



# City of Palm Coast

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## Meeting Minutes City Council Workshop

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

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**Tuesday, June 10, 2014**

**9:00 AM**

**Council Conference Room**

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

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>City Council meetings are televised on Bright House Networks Channel 199.

>All pagers and cell phones are to remain OFF while City Council is in session.

### **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**

*Records Coordinator Barbara Redline called the roll. All members were present.*

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

### **D. PRESENTATIONS**

#### **1 [14-149](#) PRESENTATION - UPDATE AND OVERVIEW OF REVENUE SOURCES**

*Mr. Landon gave a brief overview of this item. Mr. Chris Quinn, Finance Director, gave a PowerPoint presentation (attached to these minutes) assisted by Ms. Lina Williams, Finance & Budget Analyst.*

*-Judgments, Fines and Forfeits slide:*

*CM McGuire - Parking tickets, only parking in the swales gets you a parking ticket or is it a code violation? Mayor Netts - Handicapped parking violations also. Mr. Quinn - 99% of them are parking in the swale that we see. Mr. Landon - The Sheriff's Office issues the citations; they are on the right-of-way.*

*-Other Revenue Sources slide:*

CM McGuire - *If the City was to float a bond, that would be debt proceeds? Mr. Quinn - Yes.*

*-Local Option Fuel Tax slide:*

Mayor Netts - *Is the only parameter in distribution road miles? Mr. Quinn - No, but that is one of the key parameters.*

*-1/2 Cent Sales Tax slide:*

CM McGuire - *Does the State default formula remain the same here every year and what is it? Mr. Quinn - It is very complicated, 6 pages long; he can show it to Council.*

Mayor Netts - *Does it take into consideration where within a County the revenue is generated? Mr. Quinn didn't think so. Mr. Landon stated they don't recognize cities but recognize Flagler County. Mr. Quinn - Population and things like that go into the formula.*

CM McGuire - *If the default formula were to be changed from one year to another would the State have the authority to do that? Mr. Quinn - It is all controlled by the State.*

CM McGuire - *Do they? Mr. Quinn couldn't think of when it was changed; not in the last 5 years.*

CM McGuire - *Didn't the County change their default formula a couple of years ago?*

Mayor Netts - *They went from a negotiated distribution to the default. Mr. Landon - We had a 10 year agreement (which recognized the City having a larger portion of the population) and then after the 10 years they said no we are just going to go back to the default.*

*-Communications Services Tax slide:*

CM McGuire - *How many of those dollars represent Bright House? Mr. Quinn - He doesn't get that information.*

Mayor Netts - *Is there a tax on the VOIP (voice over internet phone)? Mr. Landon - He doesn't think so, part of the bundling.*

VM DeLorenzo - *You don't pay this for internet, right? Mr. Landon - No.*

CM Ferguson - *The five of those revenue sources or taxes add up to about \$10.2 mil. and how does that compare to 2013? Mr. Quinn - About the same.*

CM Ferguson - *What portion of the \$10.2 mil. winds up in the general fund? Mr. Quinn - \$1.6 mil. in fuel tax plus \$800,000; about (total of) \$2.5 mil. does not go into the general fund.*

*-Revenue Diversification Options, Special Assessments slide:*

Mayor Netts asked if there was a number/figure here (similar to the past comparisons of utility taxes and franchise fees). Mr. Quinn stated he did not have figures, because they are all over the board. One of the reasons for a fire assessment is every individual pays the same amount towards the fire readiness fee. A portion of our residents pay little or no property taxes at all, yet they have the same use of the fire service as somebody that pays the full burden of property taxes.

Mayor Netts - *What would the advantage of doing this internal fire assessment; we would lower the property taxes to be fair; where is the net gain? Mr. Quinn - It*

*depends, some places do it that way; \$25 fire assessment and lower property taxes by the same amount; other places don't and say we need that millage rate for capital projects or some other service citizens are asking for, etc. Businesses/Commercial are often based on square footage of the building.*

*CM McGuire - When the City of Palm Coast Fire Dept. responds to an alarm outside of the City limits, is a bill presented? Mr. Quinn - Currently, no. Mr. Landon - That is an issue that we are having conversations with the County about, for improving how that's working. Mayor Netts mentioned former Council Member Venne's letter to the editor about equity in fire fees and fire districts; everyone pays for the service they get.*

*CM McGuire - Do we have any statistical data on this as to how often the Palm Coast Fire Dept. responds outside the City? Mr. Landon - He has recently requested that type of information from the Fire Dept., because it appears that those numbers are going up and every time we run out of the City we are reducing our resources here and yet only our residents are paying for those resources.*

*CM McGuire - Did we request these discussions or the County? Mr. Landon - They haven't started yet, but they have started a lot of discussions and it's pulling us into it.*

*-Revenue Diversification Options, Public Service Utility Tax slide:*

*VM DeLorenzo - Which of those that have a water tax, have their own utility? Mr. Quinn - Flagler Beach, Bunnell, also DeLand.*

*CM Ferguson - What is the difference between franchise fee and utility tax as it relates to electric service? Mr. Quinn - The franchise fee is a fee for the pleasure of FPL (Florida Power & Light) doing business in a city. There was discussion regarding it is about leasing the right-of-way (ROW) which is a commodity, complicated and crowded with all kinds of underground utilities.*

*CM Ferguson - So, FPL would be paying the franchise fee (lease fee)? Mr. Landon - Yes, but what you are seeing here (in the presentation) is a tax (to individual users). FPL would pay the fee and pass it on to the consumers. City Attorney William Reischmann - Conceptually, a franchise fee is a quid pro quo, we are saying you are using something of ours; user fee (lease fee) for using our infrastructure and they (FPL) passes it on to the customers. The Utility Tax is strictly a tax (like sales tax). Mr. Landon - Most cities have both as well as a higher millage rate than we do.*

*CM Ferguson the arguments in the past for not doing this was what? Mayor Netts - Political, when we incorporated as a city, the first Mayor made his pledge that he would not create electric franchise fees.*

*CM McGuire - By the July 8th workshop we will have received our tentative income from Mr. Jay Gardner (Property Appraiser)? Mr. Quinn - We received the June 1st preliminary number and by July 1st we should get the final preliminary number; it's not until later in the process that we get the final number, but they don't usually vary very much. Mr. Landon - Taxable value is just one variable; that number does not control the amount of taxes we collect in property taxes.*

*VM DeLorenzo would like to see a full fare electric utility tax and 6% franchise fee (revenue neutral) comparison and reducing the millage rate that exact number - maybe \$2 mil. +/- and a comparison of the residential collection and commercial collection in terms of dollars. He would like to see where the changes are. Mr. Quinn - Yes.*

CM McGuire suggested we send the Popular Annual Financial Report Fiscal Year 2013 pamphlet (attached to these minutes) to the Florida League of Cities; he thinks it is groundbreaking and worthy of an award. Mr. Quinn - We sent it to GFOA (Government Finance Officers Association), with utility bills, library, City customer service stations and the website.

**The Presentation was Received and Filed.**

**E. WRITTEN**

**2      [14-189](#)      RESOLUTION 2014-XX APPROVING FLORIDA INLAND  
NAVIGATION DISTRICT 2014 WATERWAY CLEANUP GRANT  
FUNDING AGREEMENT**

**Attachments:**      [Resolution 2014 FIND Grant for Waterway Cleanup  
Agreement with Exhibits](#)

*Mr. Landon gave a brief overview of this item.*

*No Council comments.*

**The Resolution was Continued.**

**3      [14-206](#)      RESOLUTION 2014-XX APPROVING THE INTERLOCAL  
AGREEMENT CREATING RIVER TO SEA TRANSPORTATION  
PLANNING ORGANIZATION**

**Attachments:**      [Resolution TPO Agreement  
Interlocal Agreement-Creation of Metropolitan Planning Organization](#)

*Mr. Landon gave a brief overview of this item.*

*CM McGuire - When are we really in it? Mr. Landon - When everyone approves these documents we are done joining. Attorney Reischmann - This is the last step in the legal process pursuant to the State and Federal laws to ensure several things: distribution of votes, perimeter of it, the control of it, how it is managed, where money goes, what the money is to be used for, where it is coming from, etc. Mr. Landon - It had to go through the State's lengthy approval process.*

*CM Lewis noted on the signature page for the City it has a Bunnell address. Mr. Jose Papa, Senior Planner, stated they already pointed that out to the TPO staff and they have corrected it.*

**The Resolution was Continued.**

**4      [14-190](#)      RESOLUTION 2014-XX AWARDED CONTINUING SERVICES  
CONTRACTS FOR GEOTECHNICAL AND LABORATORY  
SERVICES**

**Attachments:**      [Resolution  
Contract Summary - Geotechnical and Laboratory Services  
RFQ Evaluation-Geotechnical Lab Services](#)

*Mr. Landon stated this is a typical contract.*

*No Council comments.*

**The Resolution was Continued.**

- 5      [14-202](#)      RESOLUTION 2014-XX APPROVING PIGGYBACKING THE FLORIDA SHERIFFS ASSOCIATION CONTRACT WITH BOULEVARD TIRE CENTER TO PURCHASE TIRES FOR THE CITY'S FLEET

**Attachments:**      [Resolution - Boulevard Tire Center](#)  
                                 [Engagement Letter - Boulevard Tire](#)  
                                 [Florida Sheriff Association Tires Contract](#)

*Mr. Landon gave a brief overview of this item.*

*CM McGuire - How much do we spend each years on tires? Mr. Landon - Annually, about \$90,000; for the rest of this year \$40,000.*

**The Resolution was Continued.**

- 6      [14-203](#)      RESOLUTION 2014-XX APPROVING PIGGYBACKING THE NATIONAL JOINT POWERS ALLIANCE CONTRACT RFP#031212 WITH BUNNELL AUTO SUPPLY COMPANY TO PURCHASE FLEET PARTS AND SERVICES FOR THE CITY'S FLEET

**Attachments:**      [Resolution - National Joint Powers - Fleet Parts](#)  
                                 [NJPA - Contract](#)

*Mr. Landon gave a brief overview of this item.*

*CM McGuire - Bunnell Auto Supply can provide everything that we need to keep the City fleet running? Mr. Landon - There are times when we have to go out to Ring Power, etc., for heavy equipment but this is for the basic stuff.*

**The Resolution was Continued.**

- 7      [14-205](#)      RESOLUTION 2014-XX APPROVING PIGGYBACKING THE CONTRACT BETWEEN PORT CONSOLIDATED, INC., AND LAKE COUNTY, FLORIDA, TO PURCHASE OFF-ROAD FUEL

**Attachments:**      [Resolution-Piggyback Fuel Contract](#)  
                                 [Lake County Contract #14-0618 for Fuel](#)  
                                 [Engagement Letter-Port Consolidated](#)

*Mr. Landon gave a brief overview of this item.*

*CM McGuire - What is off-road fuel? Ms. Renee Shevlin, Public Works Operations Manager - We have three 500 gallon tanks out at Public Works and 1,000 gallon tank and it's for the off-road and heavy equipment, mowers, etc.; we don't have to pay tax on this fuel because it's used for off-road.*

*CM McGuire - Gasoline, diesel and for 2 stroke equipment? Ms. Shevlin - For the smaller stuff they use marine fuel and they have gotten extended life out of their*

*carburetors just by switching to marine fuel.*

**The Resolution was Continued.**

### **Public Participation**

**In accordance with Section 286.0114 Florida Statutes, any member of the public interested in speaking on any proposition agendaed or that Council discusses or considers during this workshop, will be afforded the opportunity to speak during public participation at the next City Council Business Meeting. Contact the City Clerk's office for the meeting date, time, and location at 386-986-3713 or [cityclerk@palmcoastgov.com](mailto:cityclerk@palmcoastgov.com)**

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

*CM Lewis - There was an email from a resident regarding construction on Palm Coast Parkway (regarding OSHA-Occupational Safety and Health Administration).*

*Mr. Landon - We forwarded the email to the project manager, inspector and our contractor and talked to them about it. They have a certified OSHA inspector on site. We thanked the individual for letting us know and let him know we will address it.*

*CM McGuire - Where is the project percentage of completion for Bulldog Drive; how far are we along on that? Mr. Landon - A little behind schedule because of utility conflicts but met with the contractor and he believes he can meet the deadline of August 2 to have the streets totally open and ready for traffic and all the school improvements; very likely won't have the non-essential things finished - landscaping, etc. We have some issues that we are working through and will report on that at the next business meeting.*

*CM McGuire - What about facilities for City Offices? Mr. Landon - Once we started putting up options, we continue to get other concepts and ideas people are presenting to us. Mr. Landon, Mr. Beau Falgout and Ms. Dianne Torino met with the owners of the complex last week and had a very productive conversation. They did not know what our real needs are and they do now and said they would put together a better proposal that we should be able to agree to; we expect it this week. We believe it will be closer to our \$240,000.*

*CM McGuire - Did they tour the facility? Mr. Landon - Yes, he thinks one of the elevators was out at that time. Hopefully, we can work it out to stay.*

*CM Ferguson had a couple of conversations with residents about noise on the Interstate and one of them wanted to know what the process is for getting a sound barrier on I-95; he lives in the L Section. What help could the City be in the process to pursue this? Mayor Netts - A few years ago a gentleman raised this question for the B Section. FDOT has a formula they use; at that time the section did not meet the requirements. Mr. Landon - In his experience it happens with new construction, but we can inquire with our district office at FDOT and let the resident know what we are doing.*

*CM Ferguson was contacted by a lady that claims her neighbor's large oak limbs are hanging over her house and property; she wants the City to cut the limbs; she said the tree is leaning. Mr. Landon - Give us the name and address and one of the arborists will inspect the tree and get back to them.*

*CM Lewis stated he received a similar inquiry about a leaning tree and he notified the arborist.*

*Mayor Netts - We have the FLC conference coming up in August and have been asked to select a voting delegate. CM McGuire volunteered to do it.*

*Mayor Netts - He noticed some cities have adopted ordinances regarding the location potential dispensaries for medical marijuana, if and when; he is wondering if we need an ordinance, etc.? Attorney Reischmann - You would need to enact an ordinance to create regulations some of which could be land use as far as location (amend the land development code), it could be regulatory if that is what the Council wants to do. Obviously, this is dependent on what happens in November. Mayor Netts would like to be proactive rather than reactive.*

*Mayor Netts - Have any of the cities that you represent, taken similar action? Attorney Reischmann - We have proposed alternatives to them but none of them have yet chosen to move forward. He mentioned Flagler Beach has moved forward. Mayor Netts would like the City Attorney to look at this and give Council some suggestions.*

*CM McGuire - Has the State approved the sale of medical marijuana? Attorney Reischmann - No, this is something that is going to come up for a referendum in November. This was initiated by petition instigated out of Orlando by the law firm Morgan & Morgan.*

*CM Lewis - It doesn't hurt to get ahead of the game. VM DeLorenzo agreed.*

*CM McGuire - Due to the fact that we are saying it is medical marijuana, aren't we assuming that a person is going to get a prescription to go get some pot somewhere; we just have to make sure they buy it at an approved source? Mr. Landon - From a policy standpoint, it is like the pill mills; supposedly all those people that were getting oxycodone had prescriptions.*

*CM McGuire - Are we talking about a medicine made by a pharmaceutical company? Mayor Netts - No, home grown. Attorney Reischmann spoke of the article in the Orlando Sentinel (this date) on this subject. We will get you something to regulate this.*

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

*Attorney Reischmann and family enjoyed their trip abroad and are glad to be back in the USA.*

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

*Mr. Landon - When we have new residents come to town, we don't have a welcome wagon. When we looked into it we have about 10,000 new Utility customers a year and each one of them has different information needed for days to water and for garbage pick up, etc. Now, they will receive an email (and a printout) with a link to information on the City website that gives them the appropriate, customized information they need. Ms. Cindy Lane, Communications and Marketing Manager, took the lead with the Branding Team, IT (Information Technology) and Customer Service; it was a team effort. Ms. Lane demonstrated how the email works and what information is shown and available.*

*Mayor Netts thinks this is superb and should be up for an award from the FLC.*

#### **I. ADJOURNMENT**

*The meeting was adjourned at 11:00 a.m.*

*Respectfully submitted,  
Barbara Redline*

**ATTACHMENT TO MINIUTES**

[14-168](#)

**MEETINGS CALENDAR AND AGENDA WORKSHEET**

**Attachments:**     [Meetings Calendar](#)  
                                 [Agenda Worksheet](#)

[14-213](#)

**ATTACHMENTS TO MINUTES**

**Attachments:**     [Item 1- 2015 Budget Presentation - Revenues](#)  
                                 [Item 1 - PAFR FY2013](#)