

MINUTES OF THE MEETING OF THE BOARD OF COUNTY COMMISSIONERS
BREVARD COUNTY, FLORIDA

1:00 PM

The Board of County Commissioners of Brevard County, Florida, met in special session on February 12, 2015 at 1:03 PM in the Government Center Florida Room, Building C, 2725 Judge Fran Jamieson Way, Viera, Florida.

CALL TO ORDER

Attendee Name	Title	Status	Arrived
Robin Fisher	Chairman/Commissioner District 1	Present	
Jim Barfield	Vice Chairman/Commissioner District 2	Present	
Trudie Infantini	Commissioner District 3	Present	
Curt Smith	Commissioner District 4	Present	
Andy Anderson	Commissioner District 5	Present	

ITEM I.A. PRESENTATION, RE: PUBLIC WORKS BUDGET

Stockton Whitten, County Manager, stated the lineup today is the Public Works Department and Transportation Impact Fees presentation by Tindale-Oliver and Associates; there are significant road issues facing Brevard County; today's presentation will seem a bit dire than presentations thus far; and the issue affecting Public Works is pay raises and staff retention and that is universal to all Departments. He stated at the end of the workshops, he is going to ask the Board for a wrap-up workshop for Board direction as he begins to prepare the 2015-2016 budget.

John Denninghoff, Public Works Director, stated the Public Works Department key points are Department mission, accomplishments, Programs and services, funding sources Department-wide and by Program, Program budget overview, trends and issues, and questions and answers on the budget. He stated the Public Works Department Mission Statement is to plan and implement projects, provide services that effectively create and maintain a comprehensive and successful transportation system by cultivating the public trust, promoting new ideas and technology and maintaining the County's assets responsibly and proactively; the Mission Statement objectives are to provide a safe, reliable, and efficient transportation system that delivers economic opportunity and enhances quality of life in Brevard County; to design and construct high quality transportation improvement projects, while ensuring taxpayer dollars are well spent; to maintain Brevard County's transportation infrastructure located with the public right-of-way; and to continuously improve the safety of citizens by designing, installing, and maintaining effective traffic management systems. He stated some accomplishments of Public Works are 193 residential and commercial properties removed from the Flood Zone in Fiscal Year 2013-2014; thousands of additional properties removed from the Flood Zone with new Federal Emergency Management Agency (FEMA) flood insurance rate; \$898,504 total savings to flood insurance policyholders with Community Rating System (CRS) discounted premiums; 2010 to present 377.42 road miles were resurfaced; completed 24 Dirt Road Paving Projects of seven and one-half miles since FY 2011; the Intelligent Traffic System (ITS) expansion from 13 to 100 signals in two and one-half years with grant money; over \$50.8 million in grants received for various Projects; and they completed the Palm Bay Road culvert pipe. He explained to the Board about the south segment of the St. Johns Heritage Parkway being under construction; this project started out with about \$23 million of local funds with \$1 million of added impact fees

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from the City of West Melbourne to that for a total of about \$25 million; the rest of the money that is coming to the project is coming from the State or federal sources; and when this project started, it was thought that there was not enough money to buy all the right-of-way needed. He went on to talk about Barnes Boulevard being under construction; it is widening from two lanes to four lanes and there are planned efforts to maximize the local dollars associated with getting a major transportation system constructed; the project started as a feasibility study that did not have enough money to do the design; and after the feasibility study was complete, there was enough money to start the design and get it going in that sense, but there was not enough money to even begin right-of-way acquisition which would be the typical next step. He added, a strategy was planned of how to acquire the right-of-way for this project; in the end, over 40 percent of the frontage strips of property were acquired along Barnes Boulevard by donation; there was probably another 25 percent of the frontage were negotiations avoiding the use of eminent domain; it is estimated that the very least saving in right-of-way acquisition by doing that was \$4 million, and realistically it was more like \$8 million on the right-of-way acquisition, as compared to going through eminent domain; and the reason for that strategic approach to it was because there was no money to do the construction and planning ahead, and preparing for the eventual construction in the most economical way possible because the cost associated with the right-of-way acquisition on Barnes Boulevard is an anomaly when it comes to these types of projects. He advised at the time right-of-way acquisition was being acquired was during the middle of boom, with escalated prices at that time, and right-of-ways donated; it was unheard of; he does not know if he will ever see that happen again; in addition to the Florida Department of Transportation grant applied for and set to receive in 2010 that over \$8 million grant; due to the economy the State budget altered and that grant was sort of pushed out one year at a time, maybe two or three years at a time, and was nearly off the table and out of the State budget for the long range transportation plan; and with help from the Transportation Planning Organization (TPO), Public Works staff, and cooperation from FDOT, were able to keep that \$8 million on the table and had they moved forward with the construction of the project, they would have forfeited that grant. He stated the grant was kept alive; it was planned and was ready to go when knowing the grant money is available; furthermore, The Viera Company had an obligation under its Development of Regional Impact (DRI) approval to fund \$12 million towards the Barnes Boulevard Widening Project; and if the County had moved too soon on that, it could have been forfeited, and well in excess of \$20 million of other people's money; and instead of that been forfeited, the situation was planned out and ready for construction and allowed to continue collecting that money; it allowed for \$20 million to shift locally that had been allocated for that by them to other projects; and much of the reallocations that had taken place up to this point in time have been the result of having to secure these grants. He stated transportation grants are difficult to get; they do get quite a few of them; and he recognized Planning and Development Department's Stuart Buchanan, Planner III, for doing a great job writing the grants. He added, he has received a lot of criticism about why Barnes Boulevard did not get under construction quicker or soon; and they could have, but it would have cost an extra \$20 million. He advised the Board about the Work Management System Implementation (iWorQ) being pursued in the Public Works Department; it is a work order and service request software; it is Cloud-based, tracks resources of how and why they are being used in a particular location, how the request for service came in, and it allows for measuring performance in a more accurate and thorough manner than ever been able to do before; the cost annually is \$11,474; iWorQ maintains the data base and the software; the County backs the data up on a weekly basis and owns the data; and it is a tremendous cost savings. He added, there are over 53,000 work orders being tracked; there are 2,500 service requests from citizens; recently, the iWorQ was implemented with traffic operations; with that all in-the-field operations are covered by this particular system; it is unknown how much further they will go with iWorQ, but he is excited to find out and exploit more options with it; it is such a good program; and if he had known how good of a program it was, he would have tried using it sooner. He stated staff is always looking and reviewing to achieve efficiencies; iWorQ is instrumental in

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helping staff to accomplish that; there are all kinds of interesting things found when staff is looking at the data; and it is technology, it does require some staff training investment to use the iWorQ, and they are getting good at it. He stated two or three years ago the Road and Bridge staff began to operate computers; some did not own a computer; they are now using computers; he is proud they have been able to adapt, grow, and learn; some now are getting computers of their own; and it is neat to see. He stated the five major programs and services for the Public Works Department is Survey and Mapping Program, by providing professional surveying and mapping services, to include Geographic Information System (GIS) Mapping services for Brevard County and other municipalities.

Commissioner Barfield inquired if any services are contracted out. Mr. Denninghoff responded affirmatively; he stated about 40 percent of the Survey and Mapping budget is a result of the funds received for performing these services; when services are done for other County agencies, there is a charge; right now GIS services are being performed for City of Rockledge and City of Cocoa; they are both happy with the services they are getting; and he is happy with revenues received, as it is an important aspect of the Survey and Mapping budget. Commissioner Barfield inquired if staff does all the work, or if there are contractors doing part of it. Mr. Denninghoff responded there are some contractor consultant help available; they team up a lot with private sector surveyors to improve the documentation throughout the County; they sometimes help provide monuments or will provide some survey services, for all to benefit from; and the survey community is closely aligned with one another to improve costs, to perform services to the public, and to reduce County costs by providing them with the information they need to be able to do that.

Mr. Denninghoff stated vacating services provided to the public for vacating County right-of-ways and easements by providing efficient services; those are a Statutorily driven services the County has to provide; the fee collected is \$643 and that does not actually cover the cost of the legal ads most of time for vacating requests; the collected fee actually requires a General Fund subsidy in order to be able to provide the service; and however, it is one that the public utilizes quite a bit. He stated map reproduction provides document and wide-format scanning for customers Countywide; and map reproduction has been integral in converting paper into electronic file formats, thus reducing storage space and increasing accessibility. He added, some Survey and Mapping Program trends and issue is technology helping to keep budgets down, high-tech trend requiring staff training, and highly trained staff are easy poaching targets for the private sector due to low salary issues that have not been able to be adjusted. He stated the Engineering Program is engineering review is to ensure proposed improvements are in compliance with Land Development regulation; engineering inspection is provided for inspection services for Planning and Development and County right-of-way issued permits; Flood Zone service is Floodplain Management services to all Brevard County citizens with a Community Rating System; Frank Skarvelis, the Floodplain Manager, does a fantastic job; and he has received many letters from citizens thanking Mr. Skarvelis for the things he is doing.

Commissioner Infantini remarked Mr. Skarvelis has done a fantastic job.

Mr. Denninghoff stated people call him Floodzone Frank. He went on to say the trends and issues of the Engineering Program are highly trained technical staff, low salaries make staff poaching easy by losing 50 percent of private engineers, costs of the CRS flood insurance premium discounts is going up and threatening the CRS discount, and increased development pressure without increases to budget with staff resulting in slower process and errors; the County has a CRS discount rating of seven; 10 is the worst; but to put it in

perspective, the County is ninetieth percentile of counties nationwide; and meaning there is only 10 percent of counties that have a seven or better, the County is one of those, and ninety percent of them are in the eight, nine, or ten percentile range. He stated it is unknown, how much, or how bad that is going to be for the County; in November he will know, which will be after budgeting; and it is going to be an interesting year this year, as going through that. He stated Transportation Construction Management is by far the largest budgeted Program in the Public Works Department; Construction Services provides complete management of Capital Improvement Projects (CIP), such as, new roadways, sidewalks, and signalization of intersections; Contract Management Services provides overseeing and administering 260 contracts associated with Capital Improvement Projects; and Land Acquisition Service provides acquiring a right-of-way, maintain records, reviewing development plan received, and acquiring land for CIP and other County agencies. He stated Transportation Construction Management Program trends and issues are highly trained and technical staff is required; low salaries makes staff poaching easy; increased development pressure without increases to budget; and causing staff to result in more errors. He went on to say the Traffic Operations Program is the second largest Program; Traffic Signals Service maintain over 326 traffic signal intersections, 900 street lights, 157 flashers, collects traffic counts, a First Responder group for emergencies, and emergency response in natural disasters to restore traffic safety; Traffic Signs Service maintains over 60,000 signs, is a First Responder function, and manufactures and installs new signs Countywide; Pavement Marking Service takes care of maintaining striping on over 1,000 miles of County roadways, and maintains pedestrian crosswalks; and Intelligent Transportation System handles about 100 signalized intersections on the system. He stated the Traffic Operations Program has seven Traffic Technicians; according to the Federal Highway Administration Traffic Signal Operations and Maintenance Staffing Guidelines should have nine signal technicians taking care of the 326 signals, 157 flashers, and 900 street lights; there should be more than nine technicians, because they are very strained and doing difficult tasks; all of those technicians are certified, they take tests, are retrain, and get updated on a regular basis; it makes them highly desirable; they get hired by contractors of other cities or counties due to low salaries making staff poaching easy; a problem with that is it takes a long time to be trained and good at his or her job; and it does threatens public safety. He stated the Road and Bridge Program is the largest of the Public Works Department Programs; the Roadway Maintenance Service is First Responder for emergencies, including fire support and chemical spills, maintaining all County right-of-ways, ditches, and roadways; Landscape Operations Service maintains all County unincorporated right-of-ways, medians, and berms; and they provide expert level arbor services Countywide.

Commissioner Barfield inquired if those are all contractors. Mr. Denninghoff responded it is a combination; he stated there is a great deal of contracted services that these folks monitor, manage those efforts, and inspect them to ensure the contractor is doing what he or she is supposed to be doing; and it depends on location and some of that effort is subsidized by FDOT.

Mr. Denninghoff stated the Municipal Service Benefit Unit (MSBU) Special Assessments Service has a relatively small budget; there is more interest by members of the public to try to get the County to help property owners within unincorporated area of the County to look into providing a new benefit, or service for communities; it may be escalating in the future; the good thing about it is it is a prudentially a self-funded service that the citizens pay for; New Construction is emergency response services; and they reconstruct and resurface roads and large drainage pipe repair. He stated the infrastructure inventory for the Road

and Bridge Program is 1,096 miles of paved roads, 82 miles of unpaved roads, 274 miles of open ditches, 1,040 miles of swale systems, 584 miles of sidewalks, 63 retention ponds maintained, and miscellaneous road grading, tree trimming, sidewalk repair, and pot holes. He went on to say the Brevard County Road and Bridge Maintenance Program is divided into three response areas north, central, and south roadway maintenance; it is 72 miles long and 20 miles wide consisting of 1,575 spare miles with a population of over 550,000; staff turnover is a growing issue due to salary; and that results in lower productivity, quality of work, and increased training costs.

Commissioner Smith inquired if it is educated people. Mr. Denninghoff responded in this case he is talking about the blue collar workers; in most cases a lot of them are very skilled heavy equipment operators; the private sector loves to get those individuals; and it leaves the County with trying to fill a position with one who is less qualification than the person lost, and frequently wind up paying the same or possibly even more money to replace a person, which is an annoyance.

Mr. Denninghoff went on to say the funding sources are done in different colors, showing the different revenue streams for all of Public Works Department, including the Capital Improvements Program (CIP) money, that is by far the greatest portion; in the color pink color of money it means dedicated revenue for a specific purpose and it cannot be spent on other things; Local Option Gas Tax (LOGT) or Constitutional Gas Tax, some of which is required to go to maintenance, and some has to go to capital and not go to salaries; there is different strings on the matrix of funds and different names for those taxes, such as, County Fuel Tax and Motor Fuel Use Tax, and many different others with dollar figures associated with each of those different revenue streams; and the Ad Valorem Municipal Service Taxing Unit (MSTU) in the first line is the combined MSTU funds being new money from all seven MSTU districts in the County. He explained to the Board that there are three MSTU districts in District 4 and there is one in the other four Commission districts; the second Ad Valorem MSTU listed is actually the balance forward from the year before, representing funds that were saved up for a project or equipment needed for the prior year; the Communications Services Tax is a General Revenue; and the Florida Power and Light Franchise Fees are also a General Revenue, and the majority of that franchise fee goes to the Sheriff's Office and what he has goes to the Traffic Engineering Program. He went on to say the General Fund Transfer is \$5.5 million; and the blue lines at the bottom are Receivables for Services that charge fees and derive revenues from. He went on to explain to the Board the layout of the funding sources in columns largest to smallest, with colors corresponding to revenue streams; he pointed out Impact Fees are listed because there are still some unspent Impact Fees that are assigned to projects scheduled to be completed; he showed the Board another way of looking at all of the revenues with various shades of pink and crosshatching of dedicated funding sources that cannot be spent elsewhere; he used his laser pointer for the folks in the room to see that Survey and Mapping is low, Engineering is even lower, Traffic Engineering then Road and Bridge, and then the tallest of all is for Transportation Construction, where all CIP is located; and is why it is so tall, which is bonded revenue proceeds, as well as gas taxes accumulated, and the operating costs associated with providing all of that. He discussed the funding source limitations of the Constitutional Gas Tax is split into two revenues 80 percent and 20 percent; the 80 percent is used on capacity and projects, and is not used on salaries and benefits; currently there is a bond on that and spend about \$2 million per year paying down that bond debt; the 20 percent goes into projects each year for utilized maintenance, and it can be used for salaries; and none of funds can be utilized to maintain or repair State Roads.

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Commissioner Barfield inquired how much is the bond cost per year. Mr. Denninghoff responded the cost is a little over \$2 million. Commissioner Barfield inquired what is leftover out of that. Mr. Denninghoff responded it is about another \$2 million.

Mr. Denninghoff went on to say the County Motor Fuel Tax, Motor Fuel Use Tax, and Motor Fuel Tax Rebate has to be utilized to maintain roads, which typically go into the Road and Bridge division; the County Ninth Cent Fuel Tax (diesel) goes into the CIP as well for local use; the LOGT has sixth cents implemented; the limitations are to be used on a road for transportation purpose; there are two bonds that are associated with debt service for LOGT; they are paying just under \$2 million for that; and Impact Fees are still in existence but none is new money, and is set to go to projects. He reiterated Ad Valorem (MSTU) must be utilized on County roads and ditches within the district in which it is collected; the Local Communication Services Tax may be used for any public purpose, including repayment of bonds; the FLP Franchise Fee is charges that are associated with the use of utilities; FPL pays for the right to have their facilities located in a public right-of-way; not all of that revenue comes to Public Works Department, but can be utilized for any public purpose; and the General Fund Transfer may be utilized for any County purpose with Statutory and Charter limitations. He added, the operating funds for the County are operating at \$37.7 million; and the CIP at \$102 million, with most being grant proceeds, bond proceeds, or reserves associated with those. He stated the budget overview shows numbers for Programs; they are separated by operating and into capital; the MSTU is a roll up number; the Full-Time Equivalent (FTE) employees for Road and Bridge Program is by far the largest at 173.5; there are some part-time bridge tenders; the rest of the Programs are quite a bit smaller, but the total is just under 250 FTE; the Survey and Mapping Program expenditures as opposed to the revenue side, compensation and benefits is the biggest part of their budget; the capital outlay for them is usually for trucks and computers, and other technologically oriented equipment needed to be able to operate; the Engineering Program expenditures is almost \$1.4 million; mostly compensation and benefits; and the capital outlay for them is usually computers and software. He went on to say the Transportation Construction Management Program has a lot of operating expenses and less compensation and benefits, totally \$6.7 million; Traffic Operations Program Expenditures is \$5.6 million and a lot of operating expenses, with compensation and benefits being quite a bit smaller; Road and Bridge Program expenditures does not include MSTU's and compensation and benefits is for 173 employees, and the operating expense is \$4.5 million, which is the fuel, repairs to equipment, asphalt for pothole repairs, and the capital outlay is usually for heavy equipment; MSTU Program expenditures are all listed together and includes the balance forward, with very little in compensation and benefits, and mostly operating expense for projects like replacing pipes, resurfacing roads, and repairing sidewalks; and MSBU program operating expenditures is smaller and has just a little bit going on, but may get a little bigger in time. He stated the Public Works Department operating expenditure total is \$37.7 million and compensation and benefits is 37 percent of that.

He pointed out the last number of the seven-year operating expenditure trend is the current budget, including balance forward from last year, and what will eventually be balance forward for next year; the rest of the years shown are the actual expenditures for previous years, with no balance forward because the balance forward is stripped out each year; and there is a cycle taking place showing money saved for expenditures and then showing it spent. He stated the CIP is \$102 million; the blue is associated with expenditures planned for this year and the green is associated with projects not starting this year, but would start next year or the year after; the General Fund transfer history is what comes to the Public Works Department from the General Fund; since 2008, which is when he became the Public Works Director, it has gone downhill;

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until last year, there was a 47 percent decrease; and for the current year there is 3.33 percent increase. He stated the MSTU trend is 13 percent decrease since 2009; when MSTU revenue goes down projects are lost, such as less resurfacing and pipe repairs; the FPL Franchise Fee trend is a loss of about \$300,000 since 2009 and to the current year budget which is not just the portion Public Works Department gets, but all of the FPL Franchise Fee Countywide wherever it's being spent is going down; and the Communications Service Tax trend had an increase of about \$50,000. He explained to the Board the trends and issues of Road and Bridge Program new roadway improvements are coming on line due to land development, yet there is not sufficient funding for current requirements; new American Disabilities Act (ADA) sidewalk requirements requires sidewalk revamp Countywide; the current funding will not be sufficient to pay for required upgrades; costs are estimated to run between \$2 million to \$8 million a year; and failing to comply jeopardy of federal funding will be compromised for projects in the County.

Commissioner Anderson inquired if it includes the audible signals for the hearing impaired and how many have been installed. Mr. Denninghoff responded affirmatively; and he stated he does not know but he would find out how many are currently installed.

Mr. Denninghoff went on to say the cross slopes, edge drop offs, and railings of sidewalks; increased employee turnover; higher private sector being able to hire them with more pay; and the result of way this winds of working is often having to pay new hires more money than the person just lost, which is due to the lack of pay raises. He stated County maintained paved road miles by Commission Districts total 1,096.3 miles, unpaved miles is 82.2 miles, and the total road miles is 1,178.4 miles which is equitant to 1,176 road miles from Viera, Florida to New Haven, Connecticut, that is taken care of every day; and he showed a county-by-county road comparison of counties that touch Brevard County, with Brevard County having the second highest number of road miles behind Orange County which is the largest. He talked about current operating funding per mile for many of the revenue streams associated with taking care of roadways is a listing of the same counties touching Brevard County totaling \$60,450,706, by taking the county road miles divided into the total, and that gives the resulting dollars per mile of roadway.

Commissioner Smith inquired if the dollars per mile funding is how much each county has to spend. Mr. Denninghoff responded he does not have the slide detailing out all of those revenues, but they have Infrastructure Sales Tax, Public Services Tax, and in the case of Volusia County it has all \$.12 cents of the LOGT, whereas Brevard County has \$.06 cents of the LOGT which all of the remaining counties has as well. Commissioner Smith stated Indian River has about one-third less roadway miles than Brevard County; and their funding is almost double what Brevard County receives. Mr. Denninghoff explained to Commissioner Smith graphically the next slide shows the current operating funding per mile.

Chairman Fisher asked Mr. Denninghoff to explain how the funding is different of what they are doing to create that additional funding.

Mr. Denninghoff explained to the Board that they have implemented other revenue streams that Brevard County has not; Public Works Department is doing the most that it can, but there is a lot that is not being done; and that is why.

Mr. Whitten inquired what those other revenue streams are. Mr. Denninghoff responded Infrastructure Sales Tax, the LOGT increase, and Public Services Tax which all cities in Brevard County has; it is only the unincorporated County that does not have that; and he will provide the Board with a slide that has another revenue stream from the Blue Ribbon Committee report, that he cannot recall at this time.

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Commissioner Barfield inquired what the percentage of those roads is County owned but within city limits. Mr. Denninghoff responded it is a relatively small percentage; he does not know what the percentage is but he thinks it is around 85 miles inside cities that the County maintains; and often those are four and five lane roads being more expensive. Commissioner Barfield inquired if there is any funding for that. Mr. Denninghoff responded the way the funding works is the cities could give the County money, but they are not required by any Statute or any other reason to actually give money to do that; the County does divide the LOGT with the cities, getting 43 percent, and cities getting 57 percent divided amongst the cities; the City of Palm Bay gets the lion's share of that; but nevertheless, it is an important element in budgets. He went on to say unfortunately his principle source of revenue for road resurfacing and major road repair and reconstruction is either one time bond proceeds, or MSTU and MSTU cannot be spent inside the cities; he has virtually no money to take care of any major road work inside of the cities because he just does not have the money to do it; and he does not know what to do about that exactly, but it would be nice to be able to do something. He added, he does tell the cities that he is not going to be doing much inside the cities; there are has a couple of cases where they tried to do some horse trading to help the County do a project, like with Apollo Boulevard with the City of Melbourne; Evans Road is a four lane road north of 192 that's County; Hollywood Boulevard is inside the City of West Melbourne; Palm Bay Road is a six lane road and 100 feet of that frontage is unincorporated, and the rest of it is either incorporated by cities of Melbourne, West Melbourne, or Palm Bay; and the County is responsible for the whole road. He went on to say the City of Palm Bay is doing some landscaping efforts on Palm Bay Road and there is an Agreement about that; that is something they chose to do at a higher level of service that the County would do; Minton Road is located inside a city, it's a four lane road, and part of that is unincorporated but he thinks 80 percent of it or so is inside cities.

Chairman Fisher stated what gives Mr. Denninghoff heartburn is over the years 57 percent of LOGT goes to the city; but he takes his 43 percent and spends it on city and on unincorporated.

Mr. Denninghoff stated half of the revenue stream for the County's share of LOGT has been spent inside cities.

Commissioner Anderson advised his argument is always those taxes are paid by city residents because that is where the bulk of the population resides.

Mr. Denninghoff explained to the Board about the way the calculations are done by half of the formula is based on population and the other half is based on how much money is spent maintaining road, and cities get their share.

Commissioner Anderson stated he did not say that cities do not get their share; there were attempts by former Commissioners to try to gouge into that; and that is taking away from people who are paying the taxes that is not getting the benefit of it.

Mr. Denninghoff stated he has not received one penny from any city in Brevard County, to take care of a County road.

Commissioner Anderson clarified when most gas stations in a city are filled up with fuel, the County collects a tax and redistributes it out; and the formula should be based on population and where the population centers are.

Mr. Denninghoff stated the distribution of the revenue works out pretty close to even with the population of unincorporated or incorporated; as the cities continue to annex that population will shift; the LOGT is implemented by a County Ordinance; the State Statute allows it to be done that way with a super-majority vote to implement new taxing, with respect to LOGT's a simple-majority vote can extend it out; right now the LOGT is by Ordinance implemented until 2036,

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which is when the current bonds are leveraged against the LOGT will be paid off; and there is in place Interlocal Agreement with the cities, based on the Statutory requirement that agrees to what the distribution of money is.

Mr. Whitten added, clarification of distribution is a Statutory formula.

Mr. Denninghoff stated there are actually two formulas; one is the way the Statue says it, but it can be modified by interlocal agreement; and the interlocal agreement is a little bit different and it actually winds up giving the cities more than the County.

Commissioner Anderson stated he is guessing that is what the debate had been in the past is the revisiting of those Interlocal Agreements.

Mr. Denninghoff stated it is in place until 2036; and it could be modified, but he would have to clear it bond counsel and a few other things before making any changes.

Commissioner Infantini inquired if the County or the State maintains Highway A1A. Mr. Denninghoff responded the State Roads are maintained by the State; he stated there are some old State Roads that people still refer to as a State Road, but they really are not; and they might be the County's, such as portions of Sarno Road are a County road and a portion of it is State. Commissioner Infantini stated for perspective, she thinks the State may argue that it is maintaining roads that are completely within a County; she inquired how come the State has to maintain them; she did just want to bring it to perspective because Highway A1A goes all the way from the southern border of Brevard County all the way to the northern border; and fortunately the County is not responsible to maintain that one roadway. Mr. Denninghoff pointed out the State has a completely separate revenue stream and on the gas side is indexed, whereas the County's is not.

Chairman Fisher stated that could be said for Interstate 95 too.

Commissioner Infantini stated she does not want the County to have a feel bad for itself party because it is having to maintain certain roads that are in the County that all help residents get from one part of the County to the other part; she does not feel bad maintaining roads such as Babcock Road bisecting different municipalities; she inquired who is going to maintain Grant Valkaria and Palm Bay roads; she stated at some point there is going to be a disagreement as to when and how much those roads should be maintained; and she understands why they should fall under the jurisdiction of the County.

Mr. Denninghoff went on to say the next slide is trying to illustrate graphically a condition of a road by showing a green line of spending money that \$1 for reconstruction spent to maintain a road for every dollar spent; failing to spend money there will cost \$4 to \$7 more for reconstruction if delayed; and it is insidious of the lifetime of the road in fair to poor condition can be kept in good condition. He stated the trend on consequences of deferred maintenance is 2010 to current year of 377.41 miles resurfaced; the red portion of the graph represents the portions of the road network that needs to resurfaced or reconstructed; every year 55 miles slide down into the red; it is whittled away by number of miles surfaced; if failing to resurface it then it is going to stay down into the red; in time it will get down in to the lower section of road miles; now all that is taking place is recurring funds to resurface which is almost exclusively MSTU dollars of about eight miles a year; and he reminded the Board of the red color representing more expense and low or poor conditioned roadways. He explained to the Board the slide of consequences of deferred maintenance; the typical lifecycle of a road for resurfacing purposes is about a 20 years cycle, with some roads going longer; by dividing 20 into 1096.3 paved miles that equals 55 miles per year to be resurfaced; that is how many miles to be resurfaced every year in order to stay up with the typical lifecycle of the roadway; if doing less than that is being

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done it is considered falling behind; if more than that is being done it is considered gaining ground; currently the recurring money gets eight miles and there is no other money then that; that leaves subtracting eight from 55 miles and equaling 47 miles per year that are not resurfaced each year that should have been; and he cannot go back and get those 47 miles per year because it has to stay below 55 miles, and eventually that 47 miles is going to become a reconstruction roadway. He went on to state it is not the first year to resurface it, but within a few years it is going to become a reconstruction roadway; there is no way to go back and grab it; that 47 miles falls into reconstruction territory; the current cost to resurface one mile of road is \$85,000; and the typical cost to reconstruct one mile of road is four to seven times as much. He went on to say the remaining calculations are using four times as much; the blue line represents the eight miles per year, that is about \$67,000 a year spent from recurring funding on resurfacing; to get to 55 miles per year is the green line with \$4 million more by taking the estimated cost of 47 miles times four; every year that mounts; and that turns into a yearly debt of nearly \$16 million each year because of not spending the \$4 million and causing to spend \$16 million later.

Commissioner Barfield stated he must be missing something because if eight average miles is resurfaced a year, the cost to resurface one mile is \$85,000, and that is \$680,000 a year; and he inquired if only eight miles is getting done. Mr. Denninghoff replied the typical cost is about \$85,000 per mile to mill and resurface a road. Commissioner Barfield stated the average miles resurfaced right now is eight miles. Mr. Denninghoff responded with the recurring funding; and he stated the only spending other than that is one-time money, which is almost about gone. Commissioner Barfield asked Mr. Denninghoff to explain to him what the money is again, because he wants to ensure he is understanding it. Mr. Denninghoff explained to the Board that the recurring money is the MSTU money. Commissioner Barfield inquired if LOGT or any of the other funding sources does not count. Mr. Denninghoff responded affirmatively; he stated all that Public Works Department has is one-time money that was previously allocated to a major project that became available to be reallocated and has now been redirected to some resurfacing in Districts 1 and 2 of about \$24 million to \$25 million, which is what drove this down but is coming back up; the deferred resurfacing maintenance has a price tag associated with it; it does not mean that every year doing the \$16 million per year reconstruction cost, but has to come back and get that 47 miles of roadway resurface before getting down to reconstruction territory; there may be a four to five years window to do so; but if waiting for to five years to do all of that, it's not 47 miles its 47 miles times four or five that has to be done; and that is how much has to be allocated to try and salvage the situation at this lower cost. He went on to say it would be more sustainable to do it on an annual basis, trying to get close to that 55 miles per year; to go back and get the red amount out of there causes more than 55 miles per year done; having to go 65 or 70 miles per year for a few years in order to take care of the backlog; and he had estimated by doing that for about 15 years to get it to where County roads are in good condition, going into a pure sustainable expenditure rate, and does not account for any inflationary factors.

Commissioner Smith inquired if County staff is used when resurfacing, or is it contracted out. Mr. Denninghoff responded it is some of each; he stated work is measured for proper installment; and the contracts for those are re-bids. Commissioner Smith inquired if contractor's equipment used. Mr. Denninghoff responded affirmatively and their asphalt plant; he stated right now one of the asphalt rider plants is down for about one month; and there are only two asphalt plants that exists.

He added, the slope on the line represents the escalating accumulative costs going up of the \$16 million per year reconstruction cost per year; it mounts up to a debt of backlog; and it is kind of like interest. He pointed out to the Board some historical commodities cost increases of 2003 to 2015, the bulk cement is up about 20 percent, which is fairly close to the Consumer Price Index (CPI), about three years ago it was worse than that, but the price has come down; the

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same way with concrete per square yard for six inch sidewalks, it was worse and has come down, and is pretty close to the CPI at 28 percent; asphalt is gone up 88 percent, which is four times what the CPI was on an annual basis; and the 48 inch concrete pipe is two times the CPI at almost 43 percent. He explained to the Board that these are major things money is spent on; the costs are not going down; and they are not holding ground.

Commissioner Anderson pointed out asphalt was a direct correlation of the increased oil prices; and he inquired if it starting to drop. Mr. Denninghoff responded he has seen some drop in that, but it is a very slow drop; he had a lot of people ask him if he has seen an increase in revenue of gas taxes; the answer to that is he is 60 days behind; the State reports that revenue is sent two months after they collect it; and he is not seeing an increase in revenue just yet. Commissioner Anderson advised the hope is the increase in the gas revenue and a decrease in asphalt costs. Mr. Denninghoff stated he is hopeful for that, but has not seen much of that; there is also an escalation in contractor costs associated with that; and a lot of it kind of gets absorbed.

Mr. Denninghoff continued by saying staff has not increased to take care of increases of development pressure; there is not much opportunity for mentorship and succession planning; a volunteer internship program is ran from future engineers having been implemented to assist in some areas, however, realistically there are limits in this endeavor as interns typically choose to pursue higher salaries elsewhere. He advised service level impacts is the reduction or very modest increases on any of those revenue streams had or are causing problems; drainage systems and pipes are barely hanging on to ensure there is no flooding; flooding is a priority over the roads, because the flooding can come into a house in the middle of the night or while gone on vacation, and the roads do not do that; but the roads will mess with vehicles. He added, road resurfacing should be on a 20-year cycle, but the County is operating on a 130-year or more cycle, costing up to seven times more to reconstruct roads; and for road striping to be done the way it ought to be done needs to go from \$200,000 a year to \$2 million a year. He talked about LOGT revenue trends and issues dating back to 1999; the blue line is a trend of how much is collected; some may recall a couple of years ago when the fuel-tank farm opened at Port Canaveral, the County started getting a bigger share of LOGT which is where the big jump comes from; it was not because more gasoline was being sold but because the County got a bigger share that is divided by the cities; the cities were calling him and asking him where all the money was suddenly coming from; and he told them the money was from a bigger share being divided by cities. He went on to say the red line is LOGT expenditures on maintenance; in 1999 through 2007 Road and Bridge was getting a large portion of the LOGT; in 2005 and 2007 the LOGT was bonded, and basically took it away from Road and Bridge, causing that flat line for years; and when the increase came there was shift of LOGT money to Road and Bridge for maintenance work to be done. He concluded by saying the unfunded transportation projects are listed by district and are well over \$600 million in unfunded projects, including maintenance projects, sidewalk projects, intersection improvements, and capacity projects; and the capacity projects are by far the most expensive, but the maintenance has a way of turning into a very expensive thing as well.

The Board commended Mr. Denninghoff for a job well done.

Commissioner Barfield stated he would like to go back to slide 60; and he inquired if working on a cycle there has to be certain roads that are closer to the reconstruction level than others. Mr. Denninghoff responded affirmatively. Commissioner Barfield inquired if the priority list could be broken down more by year of what is really needed, to show yearly what is needed for an opportunity to juggle money if needed to. Mr. Denninghoff responded he can do that; he stated it is rather difficult, but the best data that he has available right now is three years old; to his knowledge only one time has the condition of roads assessed in a comprehensive way; it took about nine months to get that done; and there is one data point, so the condition of each of

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those roads is deteriorating at a different rate. He added, he wants another data point to be able to assign a rate of decay of each one of those roads.

Commissioner Barfield agreed the rate of decay would be a listing of highest risk to lowest risk.

Mr. Denninghoff pointed out the public sees a road that is in horrible condition and their idea is that is the road that should get done; in reality the most economical way is its already too late, because it is still going to hold together even if the road is on its last leg, let it go ahead and finish its last leg, and meanwhile if there is a road that is in better condition and is resurfaced now it would not have to be reconstructed later; it is going to have to be reconstructed whether it is now or later, it is not going to become more expensive to reconstruct it; from an economics perspective those roads needs to be saved but cannot forget the roads that have fallen apart; and when being in a resource scarce environment priorities have got to be made.

Commissioner Anderson pointed out that priority list is kind of like that engineering priority of critical need; and not only for the condition of the road but for the number of trips on that road.

Commissioner Barfield stated if it is built by the highest risk to the lowest risk and that information can then be transferred to the other data point to determine which one needs attention now.

Commissioner Smith stated to attack regardless of which district it is.

Commissioner Infantini stated that is very well said but is not reality; when allocations come it is not based on the risk or the priority of how deteriorated something is or is not; and it is based on the makeup of the Commission of how funds are allocated.

Commissioner Barfield stated for the Board to change that.

Commissioner Smith stated things are different now for the Board to start a new history.

Commissioner Infantini suggested for Commissioner Barfield to create an ordinance; it takes a super-majority vote to make a change so that roads are only surfaced or resurfaced based on the priority level assigned by the road crew, so at no given time would any district ever seek a lack of benefit of road improvements for any reason; all of it being done on a priority schedule; she actually thought it operated that way when she came in six years ago; and she was surprised to find out that it always does not act that way, but it would be great going forward with this new Board if it will attack road projects that way.

Commissioner Anderson stated it is just not the maintenance; the Minton Road issue where the unfunded items that were listed in the *Florida TODAY* was six-laning Minton Road; that might have been true before knowing the St. Johns Heritage Parkway would be finished; he thinks that diminishes quite a bit with the Parkway completion; and that could be pushed out further than wherever it was thought to be, so it dropped on the priority list.

Mr. Denninghoff stated the prioritization would shift; it is a good example as the Parkway comes into play the need to widen Minton Road does diminish; all the transportation modeling indicated still widening Minton Road to six-lanes, but what it also mean is that the need to do it sooner goes down; however, the Parkway was a pretty expensive project from the standpoint of it taking a lot of dollars; if the dollar figure is looked at for widening Minton Road, is quite a bit smaller; it could have been done, but in the long-term both were needed; and it is a lot easier to get somebody else's money for a new road or for widening of a two-lane road to a four-lane road.

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Commissioner Anderson stated he agreed because the County would not have pulled down those federal funds for Minton Road like it did for the Parkway.

Mr. Denninghoff stated that is correct.

Commissioner Infantini stated even widening Hollywood Boulevard would help take some of the congestion off of Minton Road, because it is not that far away; and it would be an easier one with a shorter distance and at a lower cost option.

Commissioner Smith noted he felt first the funding needs to be acquired and then the Board can start talking and worrying about prioritizing its roads.

Commissioner Barfield felt it to be the other way of starting the prioritization first because that gives the Board a target to go after. He stated he would like to see the highest risk all the way down to the lowest risk; that way the Board knows what it is working with; it give the Board an idea of how it may juggle money; and he inquired how much County money is going into the Parkway. Mr. Denninghoff responded the total cost for north and south is about \$24 million. Commissioner Barfield inquired what pot of money did that come out of. Mr. Denninghoff responded it was LOGT bond proceeds principally; and there was a little bit of other revenue in there.

Chairman Fisher felt it is a good conversation. He stated he needs to talk about this to be totally fair; and he thinks the LOGT was \$140 million in total with all the different bonds added.

Mr. Denninghoff stated the bond proceeds for all three constitutional gas tax 80 percent portion and the 2005 and 2007 bonding combined was right at \$140 million.

Chairman Fisher stated it was \$140 million; if the 1,100 miles of road Mr. Denninghoff talked about, probably 800 miles of those roads were in unincorporated areas being in Districts 1, 2, and 4; they were no cities helping to pave those roads; and Commissioner Anderson showed great leadership by his priority being out of these dollars is he is going to take \$27 million and help to get the Parkway built. He went on to say that was a capacity issue and a leadership issue, but taking that \$20 million meant that Hollywood Boulevard, Babcock Road, or other things could not be done because of building a new road versus paving those roads; in his district the attitude was there are 434 miles of roads out of 1,100 that those people paid their taxes too, but how to pay the roads because MSTU did not pave those; a decision was made out of the \$140 million to take \$10 million of that and use it to pave those; and if it was based on priority those people would never get paved roads.

Commissioner Smith stated things like that have to be taken into consideration.

Chairman Fisher stated when people asked how was it spent, it was taken into consideration that Districts 1 and 2 are the example but only got about \$20 million of that bond money, and were not able to pave streets in front of people's homes, but new streets were being put on a list to build for capacity; the money was spread out a little evenly; and if just doing what the need is, there will never be paving in front of people's homes.

Commissioner Infantini stated the County is not supposed to be getting in front of people's homes; those residents bought for a lot less money on a dirt road, which is why they bought there because it cost less money, and they knew they were buying on a dirt road; the people who bought on a paved road knew that they were buying on a paved road and knew that it was going to be maintained; and she respectfully disagreed, that the County is supposed to be paying to pave dirt roads. She stated there are folks in Districts 3 and 4 who are setting up MSBU's, taking money out of their own pockets over five and 10 year time frames paying to

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have dirt roads paved; and she would like to not see that ever being done again in going forward, and to not pave roads based on a priority schedule because she thinks it is not appropriate to pave dirt roads that has only two residents.

Commissioner Barfield explained what he is talking about in risk is so the lifespan left of the road is, by starting at that level, and it giving a level of information all the way down to what is critical; and if conditions are known all the way down, each district would get a certain amount of money, and take that money for the top at risk to do.

Commissioner Infantini remarked that sounds good but it does not work out in politics that way, unfortunately.

Chairman Fisher expressed his thoughts are every district deserves to have some of the pot of money, but the worst 10 roads could be in one district and could eat up all the money in the pot; and there has to be fairness in dividing some of that pot full of money up.

Commissioner Infantini remarked no; and she stated if it is the worst 10 roads then it is the worst 10 roads.

Commissioner Smith stated he would like to have Mr. Denninghoff's opinion since he is probably somewhat impartial because they are all his roads.

Commissioner Infantini inquired if he would have paved dirt roads with the funding. Mr. Denninghoff responded he has an opinion about dirt road paving, which is probably not the most popular politically amongst the people who have purchased on dirt roads. Commissioner Infantini inquired if that is a yes or a no. Mr. Denninghoff replied he is not an elected official, but he thinks there should be an MSBU involved.

Chairman Fisher inquired if what is done to that road now is paying to regrade and causing a spending to maintain them. Mr. Denninghoff responded affirmatively; he replied if it were up to him he would pay for a portion and the residents would pay for a portion; and that way the taxpayers all benefit and have some skin in the game fixing it.

Mr. Whitten asked for clarity of the question. Commissioner Smith reiterated his question is since they are all Mr. Denninghoff's roads and he is probably the most impartial, how the Board should proceed if getting to the point of a big pot of money falling out of the sky. Mr. Whitten expressed his thanks; and he stated that point hit is the point he wanted it to be hit on. Commissioner Smith stated he is going to work and he is sure that he has some help on that big pot of money falling from the sky. Mr. Whitten explained the crux of the matter is not enough money in the pot for prioritization of roads and being political about how allocating, is at the end of the day, there is not enough money in the pot.

Chairman Fisher stated that is what he was trying to say; and there is not enough money in the pot to do it anyway.

Mr. Denninghoff advised the Board of what he thinks ought to be done; it is time to get the pavement reassessed, so there can be two data points instead of having one, because it is hard to project what is going on with any road with one look at it; and at that point, he believes the Board will be in a position to be able to start forecasting the performance of each individual road. He went on to say a lot of them have already been resurfaced, but that can be taken in to account by looking to see if it is looking like it is supposed to look after three years, or not; based on that a plan can be put together of who to do that, its asset management, and in this case its pavement asset management; but it is not going to do a whole lot of good to get that other data point if the Board does not have the revenue or the pot of money to be able to do it.

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He added, just to hold ground mathematically, \$4 million is needed more than what there already is; it is really more like \$6 million is needed to really hold ground, because when the assessments were made there was enough of the roads that needed to be reconstructed, that needed to start reconstructing those roads so that additional cost was there; and the assessment made is saying more than 55 miles needs to be resurfaced in a year, and needs more than that \$4 million to begin having a prayer of doing anything with it. He advised the Board it is going to have to come up with where the money comes from; right now that eight miles average of resurfacing roads is in each district; he gives the Board is the best advice of how to spend that money, but at the end of the day it is not redistributed amongst the districts; and is only distributed in unincorporated areas because it is MSTU dollars. He went on to say there is no money for the roads inside of the cities; there is nowhere near enough money for the roads outside of the cities; the revenue that Public Works Department resource does not have today is needed in order to fix this; he does not know where that is to come from; but he can tell the Board that slide number 60 is no joke.

Commissioner Anderson remarked but that is only MSTU. Mr. Denninghoff pointed out the \$670,000 is MSTU dollars; and is where those eight miles comes from. Commissioner Anderson stated in his district it does not matter if magically the State quadruples MSTU, would not help his district at all because most of his district is in cities. Mr. Denninghoff stated that would not help any of the roads inside of cities, it would only help the roads outside the cities. Commissioner Anderson stated those are in reasonably good condition. Mr. Denninghoff advised many of those roads are early in the lifecycle.

Commissioner Smith expressed his thanks to Mr. Denninghoff for doing a great job in his presentation; he stated what he learned today is considering to prioritize and reprioritizing how money is being spent in the County; X amount of dollars are spent on Parks and Recreation and the Sheriff's Office; he is not saying raid one or the other, but he is saying that the Board should start taking that look and having that conversation because these roads are not going to get better on their own; and his famous quote, that keeps getting feed back to him from his show with Matt Reed, "I don't care how much you like Parks and Recreation, if there are not good roads, you're not going there."

Chairman Fisher inquired what kind of conversation might there be about some of the numbers that Mr. Denninghoff has showed and compared to the other counties. Commissioner Smith responded his idea of help is the Commission racking its brains for where it can come up with some money; he stated it is not popular to go out and try to get more money when the facts are smack between the eyes of people; it has to be fixed and where is the money going to come from; some of it can probably come from the current budget, which needs to be looked at real hard of where spending already is; and then it may have to start looking at other sources, which is the last thing he wants to do and everything has to be on the table at this point.

Commissioner Barfield stated the issue is the Board has been through the whole budget process and understands the discretionary amount of funding the Board has with \$100 million; and there are the different colors of money that goes along with money only being able to be used for other things like leveraging.

Commissioner Infantini stated she thinks leveraging is as far as it can go; until learning how to prioritize spending, she is not into getting new revenue sources; those are called taxes where she comes from; but in certain circles they are called revenue sources, and she is not big on generating new revenue sources for the public until the Board reprioritizes its spending.

Commissioner Smith suggested starting that conversation to get people onboard with the fact that there is a problem; the way to solve that problem is to come up with money; how to come up with that money is probably a combination of reprioritizing, getting people onboard with the

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idea that this problem has to be fixed, and going out to the public telling them that there is a problem; and all will have to work to solve the problem.

Commissioner Barfield stated he likes the idea of ranking priorities top to bottom for another data source; and it gives timing on everything.

Mr. Denninghoff agreed; and he stated it makes it a powerful tool; it is good as it is; but is not as powerful as it could be, which makes a lot of difference.

Chairman Fisher agreed; he stated the chart is pretty telling; at some point in time how much can be done when only getting half the revenue that other communities are getting; the reason the cities have those other dollars is in the unincorporated area there is no Public Service Tax (PST) paid on utilities; and every municipality in Brevard County do pay it. He stated those cities get to take that revenue and do things with road and the County still helps pay their portion of the LOGT; and the only Charter County in the State that does not do that and all surrounding counties pay PST, giving them a lot more revenue to do a lot more stuff. He went on to say when there is a Charter cap amendment that limits how much can go up, not doing PST, and LOGT is lower than everybody else's gas tax; it can continuously be said it is a spending problem; but at some point it is a revenue problem. Commissioner Fisher commended Mr. Denninghoff for doing a great job.

The Board recessed at 2:58 p.m. and reconvened at 3:11 p.m.

ITEM I.B., PRESENTATION BY TINDALE-OLIVER AND ASSOCIATES, RE: TRANSPORTATION IMPACT FEES

Robin Sobrino, Planning and Development Director, stated the services of consultant Tindale-Oliver and Associates were rendered last summer in order to revisit impact fee rate schedule; she introduced Steve Tindale and Negan Camp, Tindale-Oliver and Associates, to the Board; today is the first installment presentation; and there will be an encore presentation next Thursday, to go over the remaining impact fee rates.

Mr. Tindale stated there is no decision to make today and this presentation is simply informative; this is a give and take of what Tindale-Oliver and Associates conclusions are; he is quickly going to go over the background methodology, the findings of the study, and going through what is thought to be the next steps; and the definition of an impact fee is a one-time capital charge for new development, to cover the capacity or cost of new growth, not maintenance, helping to implement a Capital Improvement Program (CPI), and to maintain a level of service. He stated maintaining current level of service, calculating cost of growth, potential large developments, and mostly needed high growth; the most recent update was done in 2000; a moratorium was implemented in 2009 and it remains in effect through the end of 2016; the study updates the variables that are used to calculate the impact fee and reviewed the benefit district's boundaries, because benefit has to be proved if a person pays it they have to benefit from it; he provided the Board with a graph of the current impact fee rates for transportation and schools; the main reason for that graphic is that transportation and schools make up about 85 to 90 percent of the communities asset on the average, and are the two most expensive assets to provide service to; the County's percentage of Residential Fee is for transportation and schools is 96 percent; and the Non-Residential Fee is for transportation only at 93 percent, and those two fees and assets are the ones that probably have the most discussions in dealing with financing and funding. He explained the cost of one vehicle mile of travel on a roadway costs about \$3.7 million, divided by 9,700 car capacity, and equals \$384 every vehicle mile of capacity to provide that service; and every time a single-family home is constructed, it adds about 21 vehicle miles of Trip, by multiplying the cost per mile, and costing

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about \$8,000 for every home built; and because of the value of the system that is being consumed by one home, which is dramatically different than it historically was back in the 1960's and 1970's. He went on to say that by case law the developer cannot be charged if a home is built and they pay a fee, and then have them pay a tax to build a road with; they have to be given credit for their future revenue and not have them pay twice; a single-family home over a 25 year lifespan generates about \$1,000 worth of value; and the difference between what a fee is, is the differential between the revenue for capital, which is calculated at about \$7,000 per home in cost of value, and in terms of level of service provided to them. He highlighted on never meeting the current Level of Service (LOS) with impact fees or probably any addition money the Board spends; the roads over time are going to degrade; that LOS calculation he just given is a D, meaning half of the roads operate worse than D and half of the roads operate better; that is how conservative capacity is, assuming every road in the County is right at capacity, but that is not the case; the standards usually are not allowing many roads to exceed LOS capacity; and the average capacity is much better. He advised the current value has been calculated of systems in counties and divided it by homes and transportation systems in value are about \$15,000 to \$20,000 per home; meaning every home in the County has a paid asset sitting out there that is paid for historically, that is worth \$15,000 to \$20,000; that will never be charged or generate enough taxes to repeat the LOS currently achieved; it will never happen because transportation has gotten too expensive; and the congestion will occur with or with fees, because all the fees will do is slow the process down, in terms of degradation of the LOS. He provided the Board with an overview graphic showing a change in construction costs over the last 20 some odd years; in 25 years he has not seen a strange bubble happening, he compared the 2000 number calculated in costs, by seeing what percent changes has occurred from the County's costs to Tindale-Oliver's costs, with those two yellow dots showing the differences in the two calculations; it is interesting that the cost the County calculated in the percent to change in 2000 versus what he is calculating today, is about the same as where the curve is. He added, that curve is 2003 construction costs if indexed properly; the current cost is more on an even trend line and what maybe a reasonable level of expecting the future to be more reasonable, in terms of some stability; and when he is calculating, he checks these things all over the State. He stated the next graph is the last Impact Fee Study of costs to build one lane mile; the trend throughout the State had a 100 percent change in the current costs from 2000 to 2015; and that trend line shown is pretty reasonable to expect that change over that time period. He advised the Board the summary shows is the differences between what is recommended and what is currently in the equation; he is recommending to drop the Trip Generation Rate (TGR) from 10 to about eight, he has done 50 studies on subdivisions all over the State of Florida; Florida does not generate 10 Trips per home, the homes generated are about eight Trips, and is consistent all over the State; and he is recommending that demand to single-family homes come down. He went on to say the cost is the driving factor; the reason the final number is going to be higher is because of having a 15-year old cost and the cost has gone up dramatically; the credits have gone up a small amount, there was not a lot of money spent on capital in 2000, and are still not spending a lot of money on capital investment non-impact fee money compared to other people, but going up a little bit does reduce the fee just a small amount; and the bottom line is 2000 calculation versus now is dramatically higher, and the driving force is that 15 year old cost that is about half of what current and future costs are. He stated the methodology of transportation impact fee variables has to be proportional to the impact and it has to show benefit; the demand is a vehicle mile travel generated, that is the length of travel from each different Trip per use, and there is no charge for pass by travel; the cost is for County and State roads, it is a full impact fee for traveling on all the roads, independent of ownership; the credit is the same way, it is every penny looked at historically spent, where proposing to spend, and taking future capital investment and calculated the present worth value; and is how the credit is calculated. He stated the demand component for TGR uses national and Florida databases of 500 sites and over 20 uses; over the last 30 years, a huge amount of money was collected on the distance people traveled of different uses and capture rates on the Trip Length side; and the demand calculation for each unit is

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TGR times the Trip Length, and discounting for any Trips that are not new Trips. He explained the TGR is the numbers per day where the Trip is measured from one location to the other, he actually measures it by asking people where he or she are coming from to get the capture rate; there is no charge on interstate or toll facilities; and the percentage of travel is all development going into Brevard County using the Interstate and not County roads are discounted for that travel. He stated the TGR being proposed is 7.81; the average Trip length is 6.6 miles; when measuring the Trips for a single-family home, there is no pass by setting collected for the number of people passing by the site; the principle Interstate/toll discount is 17 percent of travel; and the average single-family home generates about 21 vehicle miles of travel generated per day in Brevard County. He stated for cost component sources for local roadway improvements are recent new construction costs of lane addition projects throughout the State of Florida and through Florida Department of Transportation (FDOT), having long-range estimates programs; the cost component for local roads used to evaluate what has been spent are Pineda Causeway Extension (I-95 to Wickham Road), Babcock Street (Foundation Park Boulevard to Malabar Road), St. Johns Heritage Parkway (I-95 to U.S. 192), SR 50/US1 (Pine Street to Cidco Road); and SR 507/Babcock Street (Melbourne Avenue to Fee Avenue); and each one of those roads were looked at by year built, where it was on that curve, and what the recent year construction costs are. He pointed out the methodology on construction cost per lane mile by the red line is all Statewide data, the blue line is all the counties in the County's Statewide District 5 only, and the counties in Statewide District 5 on the average during 2013 and 2014 seemed to have costs a little bit above average; they found Orange and several other counties consistently have a little bit above the average; they plotted methodology out of all the data Statewide with three Brevard County projects; and those three Brevard County projects alone had hit more of the Statewide average than they did District 5 in 2013 and 2014. He indicated Brevard County is not experiencing some of the costs of the joining counties are compared to what has been seen now; one of those projects came in a little high in 2013 and a project done in 2011 came in a little low when compared to Statewide construction cost per lane mile of Statewide roads; he thinks finally construction costs will be seen changing at two to three percent a year and not doing what has been experienced historically; but no one really knows what is going to happen because some counties are starting to explode and other counties are just starting to pick up. He reiterated on methodology of Statewide data versus District 5 data showing a small sample size for 2013 and 2014 being interesting to see that the State numbers are starting to trend upward; two of the Brevard County projects experienced are trending upward as well; and he stated he is hoping that trend is not going to continue because that average number used is more reasonable. He explained to the Board when he takes a number that would only charge half of what should be charged and if that is an error, then it needs to be at about 10 or 15 percent below what the average is, and then there is probability of overcharging; the number shown is where the average is on recommended costs, showing data that says District 5 and Statewide is currently in the last couple of years experienced a little bit higher than what is going to be used for the projections of costs in the cost of the impact fee. He advised the Board of the credit component is the State capital investment in Brevard County by every grant done and by the debt service used and paid; they look 10 years backward and five years forward to figure out an average for the next 20 years of how to invest; this is not a credit for a developer that builds a road; this is a revenue credit of that new home that leads to the start of pumping gas; there are counties that have a Infrastructure Sales Tax and Ad Valorem Tax, and a lot of other ones that Brevard County does not have; and Brevard County's is primarily the Gas Tax, in terms of its investment.

Chairman Fisher inquired what does that mean. Mr. Tindale responded the money being spent on roads right now is primarily Gas Tax; Brevard County does not have Infrastructure Sales Tax; there are counties that have one-third of a mill from Ad Valorem Tax going to roads; there are all different kinds of options; and Brevard County is Gas Tax and grants, in terms of capacity. Chairman Fisher inquired if there were some other revenue sources the impact fee would be cheaper than what it is. Mr. Tindale responded affirmatively. Chairman Fisher

inquired how the impact fee rate compares to what other counties are charging. Mr. Tindale replied he is going to go over what is being charged versus a calculated number; and he stated they do not calculate as it being a recommended number only a calculated number.

Mr. Tindale explained to the Board the credit component for transportation funding used is State tax indexed of trends, local tax not indexed, and any other revenues found to generate revenues; most of the other taxes other than Gas Tax is indexed; the graphic of methodology shown is the State passing a tax and they indexed it; the fuel efficiency is eating up the State Gas Tax over the years, even though it is indexed the fuel efficiency is reducing the revenue gotten per mile; the local Gas Tax has fuel efficiency and inflation eating up the Gas Tax, which is the consumption of it that is less and less because of getting more mileage; inflation was at seven percent, it dropped down to five percent, and is now consistent at three percent inflation; and that is what has happened to the Gas Tax. He added, if there were a 10 cents gas tax it would be a combination of fuel efficiency, not indexed, but fixed; it is not one percent it is one cent, it does not go up with the cost of inflation; that is one reason the State has not seen this for the last 35 years is the State seems to be building more and more roads in local communities, that are strictly using Gas Tax; and the State has a more productive revenue source than local communities do with their Gas Taxes. He stated the single-family home land use demand is 21 miles, costing \$384 for every time those miles are added, the credit is equivalent to about 10 cents of Gas Tax going to capital in Brevard County, which is on the lower end, in terms of his experiences all over the State, and the net calculated impact fee is \$7,200. He reviewed the findings of technical study of transportation calculated impact fee rate comparisons of Brevard County from 2000 to 2014, with costs doubling; and the adopted Transportation Impact Fee rate comparisons with the surrounding counties.

Commissioner Infantini stated the biggest problem that she has with the Transportation Impact Fee rate slide is fast food of \$83,000 per 1,000 square feet; she talked to the people who built Pollo Tropical; and they told her that if Brevard County had kept in place the Impact Fee, they would not have built here. She advised the new Commissioners of Grills at Melbourne Riverside, also said the Impact Fee would have prevented them from building the structure; those businesses employ a lot of people that need jobs; she knows those are not the types of businesses that the County gives tax abatements to; and instead of receiving a tax abatement for property taxes for the next 10 years, their hit with a penalty tax for deciding to do business in Brevard County.

Chairman Fisher inquired if all offices are rated the same when rated. Mr. Tindale responded no; and medical offices are rated higher because they generate a lot more traffic than a regular office.

Commissioner Infantini reminded the Commissioners about in the past, there was a high Impact Fee assigned to convenience stores saying that they impact the community; and she begs to differ because a convenience store saves a lot of travel on the road. She stated she thinks it kind of contrary to the logic she uses when trying to assign an impact fee.

Mr. Tindale commented that he thinks he has provided steady State numbers; traffic added to a geographic area that goes through an intersection effect the process; and he is willing to do away with some categories if the Board so chooses. He went on to say the impact fee of Benefit Districts is where impact fee revenues are spent; there are six districts currently, if there is a district that connected to another district money from both districts can build a project, as long as it is showing a benefit; he has talked with staff, looked at roads, looked at the revenues, and he thinks everyone feels comfortable with the current district process; and there are no boundaries seen that needs to be changed or modified. He understood the Board has a two year process to wait before giving its input; one there is input the final technical report is

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finalized; and then a public hearing, unless the Board decides to have more workshops to help deal with it.

ITEM III., OTHER BUSINESS

Stockton Whitten, County Manager, asked the Board to approve assigning a workshop on April 9, 2015, for the Tourist Development and wrap-up.

The Board approved assigning the April 9, 2015, Workshop as Tourist Development and Wrap-up.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Andy Anderson, Commissioner District 5
SECONDER:	Curt Smith, Commissioner District 4
AYES:	Fisher, Barfield, Infantini, Smith, Anderson

ITEM V.G., ROBIN FISHER, COMMISSIONER DISTRICT 1

Chairman Fisher stated the only thing he has is a letter of support to Florida Institute of Technology (FIT) for the support of advanced manufacturing and innovation design: the Economic Development Commission (EDC) is asking for some light manufacturing stuff with Florida Institute of Technology, Dr. Dwayne McCay; and he inquired if anyone has a problem.

Commissioner Infantini stated she will be abstaining from the vote, because it is involving FIT.

Commissioner Barfield pointed out an incomplete sentence.

Chairman Fisher advised Holly Woolsey will ensure the sentence is complete.

Commissioner Anderson stated he is fine with that.

The Board authorized Chairman Fisher to sign a Letter of Support for the advanced manufacturing and innovation design at the Florida Institute of Technology, and being fully committed to supporting the Center for Advanced Manufacturing and Innovative Design.

RESULT:	ADOPTED [4 TO 0]
MOVER:	Andy Anderson, Commissioner District 5
SECONDER:	Jim Barfield, Vice Chairman/Commissioner District 2
AYES:	Robin Fisher, Jim Barfield, Curt Smith, Andy Anderson
ABSTAIN:	Trudie Infantini

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By consensus of the Board, the meeting adjourned at 3:48 p.m.

ATTEST:

SCOTT ELLIS, CLERK

ROBIN FISHER, CHAIRMAN
BOARD OF COUNTY COMMISSIONERS
BREVARD COUNTY, FLORIDA