



# City of Palm Coast

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Palm Coast, Florida 32164  
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## Meeting Minutes City Council Workshop

*Mayor Jon Netts*  
*Vice Mayor Bill McGuire*  
*Council Member Jason DeLorenzo*  
*Council Member Steven Nobile*  
*Council Member Heidi Shipley*

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**Tuesday, August 11, 2015**

**9:00 AM**

**Council Conference Room**

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>Public Participation shall be in accordance with Section 286.0114 Florida Statutes.

>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**

*Records Coordinator Barbara Redline called the roll.*

**Present:** 5 - Mayor Netts, Vice Mayor McGuire, Council Member DeLorenzo, Council Member Nobile, and Council Member Shipley

### **D. PRESENTATIONS**

#### **1 [15-323](#) PRESENTATION ON CODE OF ORDINANCES ENFORCEMENT PROCESS**

*Mr. Landon gave a brief overview of this item. Ms. Barbara Grossman, Code Enforcement Manager, and Mr. Michael Esposito, Code Inspector, gave a PowerPoint presentation (attached to these minutes).*

*VM McGuire - How do you know which is code enforcement, are they in uniform and in City vehicle (out in the neighborhoods)? Ms. Grossman - Yes.*

*>Complaint Process slide:*

*CM Nobile - How is that followed up on (violation)? Attorney Reischmann went over each item on the slide. He also explained Code Board hearings and that at least 50-70% are there for recurring complaint(s).*

*Mayor Netts asked Ms. Grossman to walk through the process. Ms. Grossman - The first thing the code officer does is when there is a violation, he will write the violation, he will post the property, he will return it to the administrative staff and give it reasonable time to correct the violation.*

*Mayor Netts - So, garage door is hanging askew so he gets a note on the front door that he is in violation of ordinance, etc., what is a typical reasonable period of time? Ms. Grossman - For that, probably 30 days.*

*Mayor Netts - What is the next thing that happens? Ms. Grossman - Reinspection will be done.*

*Mayor Netts - The garage door is fixed, case closed. Ms. Grossman - Correct.*

*Mayor Netts - Garage door is still hanging askew, what is the next thing that happens? Ms. Grossman - Schedule it for the next available Code Board hearing.*

*Mayor Netts - How does the person know about that? Ms. Grossman - We will send them a notice of hearing, both posted on the property and via U.S. Mail return receipt.*

*Mayor Netts - Now there are two paths - fix the door. Ms. Grossman - Correct, and if property owner comes into compliance and fix the door, we will withdraw it from Code Board.*

*Mayor Netts - Or still left the garage door hanging askew, now it goes to Code Board which meets once a month Ms. Grossman - Yes.*

*Mayor Netts - What happens at Code Board? Ms. Grossman - The officer will present the case with all evidence and then the Code Board will make the decision as to what the next step is.*

*Mayor Netts - Two possibilities here - the person with the askew garage door chooses to show up and defend his case or offer extenuating circumstances or they don't show up; let's assume they don't show up, what happens? Ms. Grossman - Again, staff will give their recommendation saying in this case 7 days for the garage door to be fixed; if it is not fixed in that time then we would start a fine in the amount of ? and that amount would be given to Code Board and they would either recommend staff's recommendation or they could change it.*

*Mayor Netts - Given the scenario we just described, from the time the first complaint is made, you could be talking 60-70 days. Why is the process so long and convoluted? Ms. Grossman - Florida Statutes and timelines; the average amount of time to get something to Code Board is 60 days because of the notice period to the owner.*

*Mayor Netts - The person with the garage door shows up and says he is not fixing it, what does the Code Board do? Ms. Grossman - That decision would be the Code Board's; they would give him reasonable time to correct the violation (the violation clock would start) and then it would come back for a Massey hearing.*

*Mayor Netts - Massey, what is a Massey hearing? Attorney Reischmann - Massey is a party to a District Courts of Appeal case where the courts interpreted Chapter 162*

to require another hearing for the quantification of the fine, because what had been happening in many jurisdictions before that administratively, *ex parte* (on their own), quantified the number of days the property had been in violation past the deadline set forth in a prior Code Enforcement order. So, now you have hearing #1, Code Board finds a violation; gives a week to fix it; it is not fixed in a week. Under the Code Board's order the fine starts running. His guess would be it would be \$50-\$100 per day; that is what the Code Board would likely fine. So, another 3-4 weeks goes by and there is a reinspection by the code officer (on the 8th day) and they find it hasn't been fixed, so they go back with another notice of hearing to the property owner saying, now we are going to come in and quantify your fine, then there is an opportunity for that property owner to come in and object again or dispute the number of days and then the Code Board will determine what is the appropriate fine and will quantify it. It is usually \$50 per day times X number of days at the time of the second hearing; that order is then recorded in the public records and that order (Massey Order) becomes a lien. This is all pursuant to State Statute; this is the way it is done in every local government in the entire State of Florida.

VM McGuire - Is it calendar days or working days? Attorney Reischmann expressed it is usually calendar days; it depends on the violation. If it is an uncovered pool and dangerous it will be 24 hours or less; if it is something where they have to reroof and not a life safety issue they might give them 60 days. A lot of it has to do with whether the property owner shows up and says he needs additional time because . . . , etc.

Mayor Netts asked what happens if the owner states he simply doesn't have the money to repair the garage door at this time, now what happens? Ms. Grossman - Potentially, what we do is work with them for a period of time and once that time runs out, it is going to be between the complainant that keeps calling saying that nothing is being done. If we tell the individual, that it has had its due process; we issued violation, it went to Code Board; it is not in compliance and went back to Code Board; we had the second hearing for the Massey; there is a lien on the property. We can't trespass on the property to fix the skewed garage.

CM Nobile - This was the long way around and we didn't talk about one step; the person makes the complaint; owner doesn't agree there is a violation and wants to come before some people (or other people). Say, someone complained 3 times (about garbage can being visible and need for fence around it) and twice the owner has tried to do something (to resolve the issue); trying to comply but it is nit-picking. Attorney Reischmann - First of all when a code enforcement officer goes out and has a communication, generally speaking the code officer is going to have a conversation with the property owner; the property owner asks if he is in violation and what does he have to do, etc. If that code officer is good, he will say exactly what needs to be done and if they do it right then all is good. If the fence is too short, clearly that is something that would be taken into consideration by the Code Board. Ms. Grossman added if we are aware there is a 4" difference in the height of the fence but we are okay with it, code enforcement will not go out anymore for that issue.

CM DeLorenzo asked about the definition of recurring violation. Attorney Reischmann - It's in Chapter 162 (Florida Statutes) and it goes to the issue of when can it go to the Code Board. It says it can go to the Code Board if it hasn't been fixed by the time it's given in the original notice of violation. Let's use parking of a commercial vehicle, they give him 5 days to move it and they do; it's removed on the 6th day and on the 7th it is back and this time they give him 3 days, etc., pretty soon they give him 5 hours and it is not fixed so they do a notice of hearing but by the time of the hearing, it has been removed. Under the Statute, it says it can still go to the Code Board if it is a recurring violation.

CM DeLorenzo gave a different example, you have overgrown conditions, you cut the grass; don't get a violation, don't go to Code Board, 2 years later you have overgrown conditions; you are considered recurring; is that State Statute? Attorney Reischmann - Absolutely, (can be 5 years in between violations where you can be a repeat violator) pursuant to Florida Statutes. He stated if it has been 2 years, rarely is that going to go to Code Board. If it has been the next time they should mow and the next time they should mow and the next time they should mow (4 times) that is where it gets to the point where the code enforcement officer will say that is recurring and it will go to the Code Board.

CM DeLorenzo - If the trash can is visible but staff has determined it is shielded enough but we continue to get the complaint, he thought Ms. Grossman said we do nothing. Ms. Grossman - We have in there that it was closed, so if complainant call up and say anything about it, staff has a note on it "no violation, within compliance" and we code will not go out. Mr. Landon added that this slide is simplistic and doesn't give all details.

CM DeLorenzo is wondering how much resources we put towards people complaining just for the sake of complaining.

CM Shipley - What do you do about those neighbors that are just constantly picking on that one house? Mr. Landon - It does happen; the much more common side of it is that there are violations; each one is a little different.

>Factors to consider before changing policy slide:

CM DeLorenzo - What if we use a utility account number (rather than name or address)? Attorney Reischmann - We can make this cumbersome, but under Chapter 119 people can do public records requests so any notes the City takes down is public record.

CM Nobile - Why don't we have other solutions that might fix the problem? Mr. Landon - We don't know what a better solution is for the few people that submit complaints that people say are illegitimate. We will tell you from experience that if we create this policy that there are side effects, unintended consequences that we deal with all the time.

CM Nobile - People are using code enforcement as a weapon against other people; how do we reduce that; what is a potential method? If getting them to give their name, is not a viable solution, what is? Mayor Netts - If you don't want anonymity, then you must have a name; those are your 2 choices. Attorney Reischmann - When this came to staff and him, we were asked to look at the pros and cons of doing this; problem was with people using the code enforcement process inappropriately and so perception was it's a worse problem because they can complain from an anonymous standpoint so we were focusing on anonymous versus not. His conclusion, based on his experience is that if you make it that the complainant has to identify themselves, you are probably going to still have the frequent flyer complainant. He has seen ordinances in other municipalities that go after frequent flyers misusing public services such as 911 calls, etc., he is not encouraging that but it is an option. The other option is the private individual on the receiving end could sue the complainant. He added, code enforcement officers are not allowed to go on private property, all they can initiate is what they can see from the right-of-way. A lot of these complaints that code enforcement gets are from the people that live around them and the scariest is the pool that is green, uncovered, unsecured in the backyard that code officers cannot see; this is just an example.

VM McGuire - Do you think if a person filed a complaint and put down their name, it is

*still anonymous unless you release that name; there is no penalty for filing a false code violation. Mr. Landon agreed (nonverbally). Attorney Reischmann - There is not one in the law; we would have to create a whole new process.*

*Mayor Netts - In a course of a typical month, how many citizen initiated complaints do we get? Ms. Grossman - She did stats for a year - total of 13,076 action orders (includes non-citizen initiated); on the City website 1,525 (11%); emails 2,475 (18%).*

*Mayor Netts - So, we get approximately 700 citizen initiated complaints a month; what percentage of these are the repeat complainers? Ms. Grossman - She didn't have those figures, but the typical weekend she could have 20 commercial vehicles (that is the biggest thing) and some overgrown conditions.*

*CM DeLorenzo - It seems most of the complaints are coming through the City website. Ms. Grossman - Every morning she runs reports from the complaints on the website and she divides them up among the code enforcement officers.*

*CM DeLorenzo - In the new process for utility billing, don't we have a welcome email to new residents; do we have the top violations in there? Mr. Landon likes the idea. (Ms. Cindi Lane, Communications & Marketing Manager later stated that we do provide a link to the top violations).*

*CM DeLorenzo suggested if we only collected the email address and then we had a lot of complaints from someone, then we could contact them and set up a knock and talk, etc. Mr. Landon suggested to require them to provide an email address which may limit some of the frivolous complaints.*

*CM DeLorenzo suggested we swap the process; online or phone - you give your name and your number; on web verify your email address. You call and verify that is them but if there is 1,000 a month that may be a problem. Mr. Landon suggested that the website complaints may be the biggest problem; we could make it that the complainant has to provide an email address administratively on the website. If they call or come to see us, we wouldn't require them to give their name. CM DeLorenzo - we could validate the email address. Mr. Steve Viscardi, Information Technology Director - We could check an email address to see if it is properly formatted and it would generate a verification that would go to that email address; then the complaint would not get filed until that person clicked on the link to validate it. Mr. Landon - If we have frequent flyers that are still going to use it, we may block them from using the website.*

*VM McGuire - How does our code enforcement system compare to other processes in other cities? Attorney Reischmann - Chapter 162 (Florida Statutes) allows for other options, some of the other cities he works with has what is called a hearing officer or special master and it has pros and cons, which he can explain.*

*VM McGuire - No, he just wants to know if their code policies are as contentious as ours are. Mayor Netts objected to our code policies referred to as contentious. Attorney Reischmann - Part of it is you have to look at the community; we have 75,000-80,000 people; given the number of complaints received it is probably very similar in ratio/proportion to the number of complaints in other jurisdictions to the cases that actually make it to the Code Board. As far as the type of complaints, communities are different, different personalities as far as what are the top 5 complaints: trash in yards, yards not being kept up, noise problems (barking dogs, parties), burning/fires, etc. The professionalism in the communities he works with is very high; special master or code board they are up to speed, unbiased.*

*Mr. Landon - We will add name and email address; we will put an asterisk by those (\*required information) and if they don't fill them in, it will not go through or if they put a 555 in the email address it will bounce back as an invalid email address. We can evaluate as we go along as to what kind of feedback we get from that and if we still have frequent flyers that are illegitimate then we can try to figure out a way to block them from using this as all. Ms. Grossman will check each morning to see how it affects their daily reports. Mr. Landon - We will add on there that they can call instead of email. Mayor Netts again suggested that the welcome email have the top violations in it. Ms. Lane said the link is already in place that provides the top 10 code violations to new residents with the welcome email but we can also do a followup email, etc.*

**The Presentation was Received and Filed.**

**2**      [15-324](#)

RESOLUTION 2015-XX APPROVING A WORK ORDER FOR CONNECT CONSULTING, INC., IN AN AMOUNT NOT-TO-EXCEED \$525,000.00, FOR HYDROGEOLOGICAL SERVICES FOR THE BRACKISH WATER AQUIFER PERFORMANCE TESTS (APT)

*Mr. Landon gave a brief overview of this item. Mr. Richard Adams, Utility Department Director, and Mr. Brian Matthews, Environmental Specialist, gave a PowerPoint presentation (attached to these minutes).*

*(10:43-10:48 a.m. break)*

*>Current Water Capacity Analysis slide:*

*VM McGuire - How much water does the City of Palm Coast sell to people that are not within the City? Mr. Adams didn't have that number at this time but can get it to Council, but it is not a lot generally speaking. Mr. Landon - When we sell water outside the City, it reduces how much we can sell inside.*

*CM DeLorenzo - You called out St. Johns (River Water Management District-SJRWMD) for the CUP (Consumptive Use Permit) but for the permitted amount we are allowed to treat what agency? Mr. Adams - DEP (Department of Environmental Protection).*

*VM McGuire - Is that wellfield that is partially out in Rayonier? Mr. Adams - Correct.*

*VM McGuire - Brackish, has salt in it? Mr. Adams - Correct.*

*>Palm Coast Wellfield slide:*

*VM McGuire - When you say you are in the process, that means you are drilling or you are planning to drill? Mr. Adams - Yes, but we do have a contract to drill; there were rigs set up at the site today but we had to pull off because of gopher tortoises. We will get back to that site after we get a permit and relocate the tortoise.*

*>Future Potential Water Supply slide:*

*VM McGuire - Are we using any fresh water for irrigation? Mr. Adams - Yes, he is sure there are areas that are using it (and paying for it).*

*Mayor Netts - The ribs we have on Old Kings Road, that doesn't recharge much of anything or does it? Mr. Adams - It recharges the aquifer but not directly over our wells; the potable aquifer that we draw from gets some benefit but not a tremendous amount.*

*>Timeframes to Determine Supply Availability (Complete Impact Analysis) slide:*

*VM McGuire - Coquina Coast project - there isn't anyone doing that in Florida is there (treating/desalination of sea water)? Mr. Adams - There is a 25 mil. gals. a day desal.*

plant in Tampa.

VM McGuire - Is that what we would model our system on? Mr. Adams - During the Coquina Coast study that we did, we used Tampa Bay as a lesson learned type of thing because they went through some serious issues during development of that.

VM McGuire - Are you of the opinion that today's technology for such a thing is far superior to when they built Tampa's? Mr. Adams - Not far superior but everyday technology improves. Mayor Netts - Tampa was far superior to what was 10 years prior to that. Mr. Adams - U.S. is far behind the rest of the world as far as desal. plants. Israel has a 100 mil. gals. a day plant. CM DeLorenzo did a google search that brought up over 17,000 desal. plants worldwide.

VM McGuire - The naval nuclear submarines all have desal., would we be privy to any of that technology? Mr. Matthew - We are. Mr. Landon added that one of the options they looked at was to have a big ship out in the ocean to do that. Mr. Matthews - Water Standard actually has constructed those plants now and towards the end one of the biggest reasons we decided on the land-based facility was Water Standard themselves said that even on a temporary basis it is too expensive for you folks, so it's all being done in the Middle East. Mayor Netts - And there were concerns about hurricane vulnerability of the ship, etc.

>When is Supply Needed slide:

CM Nobile - What is that growth based on (need to increase permitted allocation by 2023)? Mr. Adams - Basically, we are working off BEBR (Bureau of Economic and Business Research) for the long term growth projections; we are using the medium to medium-low, and on the short term outlook we are using the same numbers that were used for our SRF (State Revolving Fund loan) discussion for Wastewater Plant 2 over the last 2 years with a factor of 3% growth over the next 5 years; that short range plan is an in-house number.

>Timeframes to Implement Supply (Assuming a Favorable Impact Analysis) slide:

VM McGuire - How much of this program can staff do? Mr. Adams - We are already doing what we can do; our staff gathers a lot of the data, wellfield, water table, water quality, pump drawdowns; all of which will go into the model.

>Water Supply Improvements Planned in Current 5 Year CIP slide:

VM McGuire - So, the \$525,000 is less the \$164,142? Mr. Adams - It doesn't include the \$164,142. We are always at the risk of not getting the grant so the entire cost of the project is in our CIP.

VM McGuire - If we get the grant, do we get it up front? Mr. Adams - No, we get the grant after we spend the money and get reimbursed.

Mayor Netts asked for Mr. Adams to paint the picture of the consequences are of not doing this adequate preparation. Mr. Adams - Building moratorium; if we can't meet the demands. Mayor Netts - Also water restrictions; impacts on the community can be devastating. CM DeLorenzo - Economically, if there is no more growth, services don't cost less year after year, generally cost more and if you don't have more people to pay for those services generally taxes go up. Mr. Adams - Our job, of course, is to stay ahead of the growth and provide that capacity as the demand increases. Mr. Matthews - Currently, we have about 40,000 connections, 80,000 people, 7.5 mil. gals. a day, every day. So if our population were to double to 160,000 which is project to about 2035, we expect to use 15 mil. gals. a day; if we only had a few more million of fresh available within Flagler County for us to have we would be up to 13 mil. from our current permitted allocation; we don't have the capacity in the wellfields, because

*we don't have enough wells in the ground but just from a permitted allocation we still need more water, then we would be forced to go to Coquina Coast potentially for sea water but if you have a couple of 3,4,5 mil. gals. of brackish available, you could potentially meet the population needs to 2035, etc.*

*CM DeLorenzo - Does it make sense to have \$250,000 to compare to building a desal. plant? Mr. Adams - No matter how you look at it, the fresher the water the cheaper the water. We would tap the fresh water, we would maximize the availability of fresh water to us to, brackish second if that proves to be a viable source and then sea water last. At one point, we had up to 12 partners in the Coquina Coast project; that was going to be a regional solution to other people's water woes, not just ours; the investigation was partially funded by SJRWMD. Mr. Matthews - When we are considering sea water again, along the way brackish hopefully will already be used; we would have also investigated treatment of stormwater and wastewater. Technologies already exist today and they are much cheaper to treat than sea water because they don't have all the salt to remove.*

*Mayor Netts - How many counties are in the Tampa Bay authority? Mr. Adams - 6. Mr. Landon - Palm Coast cannot afford a desal. plant on its own, it had to be a regional solution. SJRWMD had said we are going to cut off fresh water to all of you so you need to get together and come up with an alternative; those days are gone; none of them are willing to do that now because of the cost and no one is saying they have to.*

*VM McGuire - Where can I see an itemized estimate of what we get for \$250,000? Mr. Adams - It is on the work order attached to this agenda items; for hydrogeological services about \$80,000 and the rest is for well drilling. Mr. Matthews and there are several wells to be drilled. Mr. Adams - 2 APTs, 5 wells on each site, etc.*

*Mayor Netts - After the test, do any of the test wells have any value? Mr. Gary Eichler, contracted hydrogeologist owner of Connect Consulting - One of them surely will, the test production well at each site will be a future production well. The water we are looking for, the available capacity will be there, the real key will be whether or not we have a lot of leakage through the confining bed; that is why we went as far north as we could go in the wellfield because the aquifer confining beds get thicker and thicker as you go farther north, etc.*

*Mayor Netts gave kudos to the Utility for making these long range predictions and predications that are too easy to ignore and too dangerous.*

**The Presentation was Continued.**

Enactment No: R2015-88

**3**      [15-325](#)

RESOLUTION 2015-XX APPROVING A WORK ORDER FOR CONNECT CONSULTING, INC., IN AN AMOUNT NOT-TO-EXCEED \$51,100.00, FOR HYDROGEOLOGICAL SERVICES FOR THE SOUTHERN WELLFIELD WETLAND MONITORING PROGRAM

*Mr. Landon gave a brief over of items 3 and item 4. Mr. Adams displayed a map on the screen (attached to these minutes) of the comprehensive monitoring plan that was developed by CPH Engineers, approved by SJRWMD; these contracts (items 3 and 4) are for the implementation of the plan.*

*Ms. Shipley - Is this something where we learned how to do it for the next time? Mr. Adams - No, this is something that you have to hire well drillers and geologists to drill wells; you have to use environmental engineers to develop plans; specialists in this*



*kind of work and we don't have that kind of staff on board.*

*CM DeLorenzo - The water quality issues they are having in the southern part of the County, will that affect us from a regulatory point of view, will SJRWMD look at that in consideration of our efforts? Mr. Adams - He is not real familiar with what exactly their water quality issues were; he knows that some of them had to do with treatment; obviously doesn't have anything to do with us because we have a different treatment plants.*

*CM DeLorenzo - So, it is not a raw water issue, it's a treatment issue? Mr. Adams - Yes. Mr. Matthews - That is a combination, all of the above kind of answer; raw water and source water - is not a whole lot more complicated than ours to treat but they just don't have the treatment practice, equipment, expertise, etc. Mr. Adams - When we run models, all users are considered. Mr. Matthews - We are an existing legal (permitted) user and if somebody else drills wells it has a potential to have a negative impact on us but we have the ability to file a petition and say no - they will have a negative impact.*

*Mayor Netts - Didn't Bunnell just get a major grant for improvement to their water treatment plant? Mr. Adams - Yes.*

*CM Nobile - What is the selection process for Connect Consulting? Mr. Adams - We went out for an RFQ (request for qualifications), we receive our pile of consultants and we go through the selection process with a team that ranks like we do when we select any consultants. They were selected as our primary consultant; they are continuing services contract.*

**The Resolution was Continued.**

Enactment No: R2015-89

- 4      [15-326](#)      RESOLUTION 2015-XX APPROVING A WORK ORDER FOR CPH ENGINEERS, IN AN AMOUNT NOT-TO-EXCEED \$100,800.00, FOR IMPLEMENTATION OF THE SOUTHERN WELLFIELD WETLAND MONITORING PROGRAM

*This item was discussed under item 3.*

**The Resolution was Continued.**

Enactment No: R2015-90

## E.      WRITTEN ITEMS

- 5      [15-249](#)      RESOLUTION 2015-XX APPROVING PIGGYBACKING THE LEE COUNTY CONTRACT WITH STAPLES CONTRACT AND COMMERCIAL, INC., FOR THE PURCHASE OF OFFICE SUPPLIES CITY-WIDE

*VM McGuire - When Lee County's contract with Staples runs out in mid-January of next year, we can expect an automatic extension? Mr. Landon didn't know the status of it.*

**The Resolution was Continued.**

Enactment No: R2015-91

**F. BUDGET PRESENTATION****6**      [15-303](#)      PRESENTATION OF THE FISCAL YEAR 2016 PRELIMINARY PROPRIETARY, SPECIAL REVENUE AND CAPITAL FUND BUDGETS

*Mr. Landon requested that item H - Discussion by City Attorney of Matters not on the Agenda be discussed prior to item 6. Council consensus.*

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

*>Enterprise Funds:*

*CM Nobile - The enterprise funds, are there any other regulations associated with those funds; just because they are in this enterprise fund or is this just a title? Mr. Quinn - The government accounting standards board (GASB) sets the rules on what kind of funds can be used in what kind of situation. The definition of enterprise fund really comes from that. Other regulations that regulate the business operations are everything from Federal to State regulations.*

*CM Nobile - Is that based on the whole fund or just the individual under those? Mr. Quinn - It's based on the individual function.*

*CM Nobile - So, just because something is in an enterprise fund it has no overlying, additional regulation? CM DeLorenzo - Each one of them is an enterprise fund; they are not in a group called enterprise fund and each one has limitations based on what it is.*

*CM Nobile - Because they fall under an enterprise fund, is there any regulations that are around it? Mr. Landon - Because they fall under the enterprise fund category, the accounting principles that they have to follow are different than just general government fund. Each one of these will have different criteria, some of them that we set up; others like the Building Dept. is set up by State law. You can only use revenue for building plan review and inspections. CM DeLorenzo - The reasonable cost of enforcing the building code.*

*CM Nobile - Let's look at the utility fund; some people say you can't use utility money in the general fund because it is an enterprise fund, and he says we can but we choose not to, is that correct? Mr. Quinn - Yes, this is where there is a lot of confusion. Enterprise fund means it is primarily supported by fees; there is accounting rules and regulations about how you deal with the accounting and financial statement presentation. Now, as far as the Utility itself, we have to follow State laws related to utilities; we need to follow our bond covenants which are probably just as important as any State laws and our bond covenants lay out very specifically what we have to do, how we create charges, how much money we to put aside for renewal and replacements. You have told the world if you buy our bonds, we are going to do all of this stuff. Once you do all of that stuff, City Council can do anything that is legally allowed with the remaining money, including transfer to the general fund if they choose to.*

*>Information Technology Fund:*

*VM McGuire - What is an Application Analyst? Mr. Landon - Your Application Analyst would make changes to the website, such as we are going to add spaces to put your name and email address (for Code Enforcement complaints); they would be the one making that change; all those things we do online or internally they make all that stuff*

happen.

VM McGuire - Is this to replace the person we lost a few months back? Mr. Landon - No, those two positions are being filled; this is an additional person.

VM McGuire - Is there a job description? Mr. Landon - Yes, we have a Senior Application Analyst, an Application Analyst, so this would be the third one.

CM DeLorenzo - The change in operating expenses, obviously part of that is from the new position but what else is in there, because it is a significant change - \$149,641.

Mr. Quinn - The position, if he remembers correctly, is about \$85,000 of that number; the biggest expense in there relates to the costs of all of our software systems. Every time we add a new software system or update one; annual maintenance fees follow the next year; the list is quite significant.

VM McGuire - How many part time employees are in this department? Mr. Quinn - An intern position; it is currently not filled.

>Building Permits Fund:

VM McGuire asked for an explanation of the appropriated fund balance. Mr. Quinn - That is the amount that is left from previous years; the net revenue over expenses (accumulated profit). In this particular fund, run by State Statutes, any excess revenues that we collect can only be used for this purpose so they have to stay here in the fund, accumulate and be applied toward future expenses or towards future rate studies, etc.

VM McGuire - So, inasmuch as you are accumulating a considerable fund balance for the last couple of years, are you going to reduce the rates? Mr. Quinn - We did the 90% discount that we had for a number of years until we got to \$2.4 mil. When we got down to \$2.2 mil., that money we had set aside \$1 mil. for future building for the Building Dept. and \$1 mil. for future emergency reserves. When all this is done we will be a little bit over 1 mil. at the end of this year but that was always the target of the program to get to this point. Mr. Landon - What we have done in the past, and if we continue to grow, we probably wouldn't change the structure but we would give a discount.

VM McGuire - Is there a mechanism for this (discount) or is it an arbitrary decision?

Mr. Landon - The mechanism is City Council ultimately making that decision; it needs to be based on numbers. If you start to say 10% discount, we can easily calculate what the projection would be. The other side of this is the demand for prompt service is huge in this area. So, if we get busier and busier they are going to want more inspectors, plan reviews, etc.

CM Nobile - Between the estimated budgeted 2015 and 2016 what is not going to

happen based on the operating expenses? CM DeLorenzo - It is the transfer to the City Hall. Mr. Quinn - The appropriated fund balance is the amount of money that was transferred to the construction account for City Hall (from the Building Dept.)

CM DeLorenzo - What were the revenues over expenses for this year? Mr. Quinn - About \$200,000.

(12:03-12:28 p.m. lunch break)

>Utility Fund:

VM McGuire - Why do we need 5 more positions in Utility, utilities haven't increased themselves have they? Mr. Landon - Customer services, more customers, more turn

ons; this is one we had made cuts in the past, and the Environmental Technician - we do not have a job description for that yet; it is a new position. Obviously, before we hire we will have a job description; this has a lot to do with all the monitoring we talked about. We are seeing more and more consulting fees; \$100,000 consulting fees just to do data collection and monitoring. This person will work for Mr. Matthews. We have cut an equivalent amount of contractual services; this is saving us money long term.

VM McGuire - You are going to provide a number that says by the addition of this position, we will save this much by not having to go to consultants? Mr. Landon - We have already done that. Mr. Adams - The Environmental Tech., there are a number of functions we that we anticipate for that person to do; one is we do annual capacity analyses required by the DEP and anytime you are in a growth period, in which we almost always are, you have to produce a capacity analysis report for water and one for sewer; we are going to do all those ourselves now; we are going to enlist one of Mr. Steve Flanagan's (Community Development Director) engineers to do the required P.E. signature and seal on the report but the report will be prepared by the Utility.

VM McGuire - What are the savings you anticipate? Mr. Adams - Those two reports and our water facility work plan it is \$65,000 that we will save in consultant services. Then in addition, we have some other studies that we want to do. The cost of lime sludge disposal has gone up, so we want to do a lime sludge study and see what our alternatives are. We normally would hire a consultant to do that. Also, we are going to do developing, planning numbers and flow projections; we anticipate about \$100,000 savings a year in consultant fees with this position.

VM McGuire - By taking the salary and fringe and subtracting it from what the consulting fees would be, you're estimating a savings of \$100,000? Mr. Adams - No, the net savings is in the range of \$20,000-\$30,000 per year.

VM McGuire - Will this position report to you? Mr. Adams - Mr. Matthews. Then, we also promised the general fund that we will also look into some of their monitoring and reporting requirements like the stormwater and wetland monitoring which are similar to some of Utility monitoring programs. We will see if there is some assistance we can provide the general fund once we have this position. Then we have Utility Systems Techs. I and III, these are growth related and will be doing PEP (Pretreatment Effluent Pump systems) tank installs; prior to the downturn we had contractors doing all of those PEP tank installs, we feel that the growth is coming back slowly enough that we will have sustainable work for them if we create a crew in-house to put in PEP tanks.

VM McGuire - Once upon a time, the cost of installing PEP tanks was an analysis that was going to come to City Council and some of us are still waiting for it. Mr. Landon - If you don't hire these people, we are going to spend more money on contractors installing them, also a lot of these installs/replacements are time sensitive.

VM McGuire - If there is no PEP tank to install, where are you going to assign them? Mr. Adams - We always have plenty of work; maintenance, cleaning, smoke testing, PEP maintenance, etc. Mechanical Tech I - That is at Water Treatment Plant 2 for the ZLD (zero liquid discharge) - it is very labor intensive, we another person to keep the ZLD up.

VM McGuire - Is it dangerous work? Mr. Adams - A lot of our work is semi-dangerous, handle chemicals, working with machinery; there are all kinds of

hazards in all of our work.

CM Nobile - Is there hazard pay? Mr. Adams - No.

CM DeLorenzo - What do you attribute it to (revenues are coming in strong and may exceed projections)? Mr. Quinn - In fill of existing homes, new construction, additional commercial stuff that is happening, the ultra-conservative estimator (himself); it is in line with what our rate study has been.

CM DeLorenzo - The System Techs, are there vehicles included with them? Mr. Adams - Yes, there is one vehicle request to go along with the 2 Utility Systems Techs.

VM McGuire - Are those employees hourly or salary? Mr. Adams - Hourly; the Environmental Tech. will probably be salary (to be determined).

VM McGuire - How much overtime do you estimate for your hourly employees? Mr. Quinn - It depends on the individual location; different amounts depending on whether you are at a plant or a field employee or customer service employees.

VM McGuire - What percentage is that (of overtime)? Mr. Quinn - It is different for every single division and it is based on what our history has been rather than a flat percentage. Mr. Adams - Most of the overtime has nothing to do with the daily workflow; it has everything to do with what happens after hours.

VM McGuire - How much utility overtime, after hours would have to be worked before you decided to put a night person on? Mr. Adams - It would be a lot. Mr. Landon - 1 or 2 people aren't going to do much good sitting around; secondly you can go half a night without a call, next night no calls, next night 3 or 4, etc.

VM McGuire - When you do that, does the department head say if he is going to work more than X amount of overtime, he needs to hire another person? Mr. Adams - It has nothing to do with normal daily shifts, but after hours, calls, on-call and responses.

VM McGuire - When staff gets a call is there a minimum guarantee of pay they will get for responding to the call? Mr. Adams - Yes, minimum of 2 hours.

VM McGuire - That 2 hours, does it start when you get the call or when you arrive at the job site? Mr. Adams - When they leave the house, because they have a City truck at home to respond to those calls.

VM McGuire - If you had an emergency at one of the water facilities or the sewage treatment place, is there enough in the capital reserve to deal with it, if you had a shut down? Mr. Adams - Can't imagine we wouldn't. Mr. Quinn - About \$5 mil. in the reserve, reserve.

>Stormwater Fund:

VM McGuire - When does the ad valorem tax revenue actually hit the fund? Mr. Quinn - In December, bulk of it by January 1st (at least 2/3) and the rest dribbles in over January, February, March, April, through the cycle.

VM McGuire - Will we reach a point when all the berms, dams, stormwater facilities are replaced or is this going to go on? Mr. Landon - Yes, there will be a time when we have it all replaced, about that time the ones we replaced first will be ready to be replaced again.

>Stormwater Capital Improvement Fund:

Mr. Abreu, Public Works Director, provided a PowerPoint presentation, which is attached to these minutes.

CM Nobile-Permitting is over a million dollars to dig a hole? Ans: Mr. Landon-What we would have to do is mitigate.

VM McGuire-By doing it the way we are, will we be raising the stormwater rates? Ans: Mr. Landon-No.

Mr. Abreu passed around a sample of a strip drain pipe.

Mayor Netts-What is the longevity of these (strip drains)? Ans: Mr. Abreu-Not very long at all. We are out there replacing these now. As you can see I am bending this sample.

Underdrains-

Ms. Shipley-Underdrains-you have not listed if this is a pro or a con for pricing? Ans: Mr. Abreu-That will be for Council to determine.

VM McGuire-If ground is saturated higher than the level of the pipe, it will not accomplish anything, right? Ans: Mr. Abreu-That would be like the flowing water and that is why we do not know how it will perform under these conditions. It has its limitations. With the flow of water that is the big question. We do not know what it will capture on top.

CM Nobile-In a common scenario how many contiguous properties have this issue? Ans: Mr. Schrage-I have not done an analysis in that detail but the only way this works and makes sense – all of our swale systems, no matter how long the road is, there is always a high point and there is always an end, an outfall. There could be 2 or 3 of those systems on any given street. The only way it works is to start at the high point and go to the end.

Mayor Netts-Can you directional bore under the driveway? Ans: Mr. Schrage-There is no option if someone does not want that done. You cannot start and stop and start again with this type of project.

CM Shipley-Were there some done in the F Section? Ans: Mr. Abreu-Wellstone area.

CM Nobile-How long would that take? Ans: Mr. Abreu-The projection is for 3 miles per year.

CM DeLorenzo-What would the affect be on the rehab crew? Mr. Abreu-In the 2nd option we are utilizing an existing crew, so the level of service is reduced by 40%. When you take a crew out, you will be doing 20 miles less.

VM McGuire-That equipment is like a Gradall? Ans: Mr. Abreu-It is a mini excavator. It does what the big excavator does except it is a lot more nimble and takes up less space.

VM McGuire-Will it dig the swale and bury the pipe? Ans: Mr. Abreu-Yes. It will have multiple uses, it will move material out of the way and material back in. It has more flexibility.

VM McGuire-How do you get it to the job site? Ans: Mr. Abreu-A trailer.

CM Shipley-If a 6 person crew is \$94,000 and we put 2 more crews on doing what we are doing right now and bought one more truck, would we be able to do what we are doing just more of it? Ans: Mr. Landon-No. We have 3 swale crews. We have two that do the rehab. Basically take it from the high point down to the low point. Then we have a maintenance crew. We developed this because we get little complaints. This truck wanders around the City hitting all the hot spots. It might be new residential construction going in and when they dig the swale for that lot, it will not flow anywhere because the rest of it downstream is high. So we always dig it down so the new homeowner will have water flowing.

Mayor Netts-When you dig up the driveway and replace the concrete, what are you replacing it with, especially on those driveways that have pavers, textured concrete, painted concrete, etc.? Ans: Mr. Landon-Plain concrete.

Mr. Landon-Chris what would we have to increase our Stormwater fees per household for \$1.5 million a year? Ans: Mr. Quinn-\$3.00 or more.

Mayor Netts-If you subsidize it from the General fund, how much would the millage rate have to increase? Ans: Mr. Quinn-Probably a half mil.

VM McGuire-Option 4? Status quo? Ans: Mr. Landon-That is what we are suggesting keeping it status quo.

CM Shipley-Can we increase the rotation to 3 months instead of 6 months? Ans: Mr. Schrager-That is fine for regular swales but when you are talking about a wet swale, you can dig it all you want -the water will still be there. These are the ones that rehabilitation won't correct.

CM DeLorenzo-In the budget presentation, what is the debt service, what is remaining, how many years? Ans: Mr. Quinn-If I remember correctly, there is \$11 mil in the Stormwater; 5 additional fiscal years to go-about \$900K per year. There are options to borrow additional debt.

CM DeLorenzo-Do we have a fund balance policy for this? Ans: Mr. Quinn-Yes, we do.

CM DeLorenzo-The \$47,600 from this year ad valorem taxes, do we need to put that \$47,000 in there? Ans: Mr. Quinn-We would have to cut \$47,000 out of the proposed budget.

CM DeLorenzo-Zero from this proposed budget is going into reserves in the fund balance? Ans: Mr. Quinn-Correct, we are not proposing any more. We are not planning on putting any more in reserves.

#### *Utility Capital Improvement*

*Discussion on current water meters and potential expense on purchasing (faster) the automatic readers where the meter reader drives down the road without getting out of the vehicle.*

CM DeLorenzo-Beachside sewer-Is that real work or if we need it work? Ans: Mr. Adams-It is if we need it work; it is assuming that if developers decide they want to develop and contribute, there probably will be some cost associated with direct utility investment. So, it is like a placeholder.

VM McGuire-How much revenue do we receive from Beverly Beach (water and sewer)? Ans: Mr. Landon-We will get that to you. Mr. Adams-Sewer is probably right around \$60,000.

CM DeLorenzo-So in phase one, it is \$725K in capacity? Ans: Mr. Quinn-Yes.

VM McGuire-Can you capitalize park renovations? Ans: Mr. Quinn-It depends on what they are, but yes you can.

VM McGuire-Are we getting a grant to put in dug outs at ITSC? Mr. Landon-The Little League was trying to get a grant to offset the costs.

CM DeLorenzo-Long Creek Preserve construction for our educational component, speaking with Mr. Landon on the opportunity of the Yacht Club, which is for sale and the potential of the use of that building as the educational center.

CM DeLorenzo-Is that the full cost of the educational center? Ans: Mr. Cote-It may be a little larger and includes other amenities such as a trail.

Council asked staff to look into the Yacht Club option as a multi-use facility.

VM McGuire-All those dollar figures, will they be offset by grant money? Ans: Mr. Quinn-We will see that on the next slide.

#### Street Improvement Fund

VM McGuire-Those grants are solid gold? Ans: Mr. Quinn-Yes, we have been receiving payment on those.

VM McGuire-\$200K for one traffic signal? Ans: Mr. Landon-Yes, that is cheap and it is temporary.

VM McGuire-Matanzas Woods 4 laning-How much does that encompass? Ans: Mr. Landon-It is FDOT, we are trying to get that bumped. Our priority is Old Kings Road; we are hoping that the money gets transferred to Old Kings Road. The design is for Old Kings Road to US 1.

CM Nobile-Why do we build an intersection without a left or right hand turn lane? Ans: Mr. Landon-It is called great plans fall flat when the economy takes a nose dive. Right now, the game plan is and how it was designed, as soon as you go under the bridge of I95, that street, Town Center Blvd., is designed to veer to the south, the alignment you see there is all temporary. That was then going to be a full intersection that you would be able to cross Old Kings Road and go across to a big DRI, that was all going to be paid for by the DRI on the east side of Old Kings Road. So the two lanes where it is was supposed to be temporary, 6 months to a year. We were supposed to have Old Kings widened, etc. and now you have that intersection.

CM Nobile-Red light cameras which ones are up and running? Ans: Mr. Landon-We will email you the list.

#### SR 100 CRA Fund

VM McGuire-What were the community projects? Ans: Mr. Quinn-There are some sidewalks, connecting the new City Hall and the existing path in the back as well. Mr. Landon explained the phases of the City Hall project and what costs are associated with each phase of the community projects.



CM Nobile-What is the term on the other loans? Ans: Mr. Quinn-One is for 10 years and the other was for 12 years.

CM Nobile-Does the CRA have to remain until those are paid? Ans: Mr. Quinn-Yes.

Mr. Landon-Capital projects-Arts Foundation and upgrade to the fence around Ralph Carter Park.

Fence cost estimate is \$125 per linear foot=\$160K to put in the same type of fence on I95 overpass. Second option-smaller mesh cost would be \$70K. 1286 feet would be needed for the fence. We have had an arrest and we have not heard of the conflicts since that arrest.

CM Nobile-Received emails that were one sided so I do not know the full story.

Mayor Netts suggested no fence and plant prickly pear cactus.

Commander Carman provided an overview to the arrest that occurred a few months ago.

Mayor Netts-Can you tell me the nature of the arrest? Ans: Commander Carman-Narcotics.

Mr. Landon-Mark in your opinion will a fence assist in your operations? Commander Carman does not think a fence will change anything and does not believe there is a need for a fence.

CM Nobile clarified the issue-the problem existed and we have rectified it.

#### Arts Foundation

CM Shipley-Suggestion to assist in the building of the restrooms for the Arts Foundation. Mr. Landon requested the dollars be from the Recreation Impact Fee fund.

#### Special Funds

CM Nobile-Why do we have carry over? Ans: Mr. Quinn-That is from the previous CDBG grant. It was a return of the money from the sale of the home. When you sell within a time frame you have to repay those funds paid.

CM Nobile-Is it pro-rated? Ans: Mayor Netts-It is pro-rated.

CM Nobile-How do we get this? Ans: Mr. Landon-It is from speeding tickets.

CM Nobile-Why does Deltona have such a high reserve? Ans: Mr. Quinn-I think it may be because they have huge flooding issues there.

VM McGuire-Does Flagler County or Bunnell have a disaster fund? Ans: Ms. Williams-We did not get a response. Flagler Beach requested the information I collected on who does and who does not as that issue is on their radar.

CM DeLorenzo-Why is there a reduction in recycling? Ans: Mr. Quinn-It is related to the commodity costs.

#### Old Kings Road Special Assessment

CM Nobile-What were those dollars used for? Ans: Mr. Landon-The widening of Old

*Kings Road South.*

*CM DeLorenzo-What is the operating expense? Ans: Mr. Quinn-Postage and collection costs from the Tax Collector.*

*CM DeLorenzo-What is the estimate of the next phase for the bridge? Do we have a number? Ans: Mr. Quinn-The estimate for the bridge was about \$2 mil. to \$2 ½ mil.*

*BAC Fund*

*VM McGuire-What fund is Buxton? Ans: Mr. Quinn-Half in here and half in economic development.*

*Health Insurance Fund*

*VM McGuire-Have any unusual large individual claims caused that line to go up? Ans: Mr. Quinn-Yes.*

*VM McGuire-Is Blue Cross impacted by the Affordable Care Act? Ans: Mr. Quinn-Yes, and we are. If you were fully insured all the Care Act stuff would be built into your fully insured rates.*

*Fleet Capital Improvement Plan*

*CM DeLorenzo-Land? Ans: Mr. Quinn-We are looking at purchasing the East Flagler Mosquito Control District land for fleet.*

*VM McGuire-You can buy two firetrucks for \$515K? Mr. Landon-Yes, we went out to bid for these which will be the backups.*

*Mayor Netts- What does CUES mean? Ans: Mr. Adams-It is a brand name.*

*Facilities Maintenance Fund*

*VM McGuire-Who would supervise the custodians? Ans: Mr. Landon-Roger our fleet manager.*

**The Presentation was Received and Filed.**

**Public Participation shall be 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).**

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

*CM Nobile-Request a copy of Richard's presentation.*

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

*This was item was heard after item 5.*

*Attorney Reischmann had nothing to report but welcomed questions from Council.*

*No Council questions.*

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

*Nothing at this time.*

**J. ADJOURNMENT**

*The meeting was adjourned at 3:37 pm*

*Respectfully submitted,*

*Barbara Redline, Records Coordinator and Virginia Smith, City Clerk*

**ATTACHMENT TO MINIUTES**

[15-322](#) MEETINGS CALENDAR AND AGENDA WORKSHEET

[15-332](#) ATTACHMENTS TO MINUTES