MINUTES

CITY OF COCOA
REGULAR MEETING OF THE CITY COUNCIL

February 14, 2017

A Regular City Council meeting was held on Tuesday, February 14, 2017 in City Council Chambers, located in Cocoa City Hall, 65 Stone Street, in Cocoa, Florida, as publicly noticed.

I. OPENING MATTERS:

Mayor Parrish called the meeting to order at 6:06 p.m.

Chief Prince provided the invocation and Mayor Parrish led the assembly in the Pledge of Allegiance to the Flag of the United States of America.

The City Clerk took the roll.

PRESENT:	Henry U. Parrish	Mayor
	Don Boisvert	Deputy Mayor
	Jeri Blanco	Councilwoman
	Brenda Warner	Councilwoman
	Clarence Whipple, Jr.	Councilman
	Anthony Garganese	City Attorney
	John A. Titkanich, Jr.	City Manager
	Matt Fuhrer	Assistant City Manager
	Carie Shealy	City Clerk

OTHER STAFF MEMBERS PRESENT:

Tammy Gemmati, Administrative Services Director; Jack Walsh, Utilities Director; Steve Belden, Community Services Director; Gene Prince, Fire Chief; Mike Cantaloupe, Chief of Police; Teri Butler, Finance Director; Ed Wegerif, Public Works Director; Tre Folston, Helpdesk Support Tech; Gail Bantugan, Leisure Services Manager; Samantha Senger, Public Relations Specialist; Samia Singleton, Economic Development Specialist; Brandon Jones, Facilities Attendant; Neodasha Harris, Leisure Services Coordinator; Chris Hattaway, Police Officer; and Yvonne Martinez, Police Public Relations Specialist.

II. APPROVAL OF AGENDA AND MINUTES:

1. Agenda: Regular Meeting of February 14, 2017 (17-59)
2. Minutes: (a) Regular Meeting of January 10, 2017 (17-60)
   (b) Regular Meeting of January 24, 2017 (17-71)

City Manager Titkanich requested that the Agenda for the Regular meeting of February 14, 2017 be amended to add Item III.3, United Way Update.

* **MOTION by Deputy Mayor Boisvert; Seconded by Councilwoman Warner, to approve the Agenda as amended for the Regular meeting of February 14, 2017 and to approve the Minutes as written for the Regular meeting of January 10, 2017 and the Regular meeting of January 24, 2017.**

AYES: Parrish, Boisvert, Blanco, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

III. AWARDS AND PRESENTATIONS:

1. City of Cocoa Investments Update (17-80) (Finance Director)

Ms. Butler provided a presentation[1] regarding the City's investments pointing out that the City follows Florida Statutes Chapter 218. She explained that the City's funds were spread among four banks, which were: Suntrust, Community Bank of the South, State Board of Administration, and Regions Bank.

She further mentioned what each bank did for the City and what type of funds were at each bank.

She introduced Mr. Dave Witthohn, CFA, Senior Portfolio Manager. Mr. Whithohn thanked Ms. Butler and Council for allowing him to speak. He is with Insight Investment out of the Bank of New York. They work specifically with the public sector and assured Council that they keep portfolios safe by diversification.

He provided information on the current market and pointed out that things have changed in regards to the economic outlook for the country. He explained in detail how they handled the City's investments and spoke about interest rates.

[1] EXHIBIT A: City of Cocoa Cash/Investments Update

Mayor Parrish asked how he felt about the City's position and in response, Mr. Witthohn advised the City was in a good position, in all ways.

Councilman Whipple asked how much interaction they had with Suntrust. In response, Ms. Butler noted that they have daily interactions with them because they handle so much of the City's money. Additionally, they speak to Regions on a monthly basis.

Councilman Whipple further clarified that Mr. Witthohn had to go through the Finance Department to do any transactions for the City. In response, Mr. Witthohn assured him that they were only the advisor, and that they have no access to funds.

Mayor Parrish felt good about the next twelve months.

2. Proclamation: Proclaiming the month of February 2017 as Black History Month. (17-82). (City Manager)

City Manager Titkanich read the proclamation into the record, proclaiming February, 2017 as Black History Month in the City of Cocoa.

3. United Way Update. (Samantha Senger) (this item was added)

Ms. Senger provided a brief update on the United Way campaign, explaining that employees have contributed through various methods such as payroll deductions and donations through fundraisers. She advised that the total amount raised this year was $24,221.94.

She explained two of the competitions that were held, which were 1) the department which raised the most overall, and 2) a fill your change jar. The department that had the most raised overall was Administrative Services, who won for a second year in a row. The "fill your jar" competition was whichever director's jar had the most depth at the end of the campaign would have to wear a tutu all day. The City Manager's jar won, hence why the City Manager was in a tutu tonight.

In closing, Ms. Senger thanked Neodasha Harris for making the tutu, pointing out that it was her design. Additionally, they raised $155 for pictures today with the City Manager in a tutu. Nancy Elliott donated $20 more at the meeting.

IV. DELEGATIONS:

Rev. Dennis, 3710 Catalina Drive, Cocoa, President, read a statement about being a citizen and a citizens' right to petition. He advised that three weeks ago he turned in a request for a resolution, which was ignored and swept under the rug. The request stated the mission of the proposed citizen's review board and what the committee would entail. He was in attendance to request that the petition be approved.

Mayor Parrish stated that he had received his information, but that he was not ready to reply so he did not call him back.

City Manager Titkanich pointed out that the memo was dated today and spoke about the strategic plan. He pointed out that a crime committee that was derived from the strategic planning process. Additionally, there was a previous crime committee that abolished in 1997. He explained that he and Chief Cantaloupe have had conversations and they would proceed to speak with the City Attorney about this; however, he was not aware of any incidents, issues, or complaints.

Furthermore, he assured Mr. Dennis and citizens that the City was committed to being transparent and everything was done in a responsible manner. This is an item that both staff and Council have looked into and there is no certain time frame as to when staff could commit to this; however, it could possibly be this summer.

Mr. Dennis noted he had some compelling evidence of misconduct and that would substantiate why they need a board. City Manager Titkanich asked if the evidence was in the county or city, because his organization was a county address. In response, Mr. Dennis confirmed it was mostly in the county.

City Manager Titkanich further noted that the City of Cocoa was the first to implement body cameras and assured Mr. Dennis that they would get with Melbourne and others to make sure that this would fit the needs of the community. He advised that this was not the appropriate forum to discuss this any further.

Councilman Whipple asked that a specific individual speak with Mr. Dennis in order to keep him updated. In response, City Manager Titkanich advised that either he or the Chief would meet with him about anything he wanted. In closing,

City Manager Titkanich advised that there had been two crime summits held in the last two years.

Mr. Dennis asked that it be placed on an agenda so that he could have supporters in attendance.

V. CONSENT AGENDA:

1. Approve Task Order 2017-80 with CH2M Hill Engineers, Inc. for SCADA Remote Monitoring Integration Services. (16-564). (Utilities Director)

2. Approve Change Order #1 to FY2017 P.O. 69585 with Petticoat-Schmitt Civil Contractors, Jacksonville, Florida, for the Filter Media Removal and Replacement Project; To Authorize the City Manager to Execute the Change Order. (17-58). (Utilities Director)

3. Approve Task Order 2017-02 with CH2M Hill Engineers, Inc. for Security System Improvements Design at Dyal, Project No. WS1404 Chemical Conversion and Reliability Improvements Project. (17-64). (Utilities Director)

4. Authorize the City Manager to Approve the Second Emergency Generator Repair from Ring Power Corporation, Orlando, Florida, for the Dyal Water Treatment Plant. (17-67). (Utilities Director)

* **MOTION by Deputy Mayor Boisvert; Seconded by Councilwoman Warner, to approve the Consent agenda.**

AYES: Parrish, Boisvert, Blanco, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

VI. PUBLIC HEARINGS:

1. Ordinance No. 01-2017/ 2nd & Final Reading: Amending Chapter 5 - Animals and Fowl, to include a new Section 5-35 Backyard Chicken Pilot Program. (17-68). (Community Services Director)

City Attorney Garganese read Ordinance No. 01-2017 into the record by title only as follows. He advised that this was the second and final reading of the ordinance. The only change was in the permit fee to a $50 reduction.

ORDINANCE NO. 01-2017

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COCOA, BREVARD COUNTY, FLORIDA; RELATING TO BACKYARD CHICKENS; AMENDING CHAPTER 5 – ANIMALS AND FOWL TO INCLUDE A NEW SECTION 5-35 BACKYARD CHICKEN PILOT PROGRAM TO ALLOW THE KEEPING OF CHICKENS AND CHICKEN COOPS WITHIN CERTAIN RESIDENTIAL ZONING DISTRICTS; CREATING DEFINITIONS; ENUMERATING TERMS AND CONDITIONS CONCERNING THE KEEPING OF BACKYARD CHICKENS; ESTABLISHING A LIMITED PERMITTING PROCESS; PROVIDING FOR A SUNSET OR EXTENSION OF THESE REGULATIONS UPON REVIEW BY THE CITY COUNCIL; PROVIDING FOR THE REPEAL OF PRIOR INCONSISTENT ORDINANCES AND RESOLUTIONS, SEVERABILITY, INCORPORATION INTO THE CODE, AND AN EFFECTIVE DATE.

Mayor Parrish opened the hearing up the public. There being no response, the public portion was closed.

* **MOTION by Deputy Mayor Boisvert; Seconded by Councilwoman Warner, to approve Ordinance No. 01-2017 on second and final reading.**

AYES: Parrish, Boisvert, Blanco, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

2. Ordinance No. 02-2017/ 2nd & Final Reading: Amending Appendix A, Zoning, Article XIII, Supplementary District Regulations, Section 28, Regulating Businesses Providing For The Sale Or Rental Of New and/or Used Vehicles. (17-69). (Community Services Director)

City Attorney Garganese read Ordinance No. 02-2017 into the record by title only as follows. He advised that this was the second and final reading of the ordinance and noted there were no changes since the last reading.

ORDINANCE NO. 02-2017

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COCOA, BREVARD COUNTY, FLORIDA; AMENDING APPENDIX A, ZONING, ARTICLE XIII, SUPPLEMENTARY DISTRICT REGULATIONS, SECTION 28, REGULATING BUSINESSES PROVIDING FOR THE SALE OR RENTAL OF

NEW AND/OR USED AUTOMOTIVE VEHICLES, AGRICULTURAL EQUIPMENT, MAJOR RECREATIONAL EQUIPMENT, AND MOBILE HOMES AND ACCESSORY USES THEREOF; PROVIDING FOR THE REPEAL OF PRIOR INCONSISTENT ORDINANCES AND RESOLUTIONS, SEVERABILITY, INCORPORATION INTO THE CODE, AND AN EFFECTIVE DATE.

Mayor Parrish opened the hearing to the public. There being no response, the public portion of the hearing was closed.

* **MOTION by Councilwoman Warner; Seconded by Councilwoman Blanco, to approve Ordinance No. 02-2017 on second and final reading.**

AYES: Parrish, Boisvert, Blanco, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

VII. COUNCIL BUSINESS:

1. Approve a date correction for the St. Mark's Episcopal Academy Lions on the Run 5K, from Saturday, March 11, 2017 (4:00 pm - 7:00 pm) to Friday, March 10, 2017 (4:00 pm - 7:00 pm). (17-54). (Community Services Director)

* **MOTION by Deputy Mayor Boisvert; Seconded by Councilwoman Warner, to approve the item.**

AYES: Parrish, Boisvert, Blanco, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

2. Consideration of a partial release of real property located at 1149 Masterson Street, Melbourne, which was previously owned by Gladys B. Thomas, current owner is Brevard Neighborhood Development Coalition. (17-66). (Community Services Director)

Mr. Belden provided a brief background on this item. He advised that the owner purchased the property in 2016 and they were requesting a partial release. The previous owner owns properties in Cocoa which have multiple liens and violations on all of them. He further provided a background on Brevard Neighborhood Development Coalition. They purchased the property from Ms.

Gladys B. Thomas, and unfortunately if there is a lien on a property it is attached to all properties.
This item went before the Code Board on January 19, 2017 and they recommended a partial release and a $250 administrative fee for processing the partial request.

Lynn Brockwell Carey, 2130 Cedarwood Drive, Melbourne, Florida, was representing the new owner. She noted they were unaware of this situation until they were approached by a developer who was willing to put up a lot of money to help build a facility. The developer found the liens. Additionally, the City of Melbourne voted to release the lien that they had on a property providing that they build a community center within three years. She advised that they appreciated Council's consideration.

* **MOTION by Councilwoman Warner; Seconded by Councilman Whipple, to approve staff's recommendation to approve a partial release of real property located at 1149 Masterson Street, Melbourne, which was previously owned by Gladys B. Thomas, current owner is Brevard Neighborhood Development Coalition.**

AYES: Parrish, Boisvert, Blanco, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

Ms. Carey thanked Council and advised that they were a United Way agency also and appreciated the City's efforts in fundraising.

3. Consider the appointment of Stephen Harrell as a member of the General Employees' Pension Board through September 30, 2017. (17-70). (Administrative Services Director)

* **MOTION by Councilwoman Warner; Seconded by Deputy Mayor Boisvert, to approve the item.**

AYES: Parrish, Boisvert, Blanco, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

VIII. CITY BUSINESS:

1. Approval for the City of Cocoa to accept the donation of a Black and Tan Coonhound from Cocoa Community First, Inc. to be used for tracking, narcotics searches, and community outreach by the Cocoa Police Department, and to allow the City Manager sign the Waiver of Liability and Hold Harmless Agreement between the City of Cocoa and Cocoa Community First, Inc. (17-51). (Chief of Police)

Chief Cantaloupe introduced the item and noted that "Copper" the K-9 was in attendance.

Councilwoman Warner advised that the breeder, Maureen, was in attendance. Maureen believed that Copper was a great fit for Cocoa.

* **MOTION by Councilwoman Warner; Seconded by Deputy Mayor Boisvert, to approve the item.**

AYES: Parrish, Boisvert, Blanco, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

2. Approve a Resolution amending the FY2017 Budget to transfer funds from Water/Sewer to the General Fund for the completion of the Utility Meter/Billing Audit performed by WRA which began in FY2016. (17-53). (Finance Director)

City Manager Titkanich provided a brief background on this item advising that this came about based on concerns from rate payers within Cocoa's Utility system. They utilized Water Resource Associates to perform this audit. There have been some unfortunate issues with President Mark Farrell and they are now finalizing a review. A review and the study would come back and provided by either Mr. Farrell or one of his associates. This transfer will provide for finalization of the report.

* **MOTION by Councilwoman Warner; Seconded by Councilwoman Blanco, to approve the item.**

AYES: Parrish, Boisvert, Blanco, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

City Manager Titkanich sent thoughts and prayers for Mr. Farrell as he heals.

3. Approve Continuation of Work with C & D Construction, Inc., Cocoa, Florida, for the 1.5 MG Elevated Storage Tank Structural Rehabilitation, Project No. WS1176; To Approve the Grading of the Project Site and Installation of a New Fence; To Approve a Resolution Amending the FY2017 Budget; Approve a Resolution Authorizing the City Manager to Approve Change Orders in an

Amount Not To Exceed $5,467 (10% of the contract amount). (17-55). (Utilities Director)

Mr. Walsh mentioned that this was a continuation of the project and he and the City Manager had discussed that if there was any money left over at the endo f the project, they would look at getting rid of the barbed wire. Additionally, they would be moving money into different a different department and looking into minor grading which was messed up a little. They would like to install a firmer product.

* **MOTION by Deputy Mayor Boisvert; Seconded by Councilman Whipple, to approve the item.**

AYES: Parrish, Boisvert, Blanco, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

Mayor Parrish thanked him for all of the hard work that they did on the tank. It was a Brevard County landmark.

4. Approve Task Order # 2017-04 in the amount of $98,495 to Quentin L. Hampton utilizing Continuing Service Agreement RFQ-16-01-COC (A) for the Survey, Design and Permitting of Fiske Blvd. Phase 3 Design and Engineering (Project # PW 17SI); Approve Task Order #2017-05 in the amount of $61,190 to Quentin L. Hampton utilizing Continuing Service Agreement RFQ-16-01-COC (A) for the Survey and Design of the Broadmoor Acres Drainage Improvements (Project #SW 17BA); Approve the budget transfer and approve a Resolution amending the Fiscal Year 2017 budget. (17-56). (Public Works Director)

Mr. Wegerif mentioned that this item was for phase three of Fiske Blvd., from Highland to South Peachtree Street. It will require the installation of drainage, and will be basically a complete reconstruction of Fiske Blvd. Furthermore, since Broadmoor is adjacent to Fiske, a study would be done and they might integrate some of the drainage features.

* **MOTION by Councilwoman Warner; Seconded by Councilman Whipple, to approve the item.**

AYES: Parrish, Boisvert, Blanco, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

5. Approve a Resolution amending the FY2017 Budget to record transactions relating to the issuance of the $8,865,000 Capital Improvement Refunding Revenue Bonds, Series 2016. (17-61). (Finance Director)

* **MOTION by Deputy Mayor Boisvert; Seconded by Councilman Whipple, to approve the item.**

AYES: Parrish, Boisvert, Blanco, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

6. Approve Amendment #1 to the Continuing Services Agreement as approved by City Council on September 23, 2015. Council approval for an amendment to Task Order 2017-26.1 to Cardno for the remaining delineation/confirmatory soil sampling, excavation/removal of impacted soil/backfill and report preparation of 300 Brunson Boulevard, the site of the new Fire Station #2 for an amount not to exceed $71,190; Approve a resolution amending the budget in the amount of $71,190. (17-75). (Public Works Director)

Mr. Wegerif explained that a cleanup was done on the Brunson site and there were contaminants that have been there for many years. They need to get the site completely clean. This is the next step before construction begins.

* **MOTION by Councilwoman Blanco; Seconded by Councilwoman Warner, to approve the item.**

AYES: Parrish, Boisvert, Blanco, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

MULTI-YEAR CONTRACTS:

None.

IX. INFORMATIONAL AGENDA:

None.

X. REPORTS:

Mr. Belden mentioned that Mardi Gras would be on Saturday, February 18, 2017. Gates will open at 5 pm. Street closures for the parade would begin at 3 pm.

Mr. Wegerif provided an update on Fiske Boulevard, noting that they were nearing completion. Striping on the road would be done and FPL promised LED lighting this month. The lights would be mounted to wooden poles and there would be a light on every pole. 50 additional lights would be installed.

City Attorney Garganese provided an update on the Florida Department of Environmental Protection and the Emma Jewel Stormwater property. The deed had been finalized and should be received any day. They were about a month ahead of schedule.

Councilman Whipple asked if there was a copy of the design being proposed. Mr. Wegerif advised that he would get him a copy of the plan.

City Manager Fuhrer provided a waterfront update and advised that requests had come in from interested parties and citizens regarding grant funding for derelict vessel removal. He explained the process in detail and pointed out that 21 vessels would be removed within the next month, however, none were related to Cocoa. Additionally, what is of greater interest to the City was a series of recommendations to the state legislature to be implemented in the upcoming session. These provide local governments more power to apply laws and codes on derelict vessels.

City Manager Titkanich advised that this past Tuesday he attended a meeting where the County Commission considered a resolution relating to CRA's. The item died for a lack of a second. On April 13, 2017 there would be a workshop. The City received a public records request on CRA's and the council was copied on his response to the request.

He also had the opportunity to speak with the City's state lobbyist about the pending legislation and other issues.

City Manager Titkanich mentioned that they discussed a local government fiscal transparency act. There was a workshop today and there were other requirements. He noted it was received from the Ways and Means Committee, after a question was posed by Mayor Parrish. City Manager Titkanich advised that budgets were available from 1999 to present, all online. He assured them that this would be looked further into, he just wanted to keep them apprised.

A letter was also received from Brevard County seeking authorization for two years for mosquito control/spraying to be done. Council has approved this in the past and it was to be done by May 31st.

IT WAS A CONSENSUS BY ALL COUNCIL FOR A LETTER TO BE WRITTEN FOR A TWO YEAR AUTHORIZATION.

City Manager Titkanich further noted that on January 31st an annual performance analysis was received from HUD. All activities were consistent with the plan. He thanked Nancy Bunt, Ellen Heuser, and Heidi Byron for their hard work.

He pointed out that in the Quality Cities magazine there was an article on the health center.

City Manager Titkanich mentioned that a complaint(s) might be received about work being done and contractors who were parked in the City Hall parking lot. They have been advised as to where to park in the future.

In closing, he reminded everyone that Tuesday, February 21st at 6 p.m. is the Mayor's Town Hall meeting at Fire Station #1, in Cocoa and lastly, advised that Assistant City Manager Fuhrer would be filling in for him at the February 28th City Council meeting as he would be receiving an award at UCF.

Councilman Whipple was proud of the City Manager and the way that he conducted himself at the County Commissioners meetings. He wanted to publicly acknowledge him for that.

He mentioned that at the SCLC's executive board meeting, CRA's were on the agenda as well. He further mentioned that there were two students from Cocoa High School in attendance. He was very proud that high school students were taking an interest in local government.

Councilwoman Blanco gave kudos to Chief Cantaloupe and his community relations officer for their good work they were doing in the community and community watch meetings. There have been three so far and they were engaging the citizens. She believed it was all a very positive program and residents will begin to see the benefits of this program. She hoped that crime would get under control and it would help improve the blighted areas.

Councilwoman Warner echoed what Councilwoman Blanco stated and believed that it was helping. She had received good feedback and it was also nice to have the lemonade stand running in order to keep the children engaged.

Councilwoman Warner would not be attending the Mardi Gras parade or event, as she would be at a dog show.

Deputy Mayor Boisvert agreed with Councilman Whipple about the City Manager's presentation regarding CRA's. He made the City proud and that was why we were the number one City, everyone works together and has a positive attitude. He also concurred about the community meetings with the police department.

Mayor Parrish advised that he attended Titusville's Mardi Gras and hoped that ours was better.

He reminded everyone about his Town Hall meeting next Tuesday night. He pointed out that four years ago there were a lot less opportunities within the City limits. A lot was happening and an article would be coming out next week regarding upcoming developments on SR 520 and SR 524. All four corners of the City were growing.

Mayor Parrish noted that all of the public facilities were about done and he believes that they need to consider replacing the Civic Center at some point. Other cities were trying to catch up with Cocoa.

In regards to CRA's, he believes that cities were coming together in order to support them. There are a few people against CRA's, but they only help people, and doing away with them would hurt the citizens of the county.

He asked if solar light, or something to that effect, be put on the Cocoa sign at the north end of US 1 so that it can be lit up at night. Mr. Wegerif agreed to look into it but it would have to be permitted through FDOT.

Mayor Parrish asked about the naming of Fire Station 1. City Manager Titkanich advised that it was staff's intent to bring back an item to Council based on the City's naming policy. Former Councilman Furbish was an avid believer in public safety and the intent was to name the station after him.

In closing, Mayor Parrish believed that all staff and Council were doing a great job and he wanted all to keep in mind that people were watching what Cocoa was doing.

City Manager Titkanich added that the application process had started for the Summer Youth Employment Program. Students should check with their guidance counselor for information and applications are due by April 7, 2017.

In closing, he reminded everyone that Monday, February 20th was Presidents Day and city offices would be closed.

IX. ADJOURNMENT.

* **MOTION by Deputy Mayor Boisvert; Seconded by Councilwoman Blanco, to adjourn the Regular meeting of February 14, 2017.**

AYES: Parrish, Boisvert, Blanco, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

The meeting adjourned at 7:50 p.m.

Henry U. Parrish III, Mayor

ATTEST:

Carie Shealy, City Clerk



February 14, 2017

CITY OF COCOA CASH/INVESTMENTS UPDATE

Investment Strategy for Government Entities

- Florida Statutes Chapter 218.405 Primary objectives, in priority order:
  - 1. Safety
  - 2. Liquidity
  - 3. Competitive returns with minimization of risks



Investment Strategy for Government Entities

- Florida Statutes Chapter 218.415
  - Local Government Investment Policies

The City's Investment Policy sets forth the investment objectives and parameters for the management of City of Cocoa funds. This policy is designed to safeguard the City's funds, ensure the availability of funds when needed, and provide for an investment return competitive with comparable funds and financial market indices.



City Investments and Other Funds

- SunTrust Bank – City operating funds
- Community Bank of the South – City hurricane or other disaster funds
- State Board of Administration (SBA)
- Regions Bank - Managed investments held in Trust

COCOA FLORIDA

SunTrust Bank

- Operating Account
- Payroll Account
- Worker's Compensation Account
- Series 2016 Fire Protection Assessment Revenue Bond Account – Fire Stations Project Account

Total amount in SunTrust Bank is

~ $40,924,185 @ 12/31/2016

Note - $7,913,940 in the project fund will be spent within one year.

COCOA FLORIDA

Community Bank of the South

- Hurricane or other disaster funds

  - Certificate of Deposit 6 months
  - Certificate of Deposit 12 months
  - Certificate of Deposit 18 months
  - Money Market Account

Total amount in Community Bank of the South is ~ $2,070,248 @ 12/31/2016

COCOA FLORIDA

State Board of Administration (SBA)

- The City has six accounts with the SBA
  - The City uses the SBA to further diversify it's investment options under the City's Investment Policy
  - These funds are very liquid

Total amount in the SBA is ~ $ 718,889

@ 12/31/2016

COCOA FLORIDA

Managed Funds

- Insight Investment – BNY Mellon Co.
- Manages four accounts held in Trust at Regions Bank
  - Enhanced Cash
  - Operating
  - Restricted
  - Reserves

Total managed funds is ~ $46,081,282 @ 12/31/2016



Dave Witthohn, CFA

Senior Portfolio Manager

- Discussion on the City's managed funds – Active vs. Passive
- Diversification importance – type and time
- Investment Policy compliance
- Market outlook
- City's strategy to maximize income while safeguarding the City's assets

COCOA FLORIDA

City of Coca Annual Review

David Witthohn, CFA, Senior Portfolio Manager

February 2017

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Insight
INVESTMENT

Insight INVESTMENT

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Market environment and strategies
Fourth quarter 2016 Economic commentary

Insight INVESTMENT

On November 8th, Donald Trump was elected as the next president, suggesting significant changes to global trade arrangements, tax policies and industrial policy over the next four years. Going into 2017, the timing and details of these policies and the response from important trading partners will be a determining factor for the global economic outlook. Many initial appointments to president-elect Trump's cabinet have come from the business community and are likely to support tax cuts, which should boost investor confidence. With domestic economic data remaining robust, the market had fully priced in the rate hike of 25bp to the Federal funds target rate, to a range of 0.50% to 0.75%, at the time of the Federal Open Market Committee meeting on December 13-14. In Europe the focus is likely to be on upcoming elections in France, the Netherlands, and Germany as well as the Brexit negotiations. The outlook for emerging markets is likely to be heavily influenced by potential Trump policies as well as their implications for the US dollar. Fundamentally, we continue to see some further improvements in the Asian trade complex, but idiosyncratic issues including politics and the collateral damage from fiat money reform to encourage banking usage (India, Venezuela) has the potential to reduce their contribution to global growth.

From a domestic inflation perspective, oil prices and broader commodities have remained volatile, but are firmly in positive territory year-to-date. With West Texas crude prices above $50, year-over-year declines washed out at the beginning of December. Personal consumption expenditure releases are likely to move into focus next year, although the latest core consumption reading was weaker than expected at 1.6% for November. Similarly, core inflation in the US should continue to face upward pressure from the rental component next year, after a fall from 2.3% to 2.1% since August. Producer price inflation has continued on its upward trajectory at 1.3% for November.

One result from this improving economic and inflation landscape was a significant rise in US Treasury yields. Yields on 10-year US Treasuries steadily climbed from the 1.35% summer low to 1.80% partly in response to improving growth fundamentals, but also due to growing concern that extraordinarily accommodative global monetary policy may be nearing an end. Then abruptly, following the one-two punch of the election and the December Federal Reserve rate hike, 10-year notes finished the year at 2.45%.

The credit sectors within the fixed income market finished the fourth quarter and 2016 with positive momentum. The performance turnaround from the beginning of the year was supported generally by accommodative global central bank policy, rebounding commodity markets and improving economic data. After all, both the European Central Bank and the Bank of England introduced corporate bond purchase programs as part of their mandates that eventually took risk premiums tighter. The final potential negative catalyst for the year took the form of the US election, which resulted in further risk premium compression on optimism for growth-oriented fiscal policy in 2017. The net result for US investment grade and below investment grade corporate securities was outperformance versus US Treasuries of 4.9% and 15.7% respectively, during 2016. The worst performing sector of significance within fixed income proved to be agency mortgage-backed securities as this sector remains prone to interest rate volatility.

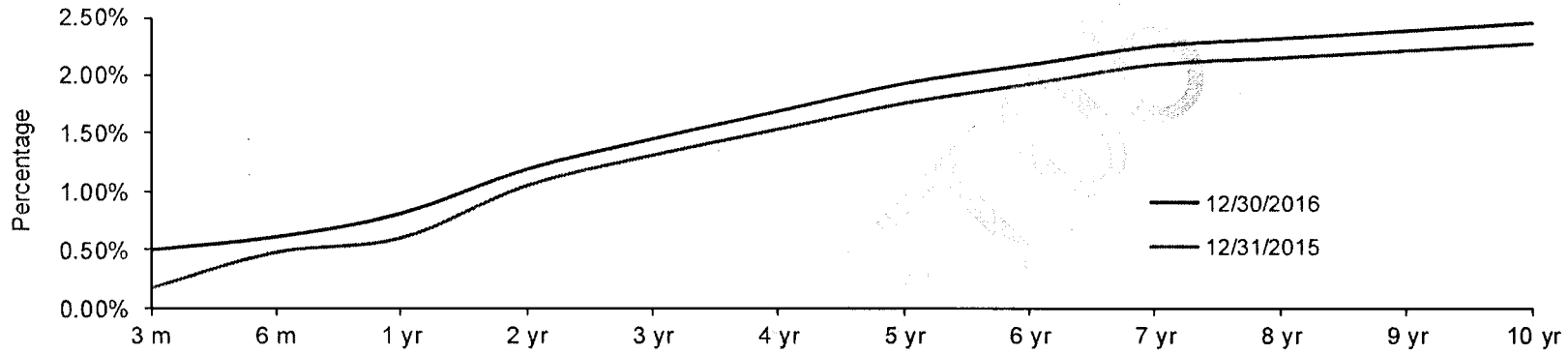
During the past three years market direction was primarily dictated by central bank policy. In thinking about 2017, a more balanced approach to managing macro risks is likely required. Namely, central bank policy, government policy and realized economic growth will likely have equal contributions to market direction. As such, we anticipate evaluating fiscal policies and economic fundamentals more substantially in 2017 as potential catalysts for market change. Perhaps this will lead to healthier investment markets that are not distorted by central bank policy. Maybe true market diversification will be the result, as returns from duration positioning, sector and sub sector allocation will potentially be less correlated.

As of December 31, 2016.

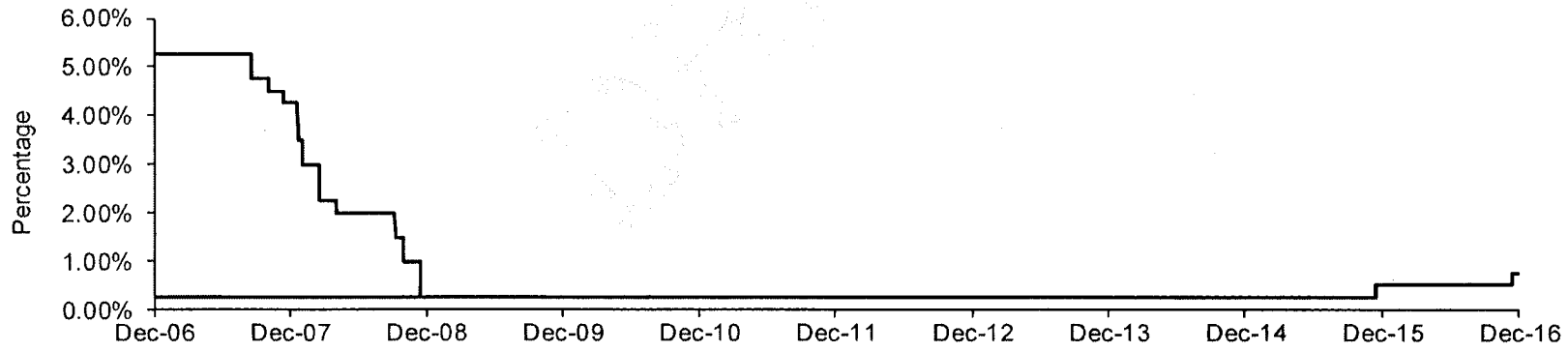
Market environment and strategies

US economic indicators

Comparative historical yield curves[1, 2]



Fed funds target rate[2]

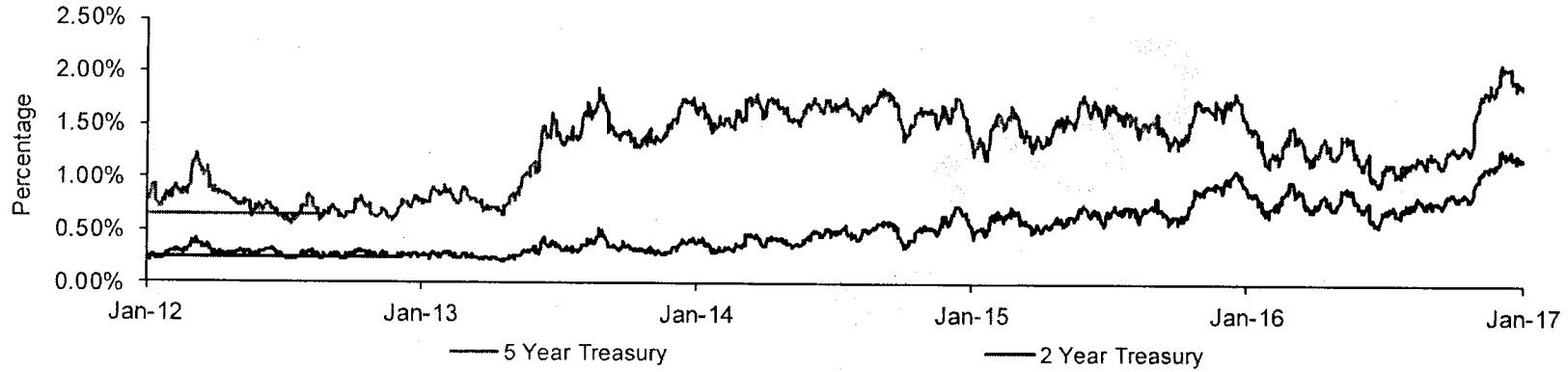


Source: Bloomberg LP, [1] December 31, 2015, [2] December 31, 2016.

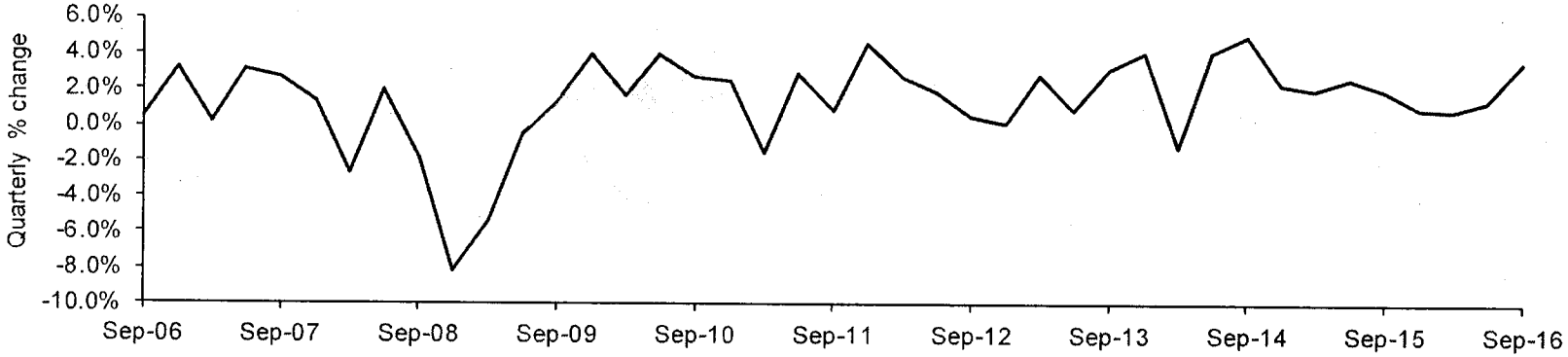
Market environment and strategies
US economic indicators

Insight INVESTMENT

Two-year and five-year treasury yields: January 2012–2017[1]



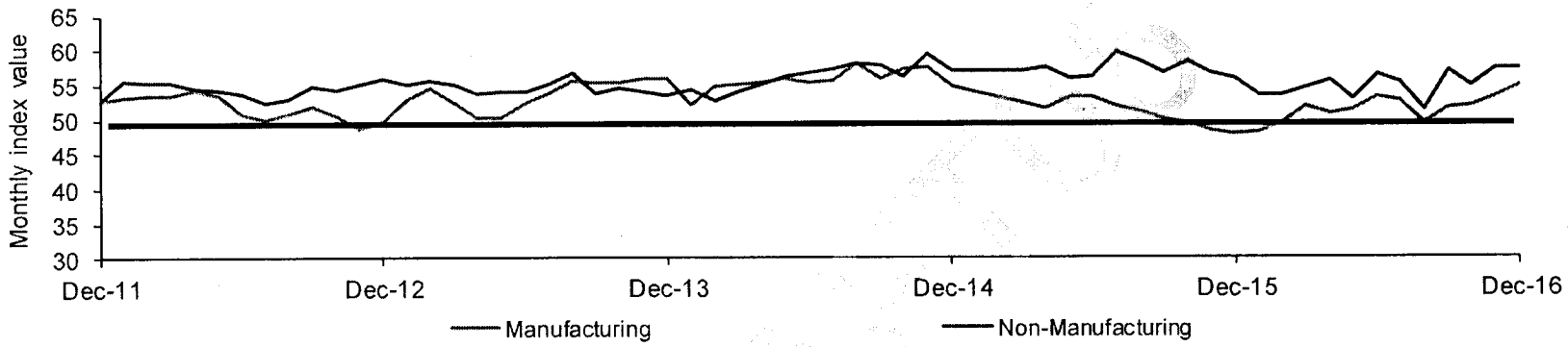
Gross domestic product (GDP)[2]



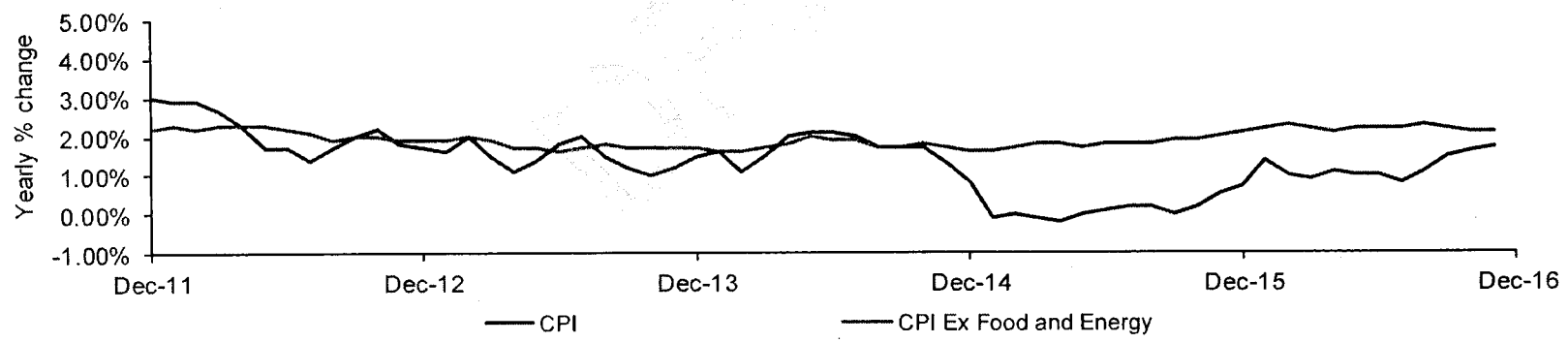
Source: Bloomberg LP, [1] January 13, 2017, [2] September 30, 2016.

Market environment and strategies
US economic indicators

Institute for supply management manufacturing and non-manufacturing business activity



Consumer Price Index (CPI)

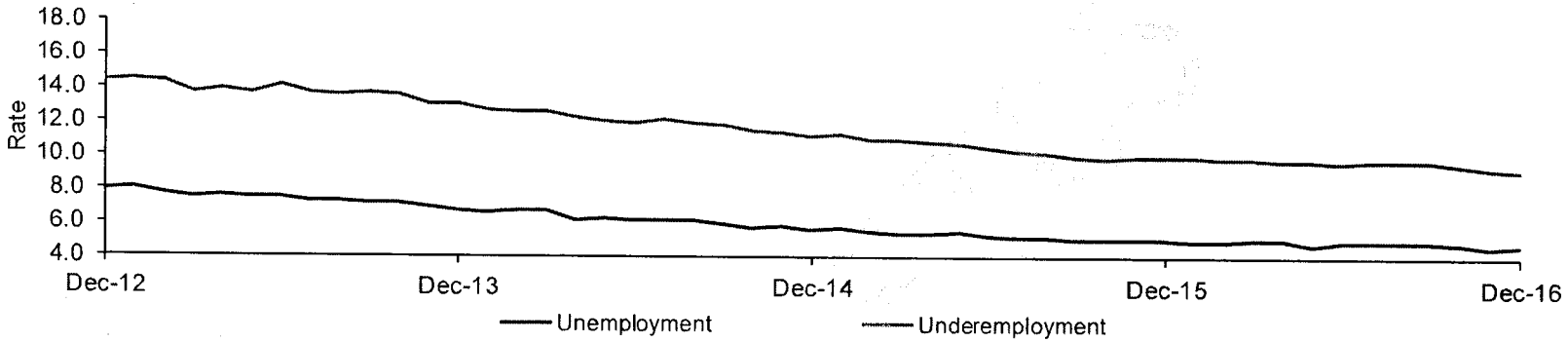


Source: Bloomberg LP, December 31, 2016.

Market environment and strategies

US economic indicators

Unemployment and underemployment



Source: Bloomberg LP, December 31, 2016.

Insight INVESTMENT

Performance versus benchmark

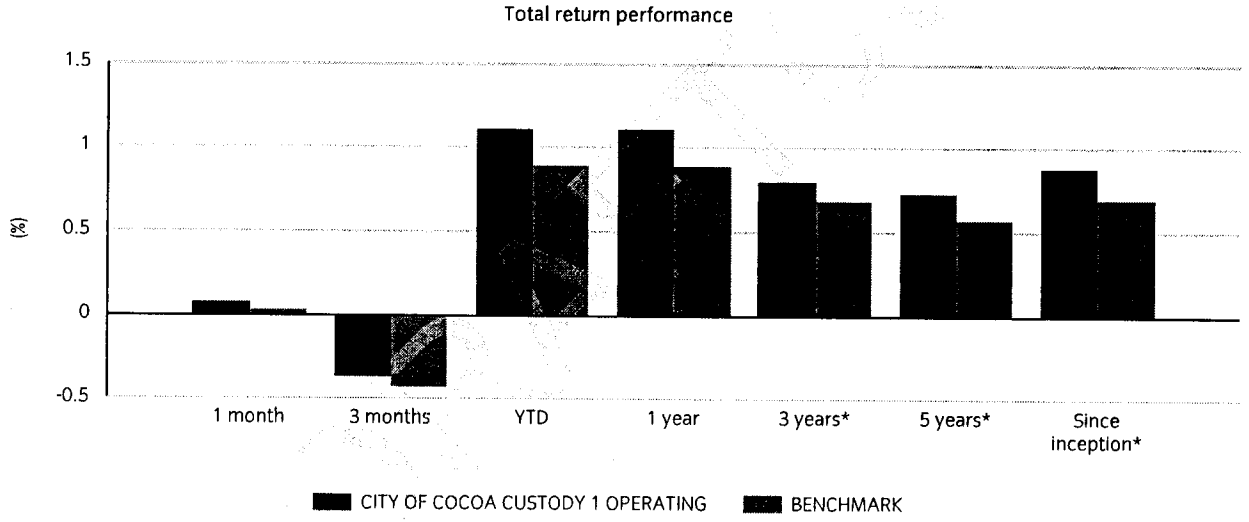
As of December 31, 2016. **Past performance is no assurance of future returns. Investment in any strategy involves a risk of loss.** Returns are gross of fees. Performance results do not reflect the deduction of investment advisory fees. Client's returns will be reduced by the investment advisory fees and other expenses. Please refer to the important disclosures and index definitions at the back of this presentation.

PERFORMANCE

As of December 31, 2016

Total return performance (%)

	1 month	3 months	YTD	1 year	3 years*	5 years*	Since inception*
CITY OF COCOA CUSTODY 1 OPERATING	0.08	-0.37	1.11	1.11	0.80	0.73	0.88
Benchmark	0.03	-0.43	0.89	0.89	0.68	0.57	0.69



*Returns for periods greater than one year are annualized
Returns are gross of fees
Portfolio inception is 11/30/2010

Benchmark history

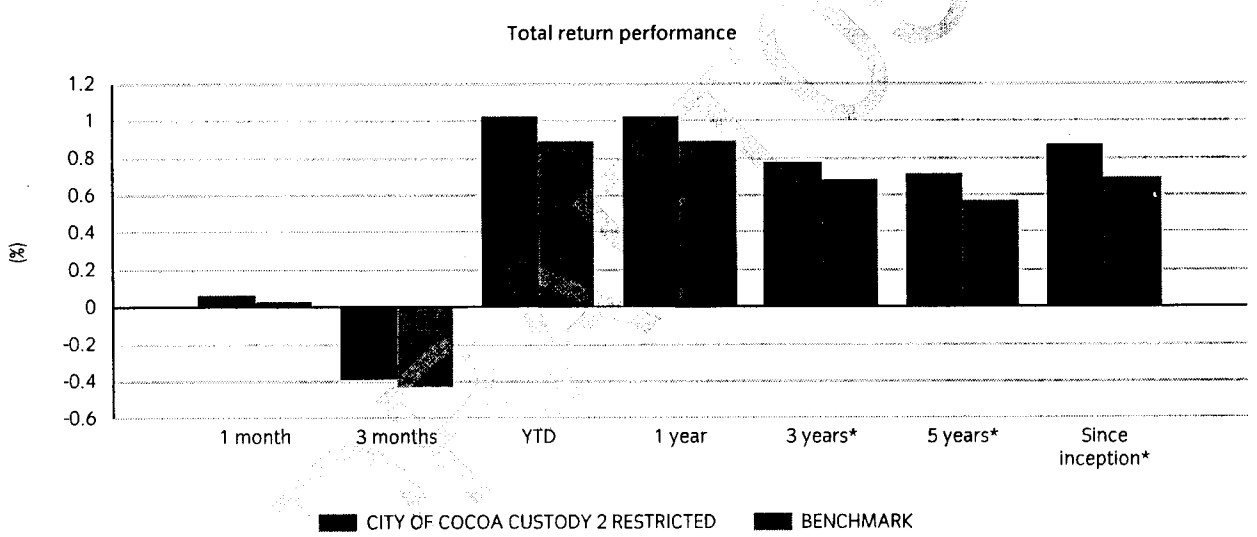
BOA ML US Treasuries 1-3 Yrs: 11/30/2010 - present

PERFORMANCE

As of December 31, 2016

Total return performance (%)

	1 month	3 months	YTD	1 year	3 years*	5 years*	Since inception*
CITY OF COCOA CUSTODY 2 RESTRICTED	0.06	-0.39	1.02	1.02	0.77	0.71	0.87
Benchmark	0.03	-0.43	0.89	0.89	0.68	0.57	0.69



*Returns for periods greater than one year are annualized
Returns are gross of fees
Portfolio inception is 11/30/2010

Benchmark history

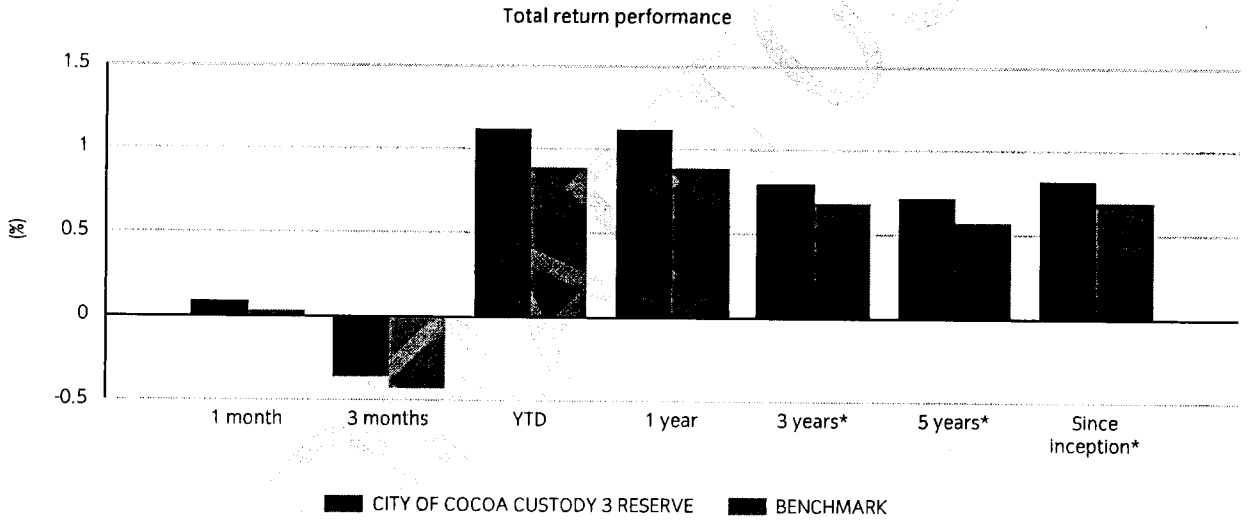
BOA ML US Treasuries 1-3 Yrs: 11/30/2010 - present

PERFORMANCE

As of December 31, 2016

Total return performance (%)

	1 month	3 months	YTD	1 year	3 years*	5 years*	Since inception*
CITY OF COCOA CUSTODY 3 RESERVE	0.09	-0.36	1.12	1.12	0.80	0.72	0.82
Benchmark	0.03	-0.43	0.89	0.89	0.68	0.57	0.69



*Returns for periods greater than one year are annualized
Returns are gross of fees
Portfolio inception is 11/30/2010

Benchmark history

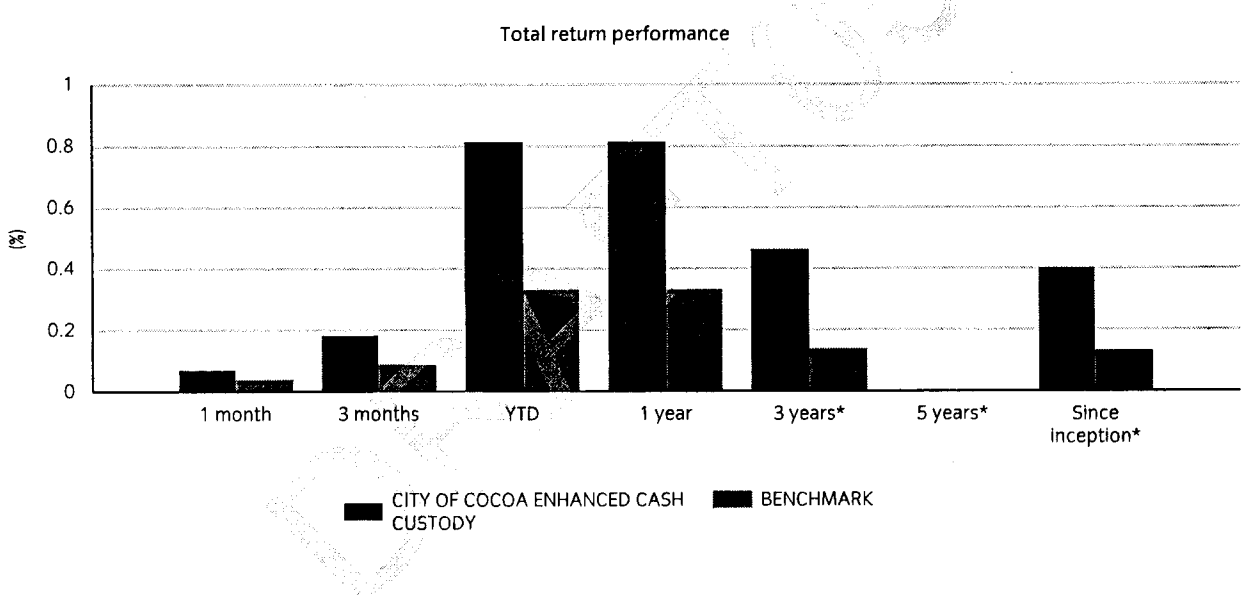
BOA ML US Treasuries 1-3 Yrs: 11/30/2010 - present

PERFORMANCE

As of December 31, 2016

Total return performance (%)

	1 month	3 months	YTD	1 year	3 years*	5 years*	Since inception*
CITY OF COCOA ENHANCED CASH CUSTODY	0.07	0.18	0.81	0.81	0.46	-	0.40
Benchmark	0.04	0.09	0.33	0.33	0.14	-	0.13



*Returns for periods greater than one year are annualized
Returns are gross of fees
Portfolio inception is 05/11/2012

Benchmark history

BOA ML 3M U.S.T-BILL: 05/11/2012 - present

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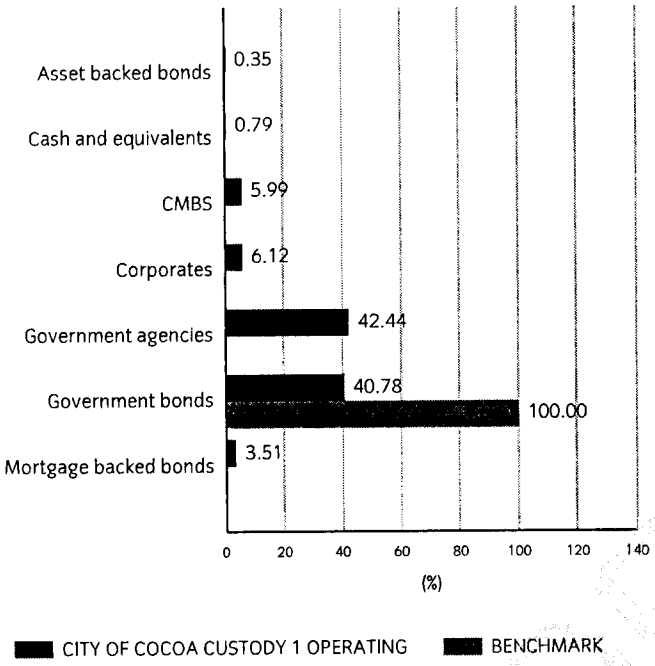
Sector allocation

The following list of allocations and holdings is only valid as of December 31, 2016 and should not be relied upon as a complete listing of past investment decisions. Allocations and holdings are subject to change without notice, may not represent current or future decisions and should not be construed as investment recommendations.

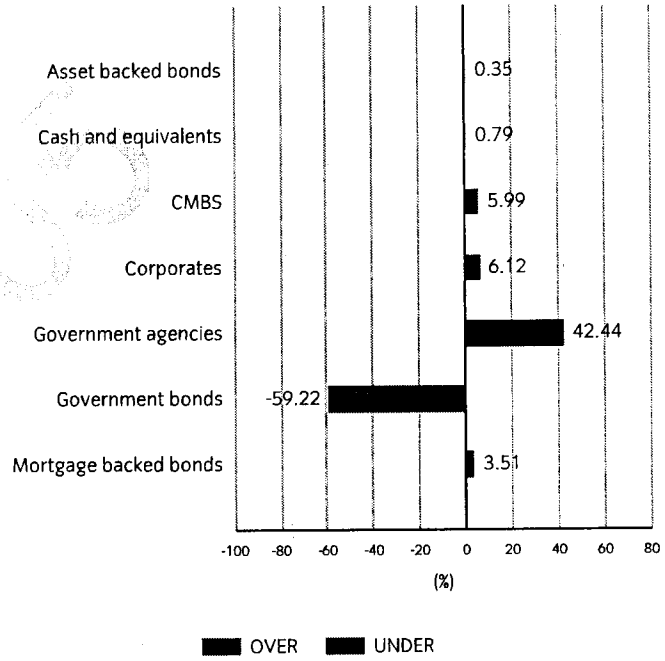
SECTOR ALLOCATION

As of December 31, 2016

Asset allocation by sector



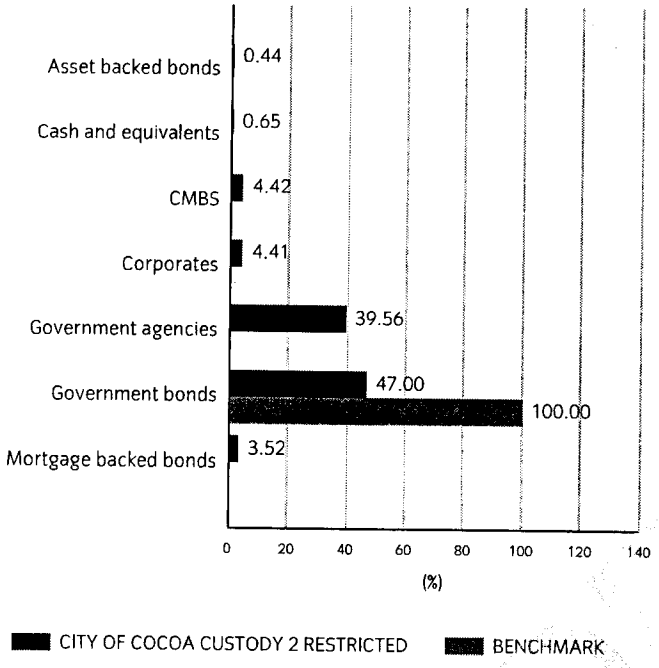
Over/under comparison of asset allocation



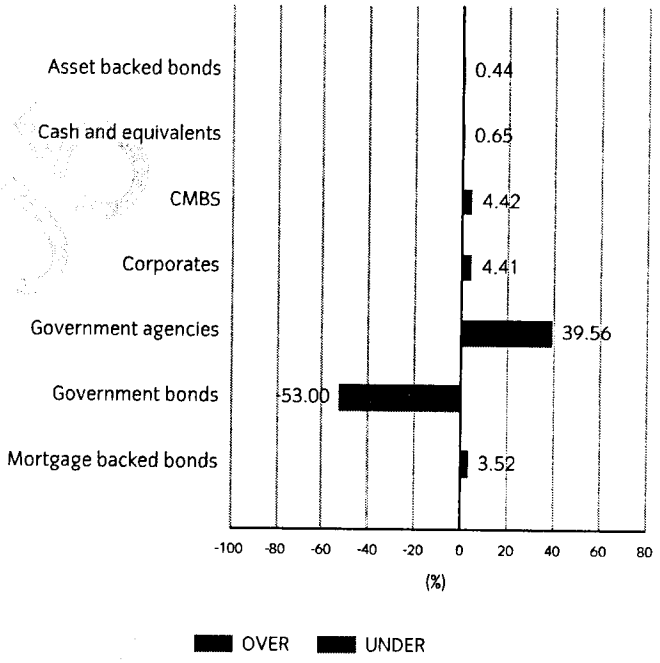
SECTOR ALLOCATION

As of December 31, 2016

Asset allocation by sector



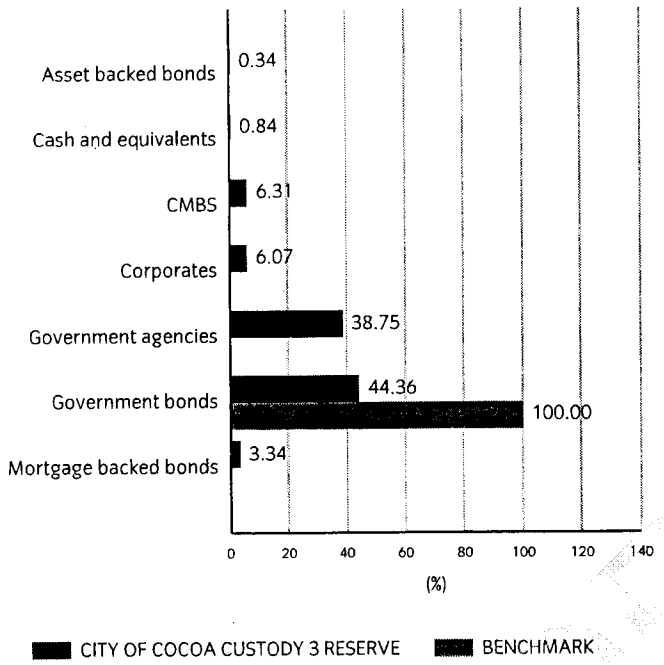
Over/under comparison of asset allocation



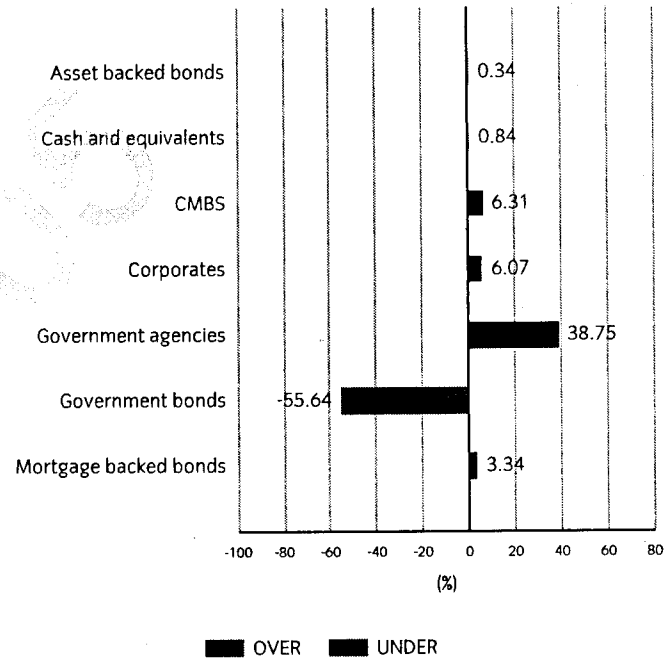
SECTOR ALLOCATION

As of December 31, 2016

Asset allocation by sector



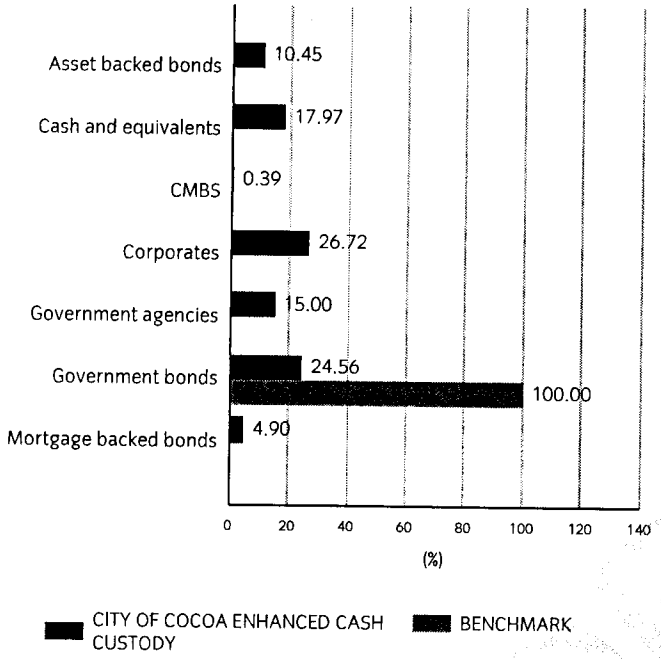
Over/under comparison of asset allocation



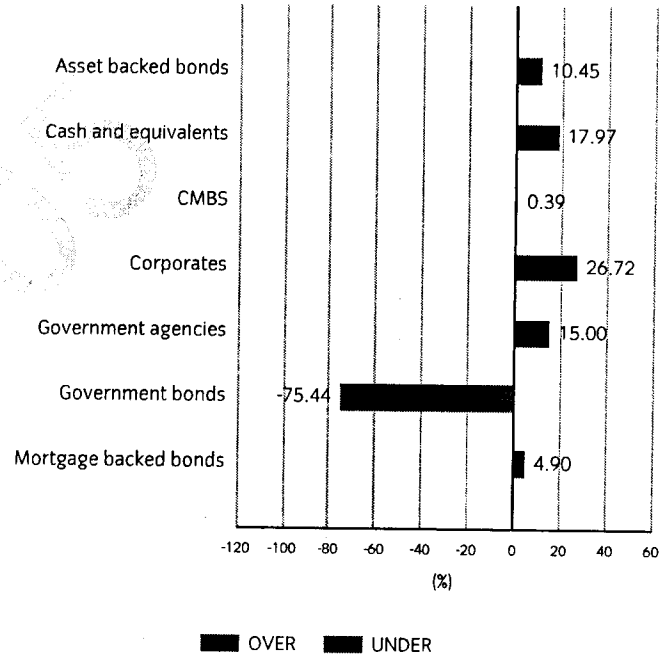
SECTOR ALLOCATION

As of December 31, 2016

Asset allocation by sector



Over/under comparison of asset allocation



Insight INVESTMENT

Portfolio and compliance summary

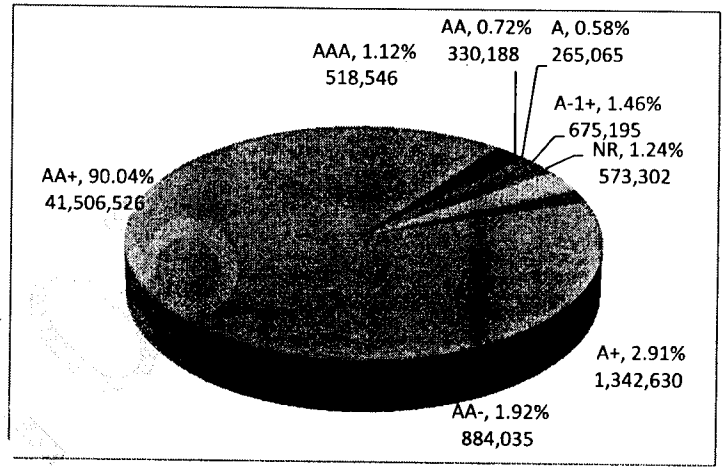
The following list of allocations and holdings is only valid as of December 31, 2016 and should not be relied upon as a complete listing of past investment decisions. Allocations and holdings are subject to change without notice, may not represent current or future decisions and should not be construed as investment recommendations.

City of Cocoa

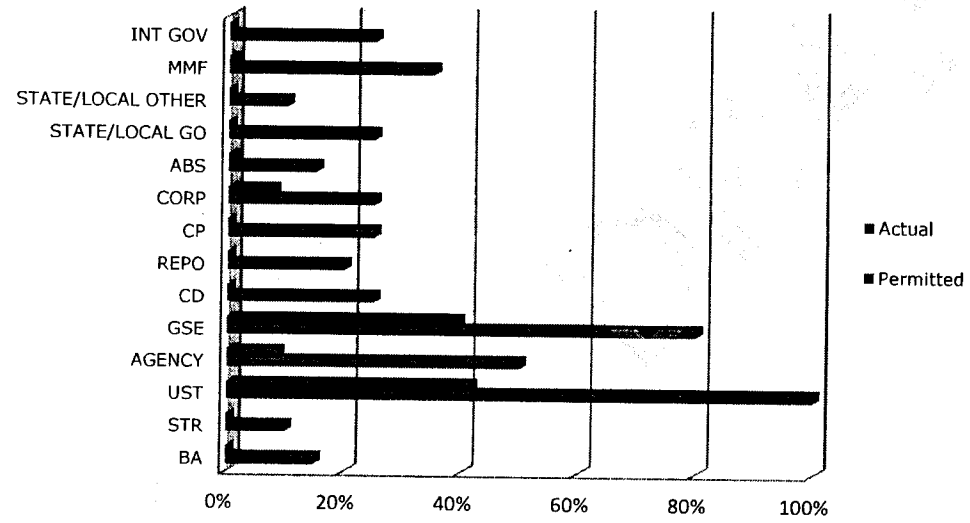
Portfolio and Compliance Summary
Month Ended December 31, 2016

Portfolio Composition [1,2,3]	Permitted	Mkt Value	Actual	
Banker's Acceptances	15%	0	0.00%	✓
U.S. Treasury Strips	10%	0	0.00%	✓
U.S. Government Securities (UST)	100%	19,203,484	41.66%	✓
U.S. Government Agencies	50%	3,987,368	8.65%	✓
Instrumentalities (U.S. Sponsored)	80%	18,220,605	39.53%	✓
Certificates of Deposit	25%	0	0.00%	✓
Repurchase Agreements	20%	0	0.00%	✓
Commercial Paper	25%	0	0.00%	✓
Corporate Notes	25%	3,592,181	7.79%	✓
Asset Backed Securities	15%	581,836	1.26%	✓
State and Local Govt - GO	25%	0	0.00%	✓
State and Local Govt - Revenue/Excise Tax	10%	0	0.00%	✓
Money Market Funds	35%	510,012	1.11%	✓
Intergovernmental Inv Pools	25%	0	0.00%	✓
Total Assets		**46,095,487**	**100%**	

Ratings Distribution[4]



Portfolio Composition - Permitted vs. Actual



Ratings [4]	Permitted	Actual	
Min Rating - Certificates of Deposit	A1	-	✓
Min Rating - Commercial Paper	A1	-	✓
Min Rating - Corporate Notes	A-	A	✓
Min Rating - State and Local Govt	A-	-	✓
Min Rating - Money Market Funds	AAA	AAA	✓
Min Rating - Banker's Acceptance	A1	-	✓
Min Rating - Asset Backed	AAA	AAA	✓

Industry Concentrations	Permitted	Actual	
Max Industry - Commercial Paper	10%	0.00%	✓
Max Industry - Corporates	10%	1.91%	✓
Max Industry - Asset Backed	5%	1.04%	✓

Notes:

1. Based on Market value as of December 31, 2016. Percentages shown by Sector Type.
2. Sector Permitted Allocation Security Type/Sector/Issuer.
3. FDIC Sector securities have U.S. Government Guarantee and are classified as U.S. Government Agencies.
4. As of June 30, 2012, the methodology used for US Treasury and US Agency ratings reflects the methodology used within the respective benchmark.

City of Cocoa

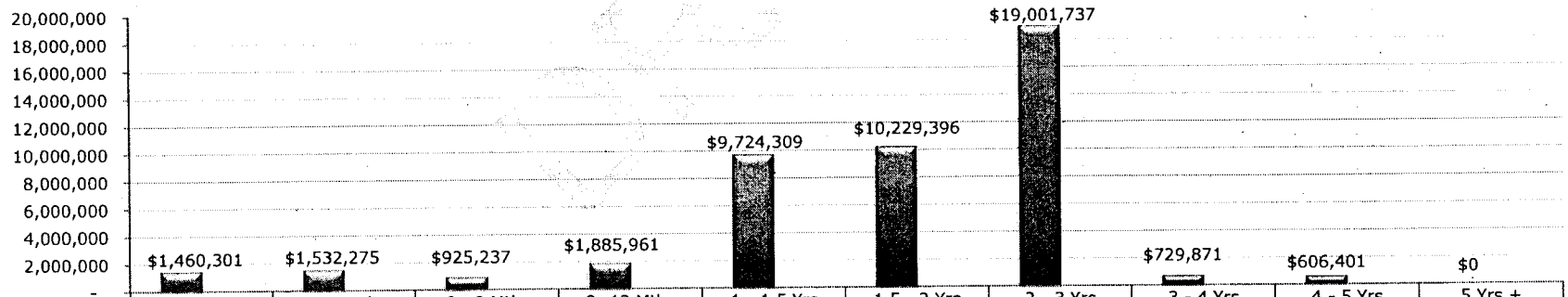
Portfolio and Compliance Summary
Month Ended December 31, 2016

Top Holdings (Non-Govt)	Permitted	Actual	
Chevron Corp	2%	1.61%	✓
Cisco Systems Inc	2%	1.52%	✓
Apple Inc	2%	1.38%	✓
JP Morgan Chase & Co	2%	1.27%	✓
Berkshire Hathaway Inc	2%	0.72%	✓
Duke Energy Corp	2%	0.58%	✓
Nissan Auto Lease Trust	2%	0.36%	✓
Honda Auto Receivables Owner Trust	2%	0.36%	✓
Volkswagen Auto Lease Trust	2%	0.30%	✓
Exxon Mobil Corp	2%	0.29%	✓

Maturity	Permitted	Actual	
Max Years Maturity (UST)	7	3.92	✓
Max Years Maturity (U.S. Government Agencies)	7	2.37	✓
Max Years Maturity Instrumentalities (U.S. Sponsored)	7	4.74	✓
Max Years Maturity (Corporate)	3	2.73	✓
Max Years Maturity (State and Local Govt)	5	0.00	✓
Max Days Maturity (Commercial Paper)	270	0.00	✓
Max Days Maturity (Repurchase Agreement)	90	0.00	✓
Max Years Maturity (CD)	1	0.00	✓
Max Days Maturity (DA)	180	0.00	✓

Agency Issuer Concentration	Permitted	Actual	
Fed Farm Credit Bank (FFCB)	25%	1.60%	✓
Fed Home Loan Bank (FHLB)	25%	13.98%	✓
Fannie Mae (FNMA)	25%	14.16%	✓
Freddie Mac (FHLMC)	25%	9.79%	✓
Ginnie Mae (GNMA)	10%	0.00%	✓
Farmers Home Adm (FMHA)	10%	0.00%	✓
Fed Housing Adm (FHA)	10%	0.00%	✓
Housing Urban Development (HUD)	10%	0.00%	✓
Tennessee Valley Auth (TVA)	10%	0.00%	✓
Private Export Funding (PEFCO)	10%	0.00%	✓
Resolution Funding Corp (RFCO)	10%	0.00%	✓
Agency for International Dev. (AID)	10%	0.92%	✓
FDIC Guaranteed (FDIC)	10%	0.00%	✓
National Credit Union Admin (NCUA)	10%	1.44%	✓
Overseas Private Invest. Corp. (OPIC)	10%	6.29%	✓
Total		**48.18%**	

Portfolio Maturity Distribution



	0 - 3 Mths	3 - 6 Mths	6 - 9 Mths	9 -12 Mths	1 - 1.5 Yrs	1.5 - 2 Yrs	2 - 3 Yrs	3 - 4 Yrs	4 - 5 Yrs	5 Yrs +
Mkt Value	1,460,301	1,532,275	925,237	1,885,961	9,724,309	10,229,396	19,001,737	729,871	606,401	-
Percentage	3.17%	3.32%	2.01%	4.09%	21.10%	22.19%	41.22%	1.58%	1.32%	0.00%