forward to discussing this issue further with the Commission as a whole or individual member, as desired.

Cc: Daniel D'Alessandro, Director of Winter Park Electric Utility
Members, Utilities Advisory Board

Memo to Commission Members

January 22, 2018

From: Pete Weldon

I asked to see total Winter Park electric utility revenues based on actual consumption compared to the same consumption at both OUC rates and Duke Energy rates. This analysis does not compare rates, it compares total revenue generated given the current rate structure of each utility. Thus, this analysis takes into consideration our customer mix by class of trade (residential and commercial) and by kilowatt hours consumed by customer.

The results of staff's analysis are as follows for the current year's MWh consumption forecast:

| <u>Electric Revenues*</u> | <u>Winter Park</u> | <u>OUC</u> | <u>Duke</u> | <u>Versus OUC</u> | <u>Versus Duke</u> |
|---------------------------|--------------------|--------------|--------------|-----------------------|------------------------|
| Residential Customers | \$24,995,614 | \$22,661,325 | \$27,235,510 | \$2,334,289 | (\$2,239,896) |
| Commercial Customers | \$24,365,220 | \$24,036,984 | \$26,243,635 | \$328,237 | (\$1,878,415) |
| Total Revenues | \$49,360,835 | \$46,698,309 | \$53,479,145 | \$2,662,526 | (\$4,118,311) |

* The term "electric revenue" here includes Franchise Fees, Gross Receipts Tax, Utility Tax

If we directly applied OUC rates to our customers, total residential electric revenue including taxes and fees would decline by \$2.3 million and total commercial electric revenue would decline by \$0.3 million. The total decline in electric revenue would be \$2.6 million.

If we directly applied Duke Energy rates to our customers, total residential electric revenue would increase by \$2.2 million and total commercial electric revenue would increase by \$1.9 million. The total increase in electric revenue would be \$4.1 million.

Our electric distribution utility was acquired as an investment by the citizens of Winter Park. We agreed in 2005 to take on \$50 million in investment risk expecting a return in the form of improved reliability and undergrounding of the system. The original commitment was that our rates would not exceed those of the predecessor provider, now Duke Energy.

By lowering rates below those of Duke Energy we are depriving our citizens of the full return on the investment in the electric utility they voted for.

Since acquiring the distribution system, the city has not adopted a formal electric pricing policy. I believe it prudent to consider adopting a pricing policy that adjusts our rate structure at least annually to match revenue that would be generated at the then current Duke Energy rate structure. This policy would assure electric customers their individual electric bills will continue to be equal to or less than if Duke Energy still owned the system.

Setting such a policy should generate incremental annual electric fund revenues of approximately \$3.8 million and increase other revenue (fees and taxes) by \$0.3 million given current consumption levels and patterns. Adoption of Duke's rate structure will result in additional revenue for the foreseeable future that will enable us to speed the undergrounding plan, as well as contemplate other investments such as city-wide decorative street lighting and bandwidth infrastructure. Such a policy would also dedicate electric fund revenue increases to infrastructure investment benefiting our residents and electric customers.

If you find this initiative of interest, please review staff's analysis and we can discuss the issue at the next commission meeting.

Yours Truly,

Peter J. Weldon, Vice Mayor

Position on Accelerating Electric Undergrounding with Borrowed Funds: Greg and I discussed accelerating electric undergrounding in our informal meeting on November 14 and I committed to him that I would study the analysis once more. I have done so and want to communicate my conclusions as follows (they have not changed). I again reviewed staff's analysis of two alternative approaches (a ten-year note and a twenty-year note) and again reached the following conclusions:

Per staff's estimates, 60% of our residential electric customers are already undergrounded. They are currently paying for new undergrounding and would have to pay interest costs never represented to them if we borrowed money to complete undergrounding faster.

Acceleration of undergrounding impacts roughly 20% of our electric customers as the other 20% are already within the next 4.5 year plan.

Doubling crews would further disrupt traffic flow around town.

Expected added interest costs (\$6 million on a ten-year note and \$12.5 million on a twenty-year note) represents cash NOT available for future investment or rate flexibility after undergrounding is complete.

Taking on \$31.5 million in new debt adds risk when compared to the current "pay as we go" policy. Locking in this debt greatly limits flexibility to respond to future reductions in power consumption and/or power cost increases, as debt payments would take precedence over other spending.

Bottom line, there is very little benefit in accelerating undergrounding by borrowing \$31.5 million and there are significant interest costs, opportunity costs, and risks associated with such a plan.