

1 MINUTES OF THE LAKE MARY CITY COMMISSION MEETING held September 5, 2013,
2 7:00 P.M., Lake Mary City Commission Chambers, 100 North Country Club Road, Lake Mary,
3 Florida.

4
5 I. Call to Order

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7 The meeting was called to order by Mayor David Mealor at 7:05 P.M.

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9 II. Moment of Silence

10
11 III. Pledge of Allegiance

12
13 IV. Roll Call

14		
15	Mayor David Mealor	Jackie Sova, City Manager
16	Commissioner Gary Brender	Carol Foster, City Clerk
17	Commissioner George Duryea	Dianne Holloway, Finance Director
18	Commissioner Allan Plank	John Omana, Community Dev. Dir.
19	Deputy Mayor Jo Ann Lucarelli	Bruce Paster, Public Works Director
20		Bryan Nipe, Parks & Recreation Dir.
21		Steve Bracknell, Police Chief
22		Craig Haun, Fire Chief
23		Debra Babb-Nutcher, Acting City Att.
24		Mary Campbell, Deputy City Clerk
25		

26 V. Approval of Minutes: August 22, 2013

27
28 **Motion was made by Deputy Mayor Lucarelli to approve the minutes of the August 22,**
29 **2013, meeting, seconded by Commissioner Brender and motion carried unanimously.**

30
31 VI. Special Presentations

32
33 There were no special presentations at this time.

34
35 VII. Unfinished Business

36
37 A. Ordinance No. 1494 – Amending Sections 30.39, 91.70, 91.74, and 91.78 of the Code of
38 Ordinances regarding code enforcement liens and Property Maintenance Code – Second
39 Reading (Public Hearing) (Bruce Fleming, Sr. Code Enforcement Officer)

40
41 Ms. Sova requested this item be postponed to September 19th. She explained that information
42 was received late this afternoon that Freddie Mac and Fannie Mae may also be concerned as
43 well as mortgage servicers about our lien priorities. With our attorney out of town and such
44 short notice we didn't have time to deal with it before this evening's meeting.

1 **Motion was made by Commissioner Brender to postpone Ordinance No. 1494 to**
2 **September 19, 2013, seconded by Commissioner Plank and motion carried**
3 **unanimously.**

4
5 VIII. New Business

6
7 A. IZON, LLC Application for Seminole County Jobs Growth Incentive (Jackie Sova,
8 City Manager)

9
10 Ms. Sova said we have an application from the Seminole County Jobs Growth Incentive Trust
11 Fund provided along with the Metro-Orlando Economic Development Commission with
12 participation with Seminole County. The applicant, IZON, LLC, is a digital media company
13 based in Longwood. According to their application their facility will stay in Longwood but would
14 like to add an estimated 400 jobs in the Lake Mary area. The average base wage for the jobs
15 is \$37,000 which is 95% of the County's average annual salary. They are proposing to occupy
16 and improve a 50,000 S.F. leased facility within our city limits. Along with \$2,000,000 of
17 equipment purchases and proposed capital investment or leased value would be \$2,450,000.
18 The company has asked that we focus on fiscal return on investment Option No. 3 as
19 presented at \$2,000 a job. We have representatives present from the Seminole County
20 Economic Development Department, the Metro-Orlando Economic Development Commission,
21 and Mr. Joey DiFrancesco with IZON, LLC and he would like to make a presentation.

22
23 Commissioner Duryea said they are going to invest \$450,000 for some equipment and are also
24 buying other equipment for \$2,000,000 and they want a grant for \$1.6 million. It sounds like
25 they don't have a whole lot in it.

26
27 Ms. Sova said they would like to present their business plan beyond what is stated in the
28 material because a lot of that is confidential and proprietary information so it doesn't all come
29 presented in the package.

30
31 Joseph DiFrancesco, Chairman and CEO of IZON, LLC, located at 2005 Tree Fork Lane, Suite
32 109, Longwood, Florida 32750, came forward. He said he appreciated the opportunity to
33 come here tonight. We are television and movie producers. He said he was an Emmy award
34 winning television producer for children's educational television programs on PBS, Christian
35 stations, and family value stations. The project we produce is on the air right now in 95% of
36 the world. It educates and motivates children.

37
38 Mr. DiFrancesco said he and his partner have been together for 11 years at the location in
39 Longwood, primarily doing these television programs. About 6 years ago his partner came to
40 him and said he had an idea and was developing something that is revolutionary and cutting
41 edge technology. It was in the early research and development stage. He said when he saw it
42 he said we are going to stop everything we are doing with production and focus and make sure
43 this happens. We committed our own money and as independent producers that has been our
44 lifestyle. He has been a resident of Lake Mary/Longwood for 30 years. Everything we do is
45 self-funded or privately funded with our shareholders, investors, etc. Six years ago we

1 committed all the money to develop 3D technology that allows you to watch 3D programming
2 without the use of glasses and it's revolutionary.

3
4 Mr. DiFrancesco said about a year and a half ago, we started working on the commercial use
5 of this application which means screens that would be put into malls, sports venues, Simon
6 malls, etc. and would contain advertising. One of his shareholders introduced him to a
7 distributor who saw what they were doing with their prototype and he said they were missing
8 the boat. The big market is consumer televisions and there is nobody out there with this
9 technology. Even though the sales have increased twofold last year and the year before,
10 people just don't like wearing the glasses. He said their technology solves that problem. He
11 said the distributor took them to the consumer electronics show in Las Vegas and put them in
12 front of all the buyers for three days. All of the major buyers of electronics and technology saw
13 their prototype and they loved it. We came back with a handful of endorsements from major
14 distributors and buyers that want this product. We decided we were going to set up an
15 assembly plant.

16
17 Mr. DiFrancesco said we have a passion to help people. We produced these children's
18 programs and we literally gave them to public broadcasting because public broadcasting
19 doesn't pay for programming but the content helps children. In the same fashion we decided
20 we were going to try to help Americans because everything was outsourced to China. We
21 decided to create a program called Jobs for Americans. We want to establish an assembly
22 plant in the United States right here in Seminole County and right here in Lake Mary that in the
23 first year would create 400 jobs and give wages between \$15 and \$30 an hour and try to bring
24 the television industry back to America. We would be ramping up in years two and three to a
25 total of 1,500 jobs. This is broken down into a couple of parts. We need assemblers and
26 technical people.

27
28 Mr. DiFrancesco said we have four businesses: the consumer television business, the
29 commercial screens for malls and sports venues, we do 2D to 3D conversions for major
30 movies from major studios. Jurassic Park was released years ago and they produced it in 2D
31 and it was a big hit. They now want to convert it to 3D and re-release it and it's all gravy
32 money because everything is paid for and it is all profit. We did Conan the Barbarian,
33 Hoodwinked II for the Weinstein Company, Chronicles of Narnia, and Jack Black's Gulliver's
34 Travels. We have strong credibility and ties to Los Angeles. That is another business that we
35 do and we would be hiring technical people to do that part of the business. The fourth
36 business is 3D streaming.

37
38 Mr. DiFrancesco said we have a long-range plan. We have just answered a letter of intent with
39 a property on Rinehart that has been sitting there for a while (the old Siemens plant). We have
40 taken 50,000 S.F. with the option to capture another 50,000 S.F. as we continue to grow. We
41 have a distributor who has guaranteed to us the sale of 150,000 televisions in the first year.
42 The forecast that he presented to us was ten times greater than that but to be safe he
43 guaranteed one-tenth of that. That revenue from 150,000 units generates \$225,000,000 in
44 revenues the first year. That is probably the smallest amount that would happen.

1 Mr. DiFrancesco said we are committed to Seminole County. We brought up our kids here, we
2 like it, and would like to stay. We would appreciate the Commission's support to put 400
3 people to work the first year and then the second and third year increase that number to 1,500.
4 We have been raising private money in addition to what we have put in ourselves. Our
5 investors are going to put up \$5,000,000 initially and \$25,000,000 total. We are dealing with
6 companies like the rent-to-own businesses. Aaron Rents and Babcock saw our product at the
7 show last time and are interested in giving us purchase orders. They work on a week-to-week
8 basis and will order every week because people want to rent a television for 28 bucks a week.
9 We are raising this money because we want to have inventory. By us having inventory it
10 means that we need assemblers and we can have jobs for these assemblers to produce this
11 product.

12
13 Alea Newbold came forward. She said she assists Joey with site selection and analysis. To
14 follow up on our request we adjusted our original application to be half of the original \$1.6
15 million so half is \$800,000, or \$2,000 for the 400 jobs. We wanted to be clear on our actual
16 request for approval. We appreciate the Commission's consideration and time. The actual
17 investment is much greater than what is in the application when you look at inventory that
18 needs to be purchased and materials and supplies.

19
20 Mayor Mealor said in the proposal, particularly with some of the information shared, this type of
21 request is more of an outlier in terms of what we have approved in the past.

22
23 Commissioner Duryea asked Mr. DiFrancesco if he was funding this himself or borrowing the
24 money.

25
26 Mr. DiFrancesco said we are funding it ourselves.

27
28 Commissioner Duryea said between the City of Lake Mary and the County we could possibly
29 be giving you a good portion of that funding. He asked if that was true.

30
31 Mr. DiFrancesco said not really because the private funding that we have will begin at
32 \$5,000,000 and go upward to \$25,000,000. What Alea has proposed is something like \$2,000
33 per worker times 400 workers which is \$800,000. It's not something we need up front. We
34 have been self-contained for the last 11 years in Longwood. That's the nature of our business
35 and we continue to do that. The incentives are add-ons and the reason for it is basically to put
36 workers to work.

37
38 Commissioner Duryea asked if IZON was relatively new.

39
40 Mr. DiFrancesco answered affirmatively. 3D Future Vision became a company in the State of
41 Florida in 2011. The entertainment business is different than opening a retail store. You have
42 a group of people—like my partner, myself, a technical guy, engineers and creative people—
43 and what we do is create a company for a specific project. When we did the children's
44 programming we had a company that was set up for that specific project. They do the same
45 thing with movies. They set up Silver Screen Partners II and that is the company that operates
46 for whatever the title of the picture is, the movie, or television show, etc. It's the same with

1 this. He and his partner who funded all the research and development didn't want to go into a
2 new company, 3D Future Vision, and ask people to pay for the research and development that
3 we paid for over the past six years. When our private investors come into our company, they
4 are not paying for anything in the past. They are paying for marketing. For example in
5 January we are going to attend the consumer electronics show in Las Vegas which is the
6 same show we went to last time with our prototype. This time we are going to bring our
7 finished television back to the buyers and to the world. We are having the global press event.
8 He received a phone call from a reporter at the Orlando Sentinel who wanted an interview and
9 he declined. He said he signed the non-disclosure agreement with Seminole County and
10 couldn't comment. The reporter said he went to Seminole County and they wouldn't comment
11 but saw we were on the agenda. The reporter went to our website and took pieces of
12 information and patched it together and wrote a story and put it out. The *Business Journal* put
13 out a version also and they called and he said he couldn't discuss any of this.

14
15 Ms. Newbold said they are not ready to make a big press release until Samsung and others
16 know what their plans are and what their timeline is. There have been frequent stories on 3D
17 television without glasses and the timeline they propose, and we are a number of years ahead
18 of them from a technology perspective and they want to keep their competitive advantage. We
19 tried to work with the County on a confidential basis. We are not ready to demonstrate the
20 technology in a public forum. In the best case scenario we would have it here and
21 demonstrate our technology. This is not the right forum to make that announcement. They
22 need to do that at the consumer electronics show. We are trying to show a little bit but without
23 divulging our whole story and losing our competitive advantage.

24
25 Commissioner Brender said if he understood correctly the company overall has been in
26 business for some time. It's just that you are forming new companies as you develop new
27 ideas.

28
29 Mr. DiFrancesco said exactly.

30
31 Commissioner Brender asked Mr. DiFrancesco if he intended to bring everything from the
32 Longwood location.

33
34 Mr. DiFrancesco said we would probably keep that location. We are in 10,000 S.F. right now
35 and we are going to 51,000 S.F. so that's a decision that's still up in the air. We have a full
36 studio there, we have a sound stage, green screen, state of the art recording studio, all kinds
37 of editing suites and that type of thing. We might keep that but the bulk of the business will be
38 shifted to the Rinehart address with 50,000 S.F. and that gives a lot of room to conduct this
39 business. We think that is not going to be sufficient so we have an option for another 50,000
40 S.F. to expand because we think come January 7th at the CES show, once the global media
41 comes to our booth and sees it live and reports on it, the world is going to be calling us. When
42 they ask us where we are located we would love to say Lake Mary, Florida.

43
44 Commissioner Brender said one of the concerns is we are looking out at a very long return on
45 the \$800,000 incentive from the County and the City. He said he works as a rep in a
46 manufacturing facility and when we create something it takes about two months and China has

1 reversed engineered it and is getting ready to send it into the country. He realized there are
2 patents but asked if they could hold on to the engineering capability.

3
4 Mr. DiFrancesco said our team has created a product that will have new increments as we
5 continue to go on. The first version of our television will be a smart TV. There will be Skype
6 on the television itself. It will convert any 3D broadcast or Blu-ray 3D on the fly into your home
7 and you can watch it without glasses. The next rev that will come down the line a year from
8 now will be a television on which you can watch any program that is on the air that is 2D that's
9 not 3D. For instance NFL football on Sundays on CBS or Fox Broadcasting is broadcast in
10 2D. If you have an IZON television in your home it will convert that into 3D and that is an
11 absolute game changer in the industry. Jay Leno could be converted into 3D if you wanted to
12 do that. NASCAR, sports and anything along those lines can be converted. Press a button if
13 you don't want to watch in 3D and you're back to 2D. It is a high definition, highest quality
14 picture. We expect competition but if we come out with the product and have a jump on our
15 competitors, if we only captured 1% of this market we will be doing great. People will be
16 working again.

17
18 Commissioner Plank said if you have a revolutionary product like this is, why go with direct
19 marketing versus licensing in across the established television manufacturers who would
20 probably be anxious to grab it legitimately before the Chinese reverse the engineering.

21
22 Mr. DiFrancesco said for the same reason that VIZIO did VIZIO rather than license themselves
23 to the established Panasonic, Samsung, etc. There is pride in creating something, producing
24 it, manufacturing it, and putting it out in the market. We have a lot of pride. My partner and I
25 are passionate about making this a success. Six years without seeing the light at the end of
26 the tunnel; this year we see the light at the end of the tunnel. We are going to hang onto this
27 and stick with our original goals. Let's bring jobs back to America. Let's bring an industry back
28 to America and let's hit a home run for our county, our city and ourselves. That's what we
29 want to do.

30
31 Commissioner Plank asked if these televisions would be competitive from a price standpoint.

32
33 Mr. DiFrancesco answered affirmatively. The big box stores, with our distributor, put together
34 our price point. For our 47-inch television, the price is \$2,199. Right now you can buy a
35 Panasonic 3D with the glasses for about that price. Who wants the glasses? There is the
36 opportunity to buy something without it. The quality is just as good or better and the price is
37 right. We think we've hit a home run.

38
39 Commissioner Plank said his concern was the timeline before somebody else comes into the
40 marketplace, whether legitimately or through reverse engineering, is going to be a lot shorter
41 than our return on investment. The City of Lake Mary is not and cannot be in the business of
42 capitalizing on a venture basis. If you have something in your patents that prevents others
43 from doing it without you being mired in lawsuits for the next 30 years then that's a different
44 situation, but right now we are looking at a relatively long period—much longer than our normal
45 incentive investments.

1 Mr. DiFrancesco said when it comes to technology, China does what it does. Our trademark
2 and patent attorney has advised us how to do the patent so that it's not published. We have a
3 provisional patent and it doesn't disclose. We have at least two years on that. If China gets
4 one of our televisions and think they can figure it out and reverse engineer it, we don't know.
5 That could happen but in the meantime they will probably sell it in China. The Chinese love
6 3D. The movies that come out are making money in greater China. There is the rest of the
7 world, there's the United States, there's Europe. We had a representative come in from Dubai
8 and he wants the territory for the Arabian Peninsula to have distribution rights there. Whatever
9 will happen with competition and if they steal they steal. What can you do?

10
11 Deputy Mayor Lucarelli said we are a very fiscally responsible community and we take great
12 pride in wisely spending taxpayers' dollars. It is their money that they trust us with. We're
13 uncomfortable. We want assurances. This is a different venture than what we are used to.
14 There are not a lot of in-ground things going on here. There is always the concern of what if
15 something happens. Here our return on investment is 46 years and that's a long time. What if
16 you went belly up and we're stuck with another Rinehart Place. She wanted everyone to
17 know their concerns. I don't know how to tell you to give us those reassurances but am just
18 trying to express those are our concerns that are going to impact our decision. We are trying
19 to be fiscally responsible as well as contribute to the economy and jobs.

20
21 Tom Tomerlin, Acting Director of Seminole County Economic Development Division, came
22 forward. He said he wanted to mention how the JGI Program is implemented according to its
23 enabling ordinance. This item will go to the Board of County Commissioners on September
24 10th at their regularly scheduled meeting to consider this item. He thought it was important to
25 mention that this program is tied to some security. They are required to provide a letter of
26 credit or some performance bond which would give some level of surety.

27
28 Commissioner Plank asked Mr. Tomerlin if he could be more specific in what that performance
29 bond would cover because letters of credit have a way of becoming less valuable.

30
31 Mr. Tomerlin said the ordinance is written in such a way that there is the flexibility to use a
32 letter of credit as well as a performance bond.

33
34 Commissioner Plank asked what it would cover. He asked if it would cover our investment.

35
36 Mr. Tomerlin said it would cover both the County and City's investment.

37
38 Commissioner Plank asked in what timeframe.

39
40 Mr. Tomerlin said for at least two years beyond the award.

41
42 Mayor Meador said just from the conversation this evening, my insight into this project has
43 done 180 degrees, and it is from the comments Mr. DiFrancesco has made that he is
44 incredibly positive. Lake Mary welcomes investors. People who want to invest in our
45 community whether it is a residential property, a business, whatever. We like to think we can
46 do whatever is necessary for them to be successful. However, what is before us this evening

1 concerns me. One of the purposes of the grant is for working capital. The City had an
2 economic development incentive policy package that was brought to the Commission while he
3 was serving in Tallahassee and it had a sunset date. Ironically the very time that this policy
4 was in place was the very time that he was tasked by certain members of the Legislature to
5 start looking at venture capital opportunity. In the latter part of his service in Tallahassee he
6 worked closely with Senator Ring. What we were trying to do was craft an opportunity to
7 venture capital that would take the type of project that you are bringing to us and match the
8 appropriate investor with the opportunity. What you presented tonight was in many ways is
9 almost the model of what we were talking about. In what you're presenting is the very thing
10 that the private investor community would be very interested.

11
12 Mayor Meador said one of the dilemmas is the very area that you are presenting this evening is
13 very different than the typical business model. Alex Setzer who is with us this evening of the
14 Southern Strategies Group has worked in Tallahassee. Unfortunately in the last couple of
15 years the state has seen a great deal of volatility with investments in similar types of projects.
16 When I sat back wanting to know if I was going to invest \$800,000 of our taxpayers' money on
17 something, I saw the return on investment and thought the decimal had been moved over to
18 the right instead of the left. When I said this was an outlier in my opening comments, we
19 worked very closely. Working with the County Commission we almost set the template for how
20 you do these types of activities and we have been very successful. However, this request
21 before us in no way matches the other types of things that we have approved. The thing that
22 really caught my attention was when you were talking about the distributors and the distribution
23 aspects or components, you were talking about up to \$25,000,000. I am sitting here saying we
24 couldn't touch that if we wanted to. There is no way the County can match that kind of
25 wherewithal.

26
27 Mayor Meador said thank you for selecting Lake Mary as your site. It is an incredible
28 opportunity and thought our Community Development Department is the kind of partner that
29 you would like to work with. I would be more comfortable in working with you and trying to get
30 you in place. By working with Community Development you are going to have to do some
31 activities that will involve them and I think we could be helpful to you and maybe save you
32 some money through those kinds of processes. Right now this model absolutely does not
33 match what we had in place in the past. I think we need to direct our City Manager and staff to
34 bring back an updated economic incentive policy. Had that been in place we probably wouldn't
35 be having this discussion this evening and you wouldn't find yourself in the position that you
36 are in right now. He said that was just his opinion. What you are doing has great potential but
37 it has great risk and the risk outweighs my willingness to step out and invest our taxpayers'
38 dollars for this type of activity. He was not saying this activity was not right but knew the
39 volatility of the industry.

40
41 Ms. Newbold said we appreciate your comments and feedback but wanted to follow up on
42 some of the comments. The total participation by the City would be split between the County
43 and City and would \$400,000. She said Joey referenced that we were coming to Lake Mary
44 and that's not necessarily the case. We have a letter of intent that is contingent on the
45 outcome of this meeting and the County meeting, and they are looking at other sites. This
46 originally started going to another site immediately and others got involved and said to look

1 closer to home to expand and we talked them into staying in the State of Florida. They were
2 looking outside of the state. We respect your decision but wanted you to know if it doesn't go
3 well here tonight then they more than likely would not come to this community. They need to
4 look at what is in their best interest of their shareholders so we are evaluating other
5 communities. It is a very competitive process. They are not guaranteed to come here. They
6 are guaranteed to expand and hire the jobs and do what they need to do but we are still
7 looking at alternative sites. We respect the City's position but wanted to make clear what
8 position we are in.

9
10 Mayor Meador said he hoped this is done in a respectful manner. He said Mr. DiFrancesco has
11 a serious investment in this. If it doesn't work his way then he is going to have to do what is in
12 the best interest of his shareholders and investors. We have the same fiduciary responsibility.
13 If you look at the track record of what we've done, we have been very fair and targeted. This
14 request came to us. It is not the type of target activity that we may have gone after if you look
15 at the type of economic incentive policy that we have had in the past. Although he was in
16 Tallahassee he was very familiar with this type of activity and endeavor. We would welcome
17 IZON, LLC into Lake Mary and would do whatever we could for them to be successful. This is
18 an issue beyond their location. The request before us is not about location but is about an
19 incentive package. He said right now he was very uncomfortable with that request based on
20 what he has heard this evening.

21
22 Commissioner Brender said he saw the positive side of this. If things do work and you can
23 capture 1% of the television market we are talking about billions of dollars.

24 25 **SIDE 1B**

26
27 Commissioner Brender said the problem we are all having with this is the risk. You are taking
28 a risk and we will be taking a risk as well. Verizon building a 220,000 S.F. building is a whole
29 different situation. We have to measure the risk we not only are willing to take but can take as
30 elected officials of somebody else's money. At the same time I recognize if this thing happens
31 it is a feather in the cap of Seminole County and City of Lake Mary.

32
33 Mr. DiFrancesco said it is a could-of, would-of, should-of situation. That happens every day.
34 We have other communities that are interested and we wanted to extend ourselves to our
35 hometown. You may not be able to match what others have offered us but we were still
36 putting you in first position because we are residents of Seminole County and Lake Mary.
37 However, if you choose to go in a different direction we understand because we have other
38 options. Unfortunately the property is tied into an approval that we negotiated with the landlord
39 because we didn't think it was out of the question. We are a different company than what you
40 are used to but technology is the wave of the future. It's not like the movie industry where
41 you're putting up \$40 million to produce a movie and in one weekend if the critics don't like it,
42 you're down the drain. This is a real product. The buyers are lining up now to come to our
43 booth in Las Vegas in January. We have a strong confidence level that this going to actually
44 happen. It was never our intention to risk any of the Lake Mary money in this process. It was
45 not money given to us up front to operate our business but was after the fact. We have put in
46 position our private money—our own and our investors'. The people we hire are going to be

1 paid from our private investment funds. Alea introduced me to the incentives that would
2 benefit us. Maybe it's over a five-year period and maybe it's over a ten-year period. We
3 certainly don't want to risk money up front. It would only be something that came to us after
4 people are on the job. We can all wait until January because January is going to be a
5 significant timeline and at that point we will see what happens. I have to speak to the other
6 communities that are interested and we are still on the County agenda for September 10th. We
7 will see what we can do.

8
9 Mayor Mealor said he understood the state statute but in this case where we have basically a
10 venture activity before us. If Mr. DiFrancesco went into the Siemens facility and he started off
11 with 200 to 400 jobs and felt within a couple of years he could expand dramatically, would he
12 qualify for the incentives program if he wanted to move the existing workforce that was
13 identified as 200 to 400 up to a dramatic level. He asked if he could reapply.

14
15 Mr. Tomerlin said the short answer is yes.

16
17 **Motion was made by Commissioner Duryea to deny the request, seconded by**
18 **Commissioner Plank.**

19
20 Commissioner Brender said he remained half and half on this. He was not willing to call his
21 company a startup. It is a 12-year-old company. It is a startup as far as his idea. To name this
22 venture capital he was not sure we could be involved in venture capital. This is a jobs
23 program. He said part of him disagrees with the concept of government buying jobs but it
24 seems when you play in the mud you have to play in the mud with everybody. For the last 12
25 to 15 years we have been offering incentives to companies to bring jobs. The fact that Verizon
26 is a 20-year-old company, they didn't need venture capital. He thought a company of 12 years
27 isn't exactly a venture capital either.

28
29 Mr. DiFrancesco said we don't need venture capital. We have the private investors lined up
30 right now. The only thing we wanted was a welcome to stay in our own town. There are other
31 states that would love us to set up there and put their people to work. You talk about the risk
32 of the funds but that's after the fact. Tom and Alea told me about this surety bond so what is
33 the risk.

34
35 Mayor Mealor said there has been a track record in this state of this type of investment that
36 simply has not worked out. He said he believed in the program, our partnership with the
37 County has been successful but it has been targeted. This was a request that came to us and
38 it wasn't what he would call a kind of targeted activity based on our economic development
39 incentives policy. Not to say it's not meaningful and not to say it won't be incredibly
40 successful, but right now he had a difficult time supporting the request based on what he has
41 heard and cross referencing with the industry.

42
43 **Motion carried by roll-call vote: Commissioner Brender, Yes; Commissioner Duryea,**
44 **Yes; Commissioner Plank, Yes; Deputy Mayor Lucarelli, Yes; Mayor Mealor, Yes.**

45
46 Mr. DiFrancesco thanked the Commission for their time.

1
2 Mayor Mealor the next items are the ordinances to establish the tentative millage rate and
3 tentative budget for Fiscal Year 2013/2014. This is the first of two public hearings. Ordinance
4 No. 1495 is to establish the ad valorem rate for Fiscal Year 2013/2014 and Ordinance No.
5 1496 is to establish the budget for Fiscal Year 2013/2014. Discussion will be held
6 simultaneously for both items, will be followed by public hearings for each ordinance, and a
7 vote will be held on each item separately.

8
9 B. Ordinance No. 1495 - 2013/2014 Tentative Millage Rate - First Reading (Public
10 Hearing) (Jackie Sova, City Manager)

11
12 The Acting City Attorney read Ordinance No. 1495 by title only on first reading.

13
14 Ms. Sova said tonight begins the formal process of adopting the Fiscal Year 2014 budget. The
15 total city-wide budget is balanced at \$33,867,296.

16
17 Ms. Sova said the budget represents:

18
19 Establishing the ad valorem millage rate at 3.5895 mills, the rolled back rate, resulting in a
20 millage rate reduction of .046 mills. The value of a mill in the City is calculated to be
21 \$1,783,937 and ad valorem tax revenues are projected to be some \$6,083,271. The total
22 General Fund budget is \$20,729,661. For the most part operating expenditures are budgeted
23 at increase of less than 6% across the board with the exception being the addition of the costs
24 to operate the new community center scheduled to open in March 2014 along with a summer
25 camp program.

26
27 A Capital Improvement Program totaling \$5,316,237 will include \$3,145,462 of planned
28 improvements for the Downtown area and the impending start of SunRail service in the spring.
29 Improvements planned include:

30
31 Roundabouts to improve traffic circulation, as well as,

32
33 R-O-W, parking, sidewalks, lighting, utility and pavement upgrades,

34
35 Also planned are improvements to the Rinehart Trail partially funded with a \$75,000 grant and
36 a sidewalk along Emma Oaks Trail funded by a \$186,000 transfer from the County.

37
38 We have provided for annual technology equipment replacements, a fiber link connection
39 between the Events Center and the Parks Maintenance Facility, additional lightning
40 suppression systems for our network and low voltage equipment, and to replace 2 of 4 X
41 Series Cardiac monitors utilized by paramedics. Additionally we will be purchasing power load
42 stretchers for the protection of our staff as well as patients.

43
44 In the water and sewer fund we will be resurfacing the interior and exterior of the elevated
45 storage tank, replacing the lift station SCADA system with state of the art equipment, and
46 replacing the media in one of the stripper towers.

1
2 Ms. Sova said the action required by the commission tonight is to first adopt the millage rate at
3 3.5895%, and that is also the rolled back rate, and by separate vote adopt the tentative fiscal
4 year 2013/2014 budget.

5
6 Mayor Mealor asked if anyone would like to speak in reference to Ordinance No. 1495.

7
8 Joanne Counelis, 136 East Alma Avenue, came forward. She stated we needed 24-hour bus
9 service and on holidays and weekends for everybody all over Florida.

10
11 No one else came forward and the public hearing was closed.

12
13 **Motion was made by Commissioner Duryea to approve Ordinance No. 1495 on first**
14 **reading, seconded by Deputy Mayor Lucarelli and motion carried by roll-call vote:**
15 **Commissioner Duryea, Yes; Commissioner Plank, Yes; Deputy Mayor Lucarelli, Yes;**
16 **Commissioner Brender, Yes; Mayor Mealor, Yes.**

17
18 C. Ordinance No. 1496 - 2013/2014 Tentative Budget - First Reading (Public Hearing)
19 (Jackie Sova, City Manager)

20
21 The Acting City Attorney read Ordinance No. 1496 by title only on first reading.

22
23 Mayor Mealor asked the City Manager if there were any additional comments.

24
25 Ms. Sova answered negatively.

26
27 Mayor Mealor asked if anyone wanted to speak in reference to Ordinance No. 1496. No one
28 came forward and the public hearing was closed.

29
30 **Motion was made by Commissioner Brender to approve Ordinance No. 1496 on first**
31 **reading, seconded by Commissioner Plank and motion carried by roll-call vote:**
32 **Commissioner Plank, Yes; Deputy Mayor Lucarelli, Yes; Commissioner Brender, Yes;**
33 **Commissioner Duryea, Yes; Mayor Mealor, Yes.**

34
35 D. Ordinance No. 1497 - Amending Chapter 150 Appendix C, Stormwater
36 Management, providing for an increase in stormwater fees - First Reading (Public
37 Hearing (Dianne Holloway, Finance Director)

38
39 The Acting City Attorney read Ordinance No. 1497 by title only on first reading.

40
41 Ms. Holloway said we are here this evening to talk about our Stormwater Fund. Over the last
42 few years we have been discussing extensively the fiscal sustainability of the fund. Last year
43 on October 18th we adopted a one-year increase increasing the stormwater rate to \$4.00 from
44 \$3.00 for one year only. We continue to do our projections and are looking at our operating
45 expenditures and capital needs and feel we need to continue the \$4.00 per EDU fee from here
46 on out. We are asking to increase it to a permanent \$4.00.

1
2 Deputy Mayor Lucarelli asked if this assured us enough fees in the fund.

3
4 Ms. Holloway said currently yes. The operating expenditures and our capital improvements, at
5 least for the cold mix paving, this will carry us through for the next couple of years.

6
7 Commissioner Brender asked if there was a run-out date.

8
9 Ms. Holloway said it will depend on what capital improvement projects we want to do with the
10 stormwater money. The \$4.00 fee will cover the operating expenditures of the fund as well as
11 the cold mix program. If we want to do additional capital improvements and want to use this
12 funding we may have to look at future increases, but we can deal with them as time goes by.

13
14 Mayor Mealor asked if anyone wanted to speak in reference to Ordinance No. 1497. No one
15 came forward and the public hearing was closed.

16
17 **Motion was made by Deputy Mayor Lucarelli to approve Ordinance No. 1497 on first**
18 **reading, seconded by Commissioner Plank and motion carried by roll-call vote: Deputy**
19 **Mayor Lucarelli, Yes; Commissioner Brender, Yes; Commissioner Duryea, Yes;**
20 **Commissioner Plank, Yes; Mayor Mealor, Yes.**

21
22 E. Interlocal agreement between Seminole County and the City for the Florida Yards &
23 Neighborhoods Program (Bruce Paster, Public Works Director)

24
25 Mr. Paster said the Florida Yards and Neighborhoods Program started five years ago in a
26 cooperative effort with Seminole County. It provides outreach and education for Florida native
27 plants, how to plant, where to plant, how to protect the stormwater system, how to protect our
28 lakes, and how to reduce water. It has been very successful and also meets our teaching
29 requirements for our NPDES permit. We have attended every year and it is held in the
30 Commission chambers. Florida Yards and Neighborhoods talks to the residents and it is also
31 available to any homeowners' association. They have many meetings at the Seminole County
32 Extension Services and there are also TV spots about this. The dollars we put in every year
33 goes to all of these efforts.

34
35 Mr. Paster said the change in this agreement is the price has gone up from \$3,000 per year to
36 \$4,000 per year.

37
38 **Motion was made by Commissioner Brender to approve the interlocal agreement**
39 **between Seminole County and the City for the Florida Yards and Neighborhoods**
40 **Program and authorize the Mayor to execute, seconded by Deputy Mayor Lucarelli and**
41 **motion carried unanimously.**

42
43 F. Resolution No. 923 - Providing policy regarding citizen participation in compliance
44 with Florida Statute 286.0114 (Jackie Sova, City Manager)

45
46 The Acting City Attorney read Resolution No. 923 by title only.

1
2 Ms. Sova said the City Attorney has asked that we bring this forward so that we are certain to
3 be in compliance with Florida Statute 286.0114. She was informed by the City Attorney that
4 we need to move citizen participation up to right after special presentations before we begin
5 business for the evening. That's the place where citizen participation was years ago. The City
6 Attorney feels that is prudent. Also we have to allow for comment at the next available time
7 when someone comes to a workshop. We don't have to have them speak at the workshop but
8 we do have to offer them the opportunity to speak about their concerns from the workshop at
9 the next available meeting. We will need to make that clear from here forward. She felt the
10 best way to do this was by resolution so that we have a stated policy that is formalized.

11
12 **Motion was made by Commissioner Plank to approve Resolution No. 923, seconded by**
13 **Commissioner Brender and motion carried unanimously.**

14
15 IX. Other Items for Commission Action

16
17 There were no other items to discuss at this time.

18
19 X. Citizen Participation

20
21 Joanne Counelis, 136 East Alma Avenue, came forward. She stated the bus also needs to be
22 on Rinehart Road.

23
24 Mayor Meador said the issue of bus routes has been discussed and will continue to be
25 discussed as we prepare to bring SunRail online.

26
27 No one else came forward and citizen participation was closed.

28
29 XI. City Manager's Report

30
31 Ms. Sova said she had no formal report items but had some announcements.

32
33 Ms. Sova said qualifying for City Commission Seats 2 and 4 ended last Friday at noon with
34 only the incumbents qualifying. She extended congratulations to Commissioner Duryea and
35 Deputy Mayor Lucarelli.

36
37 Ms. Sova said SunRail will be unveiling their trains to the public during the Radio Disney
38 Concert in the Park on Saturday, September 21st, from 4:00 P.M. to 8:00 P.M. This event is
39 being held in Central Park in downtown Winter Park.

40
41 Ms. Sova said during the budget work session the Commission had requested the new
42 Chamber president attend one of our meetings to give an update on their plan. Jason Brodeur
43 is scheduled to be at the September 19th meeting.

44
45 XII. Mayor and Commissioners Report (3)

1 Mayor Mealor had no report at this time.

2
3 Commissioner Plank had no report at this time.

4
5 Deputy Mayor Lucarelli said she attended the Metroplan meeting this morning and they talked
6 about pedestrian safety. They have the Best Foot Forward program going and they will be
7 doing some improvements on 17-92 between Lake Mary Boulevard and Airport Boulevard as
8 well as other areas where they are adding crosswalks, moving bus stops, adding signage and
9 lighting to make it safe. The statistics on how many pedestrians get hit and then the fatalities
10 was amazing. October 9th is International Walk to School Day. They are trying to get the word
11 out for pedestrians and drivers to be safe.

12
13 Commissioner Brender said he attended CALNO last night at the airport in the Vigilante Room.
14 It was hosted by Seminole County and had a report from the County Manager as well as Lee
15 Constantine on their budget process, and the purchase of the property by the airport for a new
16 sports complex. They are looking at increasing revenues within the next year or two. The fire
17 fund is running out of money, the general fund is running out of money, and the reserves have
18 been going down the last seven years. There are going to be changes at the County level
19 coming. It is pretty serious. The value of a mill is about \$27 million. It could become a millage
20 levy, MSTU tax for fire service, or bringing back the stormwater fee. They don't have a general
21 fund reserve to back them up. They are out of general fund transfers through 2015 unless
22 they find new revenue services or they start cutting.

23
24 Commissioner Duryea thanked the citizens of Lake Mary for their confidence and thanked
25 them for the privilege.

26
27 Commissioner Brender said he wanted to make everyone aware that the work that goes into
28 the budget by Dianne (Holloway), department heads and City Manager is mind-boggling. For
29 the first time in quite a few years it was a much easier budget. He thanked them for putting it
30 together.

31
32 Mayor Mealor said earlier this evening the issue came before us on an economic development
33 incentive request. During the time he was serving in Tallahassee the City put a policy in place.
34 It was Resolution No. 711 which stayed in place until its sunset in 2006. He asked the
35 Commission if they thought it was time for the City Manager and staff to bring back an updated
36 policy. There were no objections from the board.

37
38 XIII. City Attorney's Report

39
40 Ms. Babb-Nutcher had no report at this time but stated she was happy to be here.

41
42 XIV. Adjournment

43
44 There being no further business, the meeting adjourned at 8:35 P.M.

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12

David J. Mealar, Mayor

Mary Campbell, Deputy City Clerk

ATTEST:

Carol A. Foster, City Clerk