



City of Palm Coast

City Hall
160 Lake Avenue
Palm Coast, FL 32164
www.palmcoastgov.com

Meeting Minutes Special Council Meeting

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

Tuesday, March 29, 2016

9:00 AM

City Hall Community Wing

>Public comment on issues on the agenda or public participation shall be limited to 3 minutes for each speaker.

>If any person decides to appeal a decision made by the City Council with respect to any matter considered at such meeting or hearing, he/she will need a record of the proceedings, including all testimony and evidence upon which the appeal is to be based. To that end, such person will want to ensure that a verbatim record of the proceedings is made.

>The City of Palm Coast is not responsible for any mechanical failure of recording equipment.

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

>If you wish to obtain more information regarding City Council's agenda, please contact the City Clerk's Office at 386-986-3713.

>In accordance with the Americans with Disabilities Act, persons needing assistance to participate in any of these proceedings should contact the City Clerk at 386-986-3713 at least 48 hours prior to the meeting.

>City Council Meetings are televised on Brighthouse Networks Channel 495 and on AT&T U-verse Channel 99.

>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.

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

ORDINANCES & PUBLIC HEARING

Order of Business for Public Hearings (Council may make inquiries at any stage):**Open Hearing****Staff Presentation****Applicant Presentation****Council Questions of Applicant****Public Comments/ Presentations****Rebuttal by Applicant****Close Hearing****RESOLUTION**

- 1 [16-129](#) RESOLUTION 2016-XX APPROVING THE REFINANCING OF THE UTILITY SYSTEM REVENUE BONDS, SERIES 2007 AND APPROVING THE EXECUTION OF A BANK LOAN AGREEMENT WITH AMERIS BANK

Mr. Landon gave a brief overview of this item. Mr. Christopher Quinn, Finance Director, and Mr. Mark Gavin of First Southwest, the City's contracted financial advisor, gave a PowerPoint presentation (attached to these minutes).

CM McGuire - Why is the Ameris Bank being so magnanimous to the City of Palm Coast? Mr. Quinn - Ameris has been an excellent partner for us; they have been great working with us; they worked with us on the refinancing of CRA (Community Redevelopment Agency) loan a few years ago. It's good business for us, for them and works out for everybody.

CM DeLorenzo - Exhibit C, par. 5, he read "The principal of and interest on the note will be payable solely from the Pledged Revenues as described in Resolution No. 2003-22 . . ." He asked for an explanation of that. Mr. Quinn - Basically, the collateral for the loans, just like the bonds, is the Utility revenues after you pay operating expenses; that is collateral for the loan; no different than the bond issue; the same testing; paying principal and interest payments, etc.

CM DeLorenzo - Let's say there is a natural disaster and we don't have the ability to collect money, something has been destroyed and we are not providing more and we are not collecting revenue, does that mean there is no other way to pay for this or can we use tax dollars or other means? Mr. Quinn - Certainly, City Council can assign other revenues to pay this off but would not be required to.

CM DeLorenzo - So it doesn't limit our ability to solve a problem? Mr. Gavin - You also have insurance. Mr. Landon - You can use general budget dollars. Mr. Quinn - In other words, the bank or bond holders can't make you use property tax dollars; they can only enforce the net revenues from the Utility.

CM Nobile - The annual savings, are we going to use that to pay down that debt? Mr. Quinn - It is an option, his suggestion is that we apply it to our capital improvement program (CIP) for water and sewer, because this was the driver of past rate increases. If we take the savings and apply them to the CIP it would really go a long way from finding additional funding and mitigate the need for potential future rate increases for capital purposes.

CM Nobile - Reducing the term would that benefit us more? Mr. Gavin - You are borrowing money at 2.48% so this is keeping you from having to borrow money at higher rates in the future. He would keep these bonds out as long as possible.

CM Nobile - Keeping utility rates down should be our focus.

CM DeLorenzo - We are saving a little over \$2 mil. right off the top, right? Mr. Quinn - Several million dollars in principal payments right off the top we will be making on day 1, because of the bond debt service reserve.

Public Comments:

John Brady - 22 Cedarpoint Dr., The original note was for \$49.8 mil.; in the 9 years we have only reduced that by \$7 mil.? When something sounds too good to be true, there is something wrong. If this bank goes belly up, does whoever takes over the bank are they obligated to the same terms?

Answer: Mr. Gavin - Yes they are bound by the same terms and conditions.

Public Comments not on this agenda:

Robert MacDonald - Directed to CM DeLorenzo, there was an article 2 weeks ago in the Palm Coast Observer he has some questions about. City Manager should have received a formal annual evaluation. His question is who would have done the evaluation and why haven't they been done in the 7+ years that he has been here. Why hasn't Palm Coast used or created some type of policy? Did other department heads receive an evaluation to determine if they should get a raise? His suggestion is that Council create a citizens' committee to determine not only if the City Manager should get a raise but a recommendation as well as other department heads to make a recommendation to City Council and then they decide whether or not department heads should get a raise depending on how well he or she has done. Directed to Mr. Landon, it was stated in the paper that his base pay was \$168,000+; the CM has not received a raise in 7 years; at the height of the recession. Was his salary \$168,000 back in 2009? The raise that he is seeking is that going to be retroactive to 2009 to catch him up and what is that percentage going to be based on base salary or total package?

Answers:

CM DeLorenzo - In his first year on Council they performed a formal review; it was a 1-on-1 type of interview and upon completion of the form it went into Mr. Landon's file. The following years, the annual review was considered by Mr. Landon to be his review but then at the workshop Council discussed having a different process for reviewing the City Manager. There are some other governments that have their HR (Human Resources) professional provide the Council with a review document and then the Council uses the same document to review the City Manager; that wasn't the case the first time he did it, so he put his own together. Now, Council is looking for something a little bit more formal, consistent, asking the same questions to compare it better. The City Manager has been here since 2007.

Mayor Netts - The City Manager initially was hired at a salary that was essentially mid-range of the 7 or 8 applicants that were being considering; there were some initial pay raises. When the economy took a downturn Council froze the City Manager's salary. The charter specifies that any raise will be based upon a Council evaluation. When you freeze the salary, the essence of that evaluation is less oriented towards a raise, and he believes more oriented towards performance measures. City Council sets forth priorities for staff and the City Manager and get an annual evaluation of how well we, or how well the City, or staff has accomplished the goals that have been set forth by City Council. That to him is a performance evaluation that is probably more valuable than some independent opinions. We have had standard form of evaluation, checklist evaluation, we have had a more

individualized interview approach. We have had a performance evaluation based on City objectives. The important thing is the City Manager serves at the pleasure of City Council and at any point if City Council is unhappy the performance we have the option of terminating his employment and looking for a new City Manager; that has not been the case. It doesn't mean that may not be the case in years to come. When a salary is frozen, the essence of the evaluation changes, etc. City Council is in the process right now of reviewing the strategic action plan for the past year. If the City Manager seeks a raise, then it should be based on an evaluation and we have asked HR to look at a variety of instruments submitted, but the evaluation format for one agency may or may not have applicability to this particular government. He expressed City Council has not yet finalized the evaluation form. Pay is not retroactive.

Mr. Landon - Yes, department heads have an annual evaluation and pay raises are tied to them and performed by the City Manager.

A motion was made by Council Member Bill McGuire, and seconded by Council Member DeLorenzo, that the Resolution be adopted. The motion carried without objection.

Enactment No: R2016-23

D. ADJOURNMENT

The meeting was adjourned at 9:31 a.m.

*Respectfully submitted,
Barbara Redline*

[16-138](#)

ATTACHMENTS TO MINUTES