



City of Palm Coast

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Meeting Minutes City Council Workshop

Mayor Jon Netts
Vice Mayor Bill McGuire
Council Member Jason DeLorenzo
Council Member David Ferguson
Council Member William Lewis

Tuesday, February 12, 2013

9:00 AM

Council Conference Room

>Other matters of concern may be discussed as determined by City Council.

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A. Call to Order

Mayor Netts called the meeting to order at 9:00 a.m.

B. Pledge of Allegiance to the Flag

C. Roll Call

Present: 5 - Mayor Netts, Vice Mayor McGuire, Council Member DeLorenzo, Council Member Ferguson, and Council Member Lewis

D. PRESENTATIONS

1 [13-18](#) PRESENTATION OF THE SUCCESS AND SAVINGS OF IN-HOUSE PROJECTS COMPLETED BY CITY STAFF.

Mr. Landon gave a brief overview of this item. Ms. Cindi Brownfield, Communications and Marketing Manager, and Mr. Tom Hanson, Video Production Coordinator, presented a video and PowerPoint (attached to these minutes).

VM McGuire - How do you split the labor and material cost? Mr. Landon - Our numbers include our labor costs; we know how much materials cost, also our time clock program has the ability to input what project they are working; we intend to utilize that more efficiently.

VM McGuire - How do you select the projects that are worthy to do by City staff? Mr. Landon - Practically, all of them now.

CM DeLorenzo - Is the time for evaluation included in this? Mr. Landon - That is why we added the 10% overhead, because we know there are some administrative costs.

CM Ferguson - Is this a trend happening in other local governments; also work being done in-house has to be monitored; how is that working out? Mr. Landon - The project manager and the street superintendent work together to oversee the projects. He would describe the trend as business as usual with the economy and budget cuts.

CM DeLorenzo - Swales - is that real dollar savings or money saved if a contractor did the job? Mr. Landon - That is not actually cash in the bank; that is what the private contractor would have billed the City, but we are doing twice the work (getting much more linear feet done).

CM Lewis did a shout out to Mr. Tony Capela, Streets Superintendent, for the work they are doing in the swales in his neighborhood; correcting mistakes; doing a good job.

The Presentation was Received and Filed.

2 [13-25](#)

PRESENTATION ON WATER UTILITY RATES

Mr. Landon gave a brief overview of this item. Mr. Chris Quinn, Finance Director, gave a PowerPoint presentation "Utility Capital Financing Plan" (attached to these minutes).

VM McGuire - Is the Utility Fund an enterprise fund? Mr. Quinn - Yes, Utility (Water & Sewer) and Stormwater are separate enterprise funds.

City Attorney Reischmann pointed out that you can have excess revenue in an enterprise fund, but it has to be used in a certain way.

Mr. Landon explained the situation back in 2007-2008 (right after the bond issuance; Utility had \$50 mil. for projects earning less than 2% interest in the bank), the City Utility loaned money (\$5.6 mil.) for the Old Kings Rd. widening project to the special assessment district and charged them 5% interest; the amount that we were paid each year in interest was \$260,000.

VM McGuire - If we had not loaned the money, what would we have done with it? Mr. Landon - Left it in the bank gaining less than 2% interest until we needed it; instead of making \$80,000 in interest we made \$180,000 for the Utility.

VM McGuire stated a lot of people think the City shuffles money around instead of using it where it is needed; that's the public perception; if we could correct that, it would be wise. Mr. Landon had a meeting with these property owners (set for this date); the plan is that they will start paying the principal back this year too (and it will come back to the Utility).

Mr. Reischmann emphasized there are legal limitations with the tax exempt bonds.

VM McGuire - If the audit report showed unskillful management of funds, could the State come down here and take charge of the City's books? Mr. Quinn - Yes, if we were in a state of emergency or there was mismanagement.

VM McGuire - How did you take \$2 mil. out of Utility operating costs (in 2012)? Mr. Landon - We are doing more in-house projects, and we're cutting costs.

VM McGuire - So, can't we say the \$2 mil. savings came out of the methods used;

evaluation and plan to reduce those; not just paper savings? Mr. Landon - Yes, not paper savings.

CM DeLorenzo - Production was the same over that time period? Mr. Richard Adams, Director of Public Works/Utility - Correct.

VM McGuire - What are our reserves now? Mr. Quinn - \$3.582 mil.

VM McGuire - Where is the money shortfall coming from? Mr. Landon - Our reserves/savings account.

VM McGuire asked for a similar pyramid chart (to the Utility Financial Analysis-Total Operating Expenses chart) for Stormwater when that discussion comes up.

CM Ferguson - The \$3.5 mil. in reserves, is that in a cash account? Mr. Quinn - PFM Asset Management, Inc. (City's investment consultant) has it invested in primary government securities; he is hoping we broke the 1% mark.

Mayor Netts gave a parallel circumstance - condominium associations have to put money into a reserve for roof replacements (or other capital expenses) and if you don't charge enough in fees; the condominium association may be abandoned or the residents have a huge assessment to pay to cover for the roof(s) to be replaced.

Mayor Netts went over the Capital Financial Program slide addressing 3 issues: Refinancing 2003 Bonds (saving money for the City), Zero Liquid Discharge (ZLD) we have no choice because the Environmental Protection Agency (EPA) is requiring us to do it, and wastewater treatment plant 2.

CM DeLorenzo asked the cost of the ZLD project. Mr. Adams - \$10 mil.

Mayor Netts - When you reach 70% capacity in a wastewater treatment plant, you need to start the planning process (on an additional plant)? Mr. Adams - Yes, and we have started the planning process; basically the Department of Environmental Protection says that you must have construction completed 6 months before you run out of capacity.

Mayor Netts - So, the question is when do you run out of capacity? If we guess wrong, and we defer the plant and growth is more than predicted, we may have to do it on an emergency basis similar to repairing Florida Park Drive.

Mayor Netts - What is the BEBR (Bureau of Economic and Business Research) prediction? Mr. Quinn - We're looking at 1% growth in our reports, and he believes BEBR was looking at 2%.

Mayor Netts - How old is the wastewater plant? Mr. Adams - The building was started in the early 1970s but has been upgraded along the years.

Mr. Landon - BEBR, in years 4-5 has growth in the 4%-5% range, but lenders won't let us use those higher numbers.

Mayor Netts - What if we don't do ZLD? Mr. Landon - You can fight EPA, but it will take years; it will be expensive to defend; we may have to do it in the future anyway; it is not an option.

- Mr. Adams presented a PowerPoint "Public Works/Utility 5 Year Capital Plan" (attached to these minutes).

Mayor Netts asked about e-mails received claiming illegal expenditures for wellfields. Mr. Adams explained it is very common to have wellfields outside the area; it is unnecessary to annex areas for wellfields; everything that the City does is permitted by the County; it is all within the rules and regulations.

VM McGuire - Does each plant serve a particular geographical area? Mr. Adams - No, they are all connected but typically you may receive water from the water plant closest to you; depends on where the demand is.

Mayor Netts - Didn't we put a recirculator in the big blue water tank? Mr. Adams explained how they constantly circulate/mix the water to keep it fresh.

CM Ferguson - Are there measures of capacity for wellfields? Mr. Adams - Yes, we're under construction of 12 wells right now which should be pumping water within the next few months; right now on a peak day, we're pretty much maxed out with our wells.

CM Ferguson - But we're at 60%-70% capacity for treatment of water? Mr. Adams - Correct, water plant capacity is actually better than that; the ZLD will give more capacity, etc.

Mayor Netts pointed out on the Wastewater Collection, Treatment and Disposal slide (2015-2017 Advanced Waste Treatment expense of \$7.2 mil.); this is the Federal Government and the State of Florida - nutrient standards - saying the need to cap the amount stuff (nutrients, nitrogen and phosphorus) in the water discharge; it's necessary and costly. Mr. Adams - Correct.

VM McGuire - How long does it take to build a wastewater treatment plant? Mr. Adams - 2 years.

VM McGuire - How long before it gets on line? Mr. Adams - 18 months to 2 years.

VM McGuire - The agreement we have with Beverly Beach to treat their wastewater, is that permanent or temporary? Mr. Adams - It is permanent; it's 30,000 gallons a day that is what they average in their plant.

VM McGuire - How are they going to repair the sewer lines in Beverly Beach? Mr. Adams - That is part of their overall project.

VM McGuire - We don't have any part in that? Mr. Adams - No.

VM McGuire - The biggest ticket item is wastewater treatment plant 2? Mr. Adams - Correct.

VM McGuire - How much is the construction of the plant itself and the piping to get to and from the plant? Mr. Adams - They will be done in concert a lot of it will be casting the concrete.

VM McGuire - Will it be bid out? Mr. Adams - Yes, we'll probably get bids from all over the southeast of the country.

CM DeLorenzo - In the water rate study there is a chart on page 9, "historical and projected account statistics for the water system" starts in 2008 and goes to 2012 with a breakdown. He asked, from 2008 it says our average monthly usage of water per ERC was 3,457 gals. per month, then in 2009 it jumps to 4,105 and stays pretty

consistent; any reason for the differences? Mayor Netts - Drought. Mr. Adams - It could be that (drought); also there is a lot of irrigation off of that.

Mayor Netts - Do we have any measurement/calculation of how much of our water goes to irrigation? Mr. Adams - Unfortunately, there is no way of telling. CM DeLorenzo believes the St. John's River Water Management District estimates that 60% of the water goes to the exterior of the house.

- Mr. Mark Galvin, Senior Vice President of First Southwest, gave a PowerPoint presentation "Utility System Workshop Preliminary Financing Plan" (attached to these minutes).

VM McGuire - What does unenhanced/underlying rating mean? Mr. Galvin - That is the City's individual credit rating; enhanced rate is insured by bond insurers (similar to co-signers, willing to take on debt); that is how the City got the good rates; insurance was the most important part, but now that has gone away.

CM Lewis - Is AIG one of the insurers? Mr. Galvin - No, not for municipal bond insurance.

CM Ferguson - Are other municipalities who have been more cavalier in the way they have run their finances, have they gotten penalized for what happened in 2008 and the bond collapse, to the extent their rates have skyrocketed? Mr. Galvin - Everyone has been hit by the same thing; the bond insurers were downgraded, which required the City to fund \$9.4 mil. (for debt service reserve [DSR] account); and the City lost (cash) liquidity. Other utilities had to borrow money or get a line of credit (for DSR).

Mayor Netts - It has been proposed that part of the reason for the rate increase is to generate money so we can get a better bond rate which will save money on interest; they say suppose you didn't raise that capital and you paid higher interest, putting it on a scale, what's the end result of the rate penalties? Mr. Galvin - One way is to free up the debt service reserve; in today's market for highly rated A1 type of credits we've been able to work with the rating agencies and bond investors to say this City, since they have good coverage and good credit rating, they don't need a debt service reserve. Now, if you get downgraded down to A, that goes away. So that whole concept if you weren't trying to free up the debt service reserve funds, and use it to reduce the bond size; technically, the City is borrowing \$15 mil. worth of new money and getting \$6.3 mil. from the reserve to fund \$21 mil. worth of projects. If you don't do that and you get downgraded, bond holders will not buy your bonds without a debt service reserve. You need to maintain your bond ratings at the current level; bond insurance doesn't make a lot of sense for the City; no guarantee what your bond rating will be.

Mayor Netts - Impact of bullet 3 on page 13 ("If the City is downgraded it will still be able to sell its bonds and fund its capital improvement plan. It will simply cost more - Issue more debt at higher interest rates and more debt more often"), what does that translate to the rates? Mr. Galvin - In this case, if it's the one - it's significantly higher debt service because you have to borrow more; about \$540,000 more per year, but now the interest rates are so low the difference between A1 and A is about 5 basis points but as interest rates and the economy improves that spread is going to widen and that differential could be more expensive.

CM Lewis - How am I supposed to feel that increasing rates will make me financially stronger as opposed to maybe they will not? Mr. Galvin - There are no guarantees; if you were a bank would you feel more comfortable with a customer who raised his rates to bring in more revenue; are you managing this to be a strong system;

planning for the future? The driver will be what are your water and sewer rates.

CM Lewis - How would you sell us? Mr. Galvin - Similar point, back in 2010 that was the low point for the City; the bond insurance got downgraded; the City was forced to come up with \$9.4 mil. (luckily the City had the funds), but it did weaken the liquidity position. Mayor Netts added it was because of something we had no control over. Mr. Galvin - He would have them come here; see the facilities, the system is in great shape, there are policies in place for DSR and go back and say they are going to raise their water and sewer rates for a strong system.

- Lunch break 11:45-12:15 p.m.

- Mr. Jeff Wilson, Public Resources Management Group, Inc. (PRMG), gave a PowerPoint presentation "Water and Wastewater Rate Study and Bond Feasibility Report" (attached to these minutes). Mr. Rob Ori was out of the Country and apologized he could not be here.

VM McGuire - Option 1 - He asked about the monthly increases in rates under the current model and how much it would go up from now until 2017, approximately \$15? Mr. Wilson - Yes.

Mayor Netts - Option 2 - How far of a push out is that? Mr. Landon - Off the 5 year plan.

VM McGuire - What did you have to do recently (R&R-Renewal & Replacements)? Mr. Adams described over the weekend of 2/9/13, in the early morning hours, a breaker needed to be replaced which they had in stock at a cost of \$7,000.

VM McGuire - How much money have you spent in the last 4-5 years for replacements, etc.? Mr. Adams - In the millions.

VM McGuire - Do you have money in the budget to do that? Mr. Adams - Yes, in the Utility operating budget.

CM DeLorenzo - At BEBR medium predictions, when do we need the plant (second wastewater treatment plant)? Messrs. Landon and Adams - 2015-2016. Mr. Adams expressed the numbers they use are higher than BEBR low.

CM DeLorenzo - How many ERCs (Equivalent Residential Connections)? Mr. Adams didn't know but could get the information if needed.

Mayor Netts - What are the consequences of this plan (Option 4); reduce the capital plan; what does that mean for us? Mr. Adams - Pushing out the growth related project; the wastewater treatment plant and design.

VM McGuire - Do you have a list of the capital projects that you're talking about deleting? Mr. Adams opened the PowerPoint entitled "Rate Study Capital Plan Reduced" (attached to these minutes) and read the items in red: - Water Treatment Plant 3 Plant Expansion Design, Wastewater Treatment Plant 2 and Matanzas Woods Master Pump Station.

Mayor Netts - What is the rationale for the Matanzas Woods Pump Station; what do we lose? Mr. Adams - It is required to turn the sewer water around instead of sending it to Wastewater Treatment Plant 1; it's tied to the Wastewater Treatment Plant 2 project.

VM McGuire - So, that took out about \$23+ mil.? Mr. Landon - That took out \$24 mil.; took total from \$78 mil. down to \$54 mil.

Mayor Netts - Suppose we adopted Option 4 and we get the engineer's growth rate what would we have to do; we'd have to put those capital projects back in, but in order to do that we'd have to do another rate study; raise the rates? Mr. Wilson - Yes, it will be based on growth; that is the trigger. Mr. Adams - There is also the possibility we could look at different funding - SRF (State Revolving Fund), etc.

Mayor Netts - What will SRF (interest) rates 4 years from now? Mr. Quinn - They have been historically low around 3%, but there is a 2% loan fee added on above and beyond the interest rate.

Mayor Netts - What is the term of a SRF loan? Mr. Quinn - Usually 20 years.

Mayor Netts - There are 8 options, if City Council said absolutely not to 8,7,7,2,2.2% (Option 2); what is the next best alternative? Mr. Quinn - Option 3 is bare minimum, but we will have to deal with it in a couple of years, so really Option 2 is the best for the City.

CM Lewis asked about Option 4. Mr. Quinn - This is an alternate to Option 2. Mr. Landon - The original recommendation is the strongest, most solid financial plan and they (consultants) will stand behind it; they are comfortable with Option 2 and 4 but not comfortable with the others for fear of harm to the Utility and the risk.

Mayor Netts - Hypothetically, we adopt Option 2, and we get more growth than we anticipate, and we have to do these projects sooner; how does that impact us fiscally, any quantification on that at all? Mr. Wilson - Yes, the debts are resolved; 6% additional rate increase, but then depending on the growth; For 1% growth you receive in the system, then you could potentially lower that rate by .8%; it's not 1 to 1 because operating costs will go up.

Mr. Landon - We're planning to develop a rate resolution that will outline one of these options; we could put a couple of them together; however Council would like to do that.

Mayor Netts would like to see a comparative presentation on the original proposal and Option 2 (Adjusted Rate Increase for Reduced Capital Plan). Council consensus.

VM McGuire asked if we have money in other funds targeted for something else that we could divert to this. Mr. Landon - Nothing that is sustainable, you have the disaster recovery fund that has a couple of million dollars in it, but that is a savings account (for emergencies). Mayor Netts stated that when we purchased the Utility, (former) Mayor Canfield was adamant that it had to be an enterprise fund; he further explained the reasoning behind this; use and cost correlation.

VM McGuire stressed that we need to show that all the things the public has been up in arms about has been considered and closing the tennis center or golf course or not planting in the medians is not going to solve this issue. He further recommended to show these presentations on TV199 more frequently.

The Presentation was Received and Filed.

3 [13-17](#)

RESOLUTION 2013-XX APPROVING CHANGE ORDER 1 FOR S.E. CLINE CONSTRUCTION, INC., IN THE AMOUNT OF \$71,804.31, FOR THE REPAIR OF UNFORESEEN CONDITIONS OF THE

WATER CONTROL STRUCTURE KNOWN AS L-4 ON THE ROYAL PALMS WATERWAY

Attachments: [Resolution-Change Order 1-S.E.Cline, L-4 Weir](#)
[Change Order 1-S.E. Cline-L4 Weir](#)
[S.E.Cline Schedule of Values-Itemized Charges](#)
[Location Map](#)

Mr. Landon gave a brief overview of this item. Mr. Don Schragger, Stormwater System Specialist, gave a PowerPoint presentation (attached to these minutes).

Mayor Netts - What was the source of the void? Mr. Landon - Erosion. Mr. Schragger described there were two holes on either side of the control structure which allowed for water to pass through and erode the soil.

VM McGuire - Where is that money coming from? Mr. Landon - Stormwater capital budget. Mr. Schragger explained that every two years in the Stormwater capital budget they put in a \$300,000 line item for a major crossing. This year with the Seminole Woods pathway gone, he put in for the Iroquois waterway crossing, not knowing at that time how far the path was going to go but now that it is going to stop well short of that, he can reprioritize the major crossings and do two smaller ones which will leave enough money for this.

The Resolution was Continued.

E. WRITTEN ITEMS

- 4** [13-11](#) RESOLUTION 2013-XX APPROVING THE PURCHASE OF BUDGETED MOWERS IN THE AMOUNT OF \$86,466.00 FROM FLAGLER POWER EQUIPMENT.

Attachments: [Resolution - Budgeted Mowers - Trailers](#)
[Contract Summary - Flagler Power Equipment](#)
[2013 Proposed Fleet](#)
[Bid Opening Tab](#)

VM McGuire - Are these mowers, because we're taking on mowing work (in-house) that used to be done by a contractor? Mr. Landon - 3 of them are and 3 are replacements.

The Resolution was Continued.

- 5** [13-28](#) RESOLUTION 2013-XX, APPROVING CONTRACTS WITH DANELLA CONSTRUCTION CORPORATION OF FLORIDA, INC., AND PRECISION CONTRACTING SERVICES, INC., FOR FIBER OPTIC INSTALLATION SERVICES.

Attachments: [Resolution FiberNET Construction WO](#)
[Contract Summary - FiberNet](#)
[Intent to Award](#)
[Danella Bid Rates](#)
[Precision Bid Rates](#)

Mr. Landon gave a brief overview of this item.

VM McGuire - What is involved with this, digging a trench and laying a line? Mr. Steve Viscardi, Information Technology & Communications Director (IT&C) - It depends, when we get a new customer, they will come in and depending on the path, they may have to do a directional bore or might just trench and lay fiber down or put a conduit in.

VM McGuire - Do they have special equipment or technology that we need to rent? Mr. Viscardi - Depending on what they need to do for the customer; not necessarily for laying the fiber; directional borer, trencher, trench by hand or fiber splicing.

VM McGuire - Bid each project or so much per linear foot? Mr. Viscardi - The price sheet is attached to this item and they'll quote according to what the project entails.

CM DeLorenzo - The selection will be from just these two companies (not open bid to everyone)? Mr. Viscardi - Just between these two companies; they were the only two that responded.

CM DeLorenzo - So, depending on what's necessary for that customer, one might work out better than another because of the pricing already established? Mr. Viscardi - Yes.

VM McGuire - How many of these projects do you anticipate? Mr. Viscardi - We hope hundreds; 15 last year and 6 so far this year.

VM McGuire - This project, among others IT&C oversees, is a moneymaker for the City, is it not? Mr. Viscardi - Hopefully, it will be; there is a little ROI (Return on Investment). Mr. Landon - We evaluate each customer to make sure it is worthwhile doing (recover costs, etc.).

VM McGuire - Do you have any competition on these projects? Mayor Netts - Bright House. Mr. Viscardi - Also AT&T.

The Resolution was Continued.

6 [13-26](#)

RESOLUTION 2013-XX APPROVING A PRICE AGREEMENT WITH STRICKLAND SOD FARM, INC., FOR THE PURCHASE OF SOD FOR VARIOUS CITY PROJECTS

Attachments: [Resolution-Price Agreement for Sod](#)
[Contract Summary - Strickland Sod](#)
[Strickland - Sod Bid](#)

Mr. Landon gave a brief overview of this item.

Mayor Netts - Private contractor just finished putting sod on Florida Park Drive near the headwall of one of the canals; does that stuff need to get watered? It's brown. Mr.

Schrager - The contractor is well aware that he is responsible for it. Mr. Landon - If it's Bahia, it turns brown.

The Resolution was Continued.

7 [13-27](#)

RESOLUTION 2013-XX APPROVING CONTRACTS WITH TRI-COUNTY BOBCAT SERVICES, INC., MANNIEL'S BOBCAT AND LAND CLEARING, INC., AND NORMAN-GARDNER SERVICES, INC., FOR WILDFIRE UNDERBRUSH MOWING SERVICES.

Attachments: [Resolution-Wildfire Mitigation Contracts](#)
[Contract Summary - Underbrush Mowing](#)
[Pre-Qualification Evaluation Summary](#)
[Bid Tab-Wildfire Underbrush Mowing](#)

Mr. Landon gave a brief overview of this item.

No Council comments.

The Resolution was Continued.

F. DISCUSSION BY CITY COUNCIL OF MATTERS NOT ON THE AGENDA

CM Lewis asked about gateways to Palm Coast from U.S. 1. and when can we start work on those. Mr. Landon - This year, the budget includes the one on Palm Coast Pkwy.; right now we're doing Belle Terre down to Royal Palms (landscaping improvements) and Palm Coast Pkwy. (Brushwood to U.S.1), but doubt there will be a sign this year.

CM Lewis - At Whiteview there is no sign that says Pine Lakes. Mr. Landon - Neighborhood signs are all part of this, but not budgeted for this year. Mr. Quinn - In a couple of weeks we are coming to Council with the government capital plan for the next 10 years; we'll have all the projects laid out in a presentation. Mr. Landon spoke of possibly making the gateway signs include smaller neighborhood signs on them as well similar to Palm Harbor.

CM DeLorenzo wanted to make Council aware that mid October the County did a moratorium on impact fees for transportation and parks and in January 2013 the number of housing permits for Flagler County were the highest since the summer of 2006 - 20 permits, and that does not include Flagler Beach (that has its own building dept.); more than Palm Coast at 17. Good news county-wide, but he is still interested in having further discussions on impact fees; he believes the same consultant that is working on our water study is supposed to look at parks when they are done. In the water study there was a proposed reduction in the water and sewer impact fee or a reset, because it had been set to an indices and had grown to \$1,100 since the implementation of it; transportation is the same way and so is parks; they are all tied to an indices.

Mayor Netts - 2/8/13 the City Manager, Planning staff and Mayor Netts attended a Volusia County TPO (Transportation Planning Organization) retreat which gave an overview of the board; they learned the majority of the money that the TPO and FDOT (Florida Department of Transportation) spends basically comes from the gasoline tax which is a flat amount (so many cents per gallon), and as the price of gas goes up the tax does not go up. Whereas, more cars are using less and less gasoline, the amount of funding is decreasing, so depending on funding from

gasoline tax is not sustainable. On 2/11/13, he went to their reapportionment subcommittee meeting (not as a board member yet) and a new map has been proposed that resolves some of the holes; it looks better than the previous one. The other issue is the TPO board, that by Federal law can only have 19 members, already has 19, and Flagler County, Palm Coast and Bunnell still have to go in. There is a draft proposal in Council's office for review of what the organization may look like.

VM McGuire - Who drafted it? Mayor Netts - The reapportionment subcommittee of the TPO; they are trying to find something that makes everyone happy.

CM Lewis - Palm Coast will have a seat? Mayor Netts - Correct.

CM Lewis - That seat will only have 10% (of vote)? Mayor Netts - Depending on the structure. By Federal law, counties get 1/3 of the vote; there will be 6 seats held by counties (5 for Volusia and 1 for Flagler), and the remaining 2/3 of the vote will be distributed among the cities based on population. Also, the name will be changed from Volusia TPO to something not naming specific counties or cities (Move386 was our suggestion).

CM DeLorenzo - Does the new map close the hole at the southern end of Old Kings Rd.? Mayor Netts - No. Mr. Landon - He agrees with CM DeLorenzo, but no; it was the best we could do. (The maps referred to are attached to these minutes).

Mayor Netts spoke of allegations of the City being business unfriendly and how we are imposing unrealistic expectations on builders and contractors. After investigation, he has found there is a perfectly reasonable explanation as to what happened. He suggests that we bring the property owner into the communication loop; he challenges Mr. Landon to share more information. Mr. Landon was in agreement and staff is working on it.

VM McGuire thinks we also need to communicate with the contractors better; they are the ones that are complaining. Mr. Landon stated he's hearing the inspection process is what they are complaining about.

Mayor Netts said he received a call from a resident waiting for inspection on her house; she was waiting around all day for the inspector and wasn't aware that the inspector was already there that morning because the communication was between the contractor and the inspector (through the permit box) and not with the property owner. Mayor Netts also found out we give a specific time for inspection.

There was discussion about the length of time it took some businesses to open, and how it is rarely only the City's fault but better communication between the City, contractor and property/business owner would be beneficial.

G. DISCUSSION BY CITY ATTORNEY OF MATTERS NOT ON THE AGENDA

Mr. Reischmann had another appointment to go to; no comments.

H. DISCUSSION BY CITY MANAGER OF MATTERS NOT ON THE AGENDA

Mr. Landon presented a spreadsheet entitled "Monthly Numbers 2008-2013" showing single-family building permit numbers (attached to these minutes).

Mr. Landon spoke of the issue of flavored tobacco (targeting young people) and a request for a resolution regarding the sale of it; Health Department would like to make a presentation to Council on this subject. He will put it on the agenda as a

presentation.

VM McGuire - Will the presenters be able to tell us what other municipalities are doing about this? Mr. Landon - Yes, he believes it's a representative of the County Health Dept.; they have a little report that he will give to Council.

VM McGuire stated there was a bust in Orlando of 5-6 individuals involving synthetic marijuana and two are on borrowed time and one has since died.

Mr. Landon informed Council that in about a month St. Joe's Trail is going to have to be closed during the trenching and construction of the pumping station for the Beverly Beach wastewater project (east of the Community Center, by the fire station).

VM McGuire - Who is going to pay to replace the trail once construction is done? Mr. Landon - It's part of the contract.

Mr. Landon spoke of the economic development efforts of the City and the County and how we help each other out.

Mr. Beau Falgout, Senior Planner - The County has been working on getting Coastal Cloud, LLC (parent company started out at Office Divy as a private incubator); they are a high tech company that will be occupying space in unincorporated Flagler County and eventually building in the County; it's a great prospect and he is going to attend a meeting and voice support of it.

Mr. Landon - Tennis Tournament was very positive, better numbers.

Food truck event evening of 2/19/13.

I. ADJOURNMENT

The meeting was adjourned at 2:36 p.m.

*Respectfully submitted,
Barbara Redline*

[13-30](#)

MEETINGS CALENDAR AND AGENDA WORKSHEET

Attachments: [Meeting Calendar](#)
 [Agenda Worksheet](#)

[13-34](#)

ATTACHMENTS TO MINUTES

Attachments: [Item 1 - In-house Projects](#)
 [Item 2 - PRMG Presentation Water Utility Rates](#)
 [Item 2 - First Southwest Presentation-Utility](#)
 [Item 2 - Finance Presentation - Utility Capital Financing Plan](#)
 [Item 2 - Public Works/Utility 5 Year Capital Plan](#)
 [Item 2 - PW/Utility Capital Plan-reduced growth projections](#)
 [Item 3 - L-4 Change Order Presentation](#)