



**City of Palm Coast
Minutes
CITY COUNCIL SPECIAL
BUDGET MEETING**

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

**Mayor David Alfin
Vice Mayor Eddie Branquinho
Council Member Ed Danko
Council Member John Fanelli III
Council Member Nick Klufas**

Thursday, September 8, 2022

5:15 PM

COMMUNITY WING

City Staff

**Denise Bevan, City Manager
Neysa Borkert, City Attorney
Virginia A. Smith, City Clerk**

- Public Participation shall be in accordance with Section 286.0114 Florida Statutes.
- Other matters of concern may be discussed as determined by City Council.
- If you wish to obtain more information regarding the City Council's agenda, please contact the City Clerk's Office at 386-986-3713.
- In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons needing a reasonable accommodation to participate in any of these proceedings or meeting should contact the City Clerk at 386-986-3713, at least 48 hours prior to the meeting.
- City Council Meetings are streamed live on YouTube at <https://www.youtube.com/user/PalmCoastGovTV/live>.
- It is proper meeting etiquette to silence all electronic devices, including cell phones while meeting is in session.
- Any person who decides to appeal any decision of the City Council with respect to any matter considered at this meeting will need a record of the proceedings, and for such purpose, may need to hire a court reporter to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

A. CALL TO ORDER

Mayor Alfin called the meeting to order at 5:15 PM

B. PLEDGE OF ALLEGIANCE TO THE FLAG

C. ROLL CALL

City Clerk Virginia Smith called the roll. All members were present.

D. PRESENTATIONS

**1 PRESENTATION - FINAL PROPOSED FISCAL YEAR 2022-2023
BUDGET**

Ms. Helena Alves, Finance Director and Ms. Gwen Ragsdale, Procurement Manager presented to Council on this item.

RECESS CITY COUNCIL AND CONVENE THE SR 100 CORRIDOR CRA BOARD

Motion was made by VM Branquinho and seconded by CM Klufas to recess the City Council and Convene the SR 100 Corridor Community Redevelopment Agency at 5:38 pm. Motion passed unanimously.

E. SR 100 CORRIDOR CRA RESOLUTIONS

- 2 STATE ROAD 100 CORRIDOR COMMUNITY REDEVELOPMENT AGENCY (SR100 CRA) RESOLUTION 2022-XX ADOPTING THE SR 100 CORRIDOR CRA TENTATIVE BUDGET FOR FISCAL YEAR 2022-2023 AND AMENDING THE STATE ROAD 100 CORRIDOR CRA BUDGET FOR FISCAL YEAR 2021-2022**

R20220114

Pass

Motion made to approve by Vice Mayor Branquinho and seconded by Council Member Fanelli III

Approved - 5 - Mayor David Alfin, Vice Mayor Eddie Branquinho, Council Member Ed Danko, Council Member Nick Klufas, Council Member John Fanelli III

ADJOURN THE SR 100 CORRIDOR CRA BOARD AND RECONVENE CITY COUNCIL

Motion was made by Board Member Branquinho and seconded by Board Member Klufas to recess the SR 100 Corridor CRA and reconvene the City Council at 5:40 pm. Motion passed unanimously.

F. CITY RESOLUTIONS

- 3 RESOLUTION 2022-XX SETTING THE TENTATIVE MILLAGE RATE (TRIM) FOR FISCAL YEAR 2022-2023**

R20220115

Attorney Borkert read the title into the record.

Mayor announced the required step 1 that this item is to adopt a Proposed Millage Rate. Stating: "The City of Palm Coast proposes to levy a millage rate of 4.6100 mills. This is an increase of 14.85% from the rolled-back rate of 4.0138 mills."

Mayor called for Council comments.

CM Danko opposes the proposed tentative millage. Supports full rollback.

CM Fanelli-Discussed the budget and potential cuts.

VM Branquinho-Spoke of the domino effect of a hiring freeze; colleagues to make motion to make some cuts-dredging canals.

CM Klufas-day to day operations, we do not know, we have to trust our directors.

Mayor Alfin spoke of the budget process and requested clarification on budget meetings and discussions. Spoke of the disinformation and that the factual information is available from the City.

CM Danko suggested making changes to the budget process and support of the rollback for this year.

VM Branquinho reminded the public that last year the City rolled back half way. Mayor, you spoke of transparency, and we have been transparent.

CM Fanelli-misinformation clarification. We have the lowest millage rate in the County. We only receive 23% of the taxes from what is paid.

Mayor Alfin announced Step 2 calling for public comments.

Public Comments:

Susie Shaffer-Millage rate and the budget-couple of questions, we are all suffering with supply chain issues, costs are going up for everyone; maybe we should postpone some of the big projects that are on this list. Please look more deeply at the budget. Please reconsider for all of us.

Mayor Alfin requested Ms. Alves address the resident's comments, which Ms. Alves did.

CM Danko discussed capital improvement projects. How are we going to maintain these facilities? We have to be completely transparent.

Donna Kayler-reminded Council of the day-to-day limitations of living on a budget. I just found out my nest egg has shrunk 20%. The 15% will be passed onto residents by businesses. Everything is increasing. Spend wisely. You have a fiduciary responsibility. Lost a lot of ground with respect to trust. You represent us, not dictate to us. Put capital projects on the ballot. Who is my representative-I live on Edison Street?

Lee Dungee-moved here 5 years ago from Chicago. For the past 4 years, the Ad Valorem increased \$2 mil per year. You are projected to receive \$5.5 mil more. It is not just real estate taxes; water and sewer up 21% over past 4 years; stormwater charge will more than double by 2024 and garbage fees will have

gone up 59% since 2021. I never hear about a city laying people off; your job is to set priorities. Plenty of new homes going up, that is additional tax money. Spend wisely but remember everything is going up.

Mary Hampton-Did not see a line item for the golf course expenses. Would like to see more numbers on the golf course. Why are we paying for a golf course?

Anna Sedaju-the public is clearly stating 'no' to a tax increase. We are all feeling the effects of inflation. We have cut the fat from our budgets. New tax revenues from new homeowners is your fixed budget. Put positions on hold unless critical.

Ken McDowell-this is unnecessary. I look at the budget Mr. Danko held up. They need to be scrubbed down to reality. Spoke about impact fees for development. Maintain current millage rate, do not increase anything. Go back to the City Manager and all the leaders in the back and scrub the wish list. It is going to cause economic hardship.

William Roberts-supports most of the comments today; did not appreciate VM Branquinho's comment regarding 20% being homesteaded. He may have to sell his dream home because of the increase in taxes that he cannot afford.

Alan Lowe-this past Tuesday, this room was standing room only. There were about 30 people that came up to speak; most were angry; we look at the budget process backwards. We raise the millage rate to do what we want to do instead of making the budget fit the needs. Spoke of maintenance responsibilities at all properties in Palm Coast. The City mows the unimproved residential lots, so the taxpayers are paying the maintenance of the unimproved property. If we were to charge the unimproved property owners \$25 per mow through a special taxing district, it could generate \$3 million dollars.

Steven Marren-moved here 5 years ago and he is outraged; my income is not fixed, it is broken. If the money is not there, I cannot spend it; if the money is there, I want to make sure I get what I want for my money.

Amy Listowski-since 2021, there are many more new homes that are bringing in revenue. If my calculations are correct, you have \$5.5 million more in revenue. Roll back the taxes and make do with what you have; spend it on necessities. We are all facing a recession. Everything is going up for everyone.

Kelly Schmidt-I noticed fleet management is up over 54%. Questions who will receive the Ford F-150s.

Ms. Alves provided a brief overview on fleet purchases and how to access the spreadsheets on the City's website.

CM Klufas clarified misinformation that has been in the public regarding fleet purchases.

Thomas Roark-left NY to come here. I took a 50% paycut; just found out that my taxes are going to \$6K. In NY they were \$7K and I was making twice as much money. Where do you think the money is coming from to pay these taxes?

Jane Gentile-Youd-I am not a resident of Palm Coast but commend you on your viewable budget presentation. Building is booming; why are you not collecting more from permit fees? You need to tax vacant lot landowners who are not paying taxes. It is a problem in both Flagler County and Palm Coast.

Al McConey- about a year ago I bought a house. My taxes went up 100%.

Jaden Chavis, 65 Wood Haven Dr. You have to think about it. We want roll back; We pay enough, times are hard for all. Mr. Danko is the only one who said we need rollback. I want a better life for new incoming people of Palm Coast. We have much more to do. Just think about it.

Larissa Bulyanokov-I was here Tuesday and now today and am very happy to hear the residents speak to you. What we want is for you not just listen but to hear us. You cannot compare this city with other cities taxes. Make us happy here. We want to be happy here.

Scott Campion-owns a restaurant here; our costs have gone through the roof; hard to pass on to the customers. I know this is another expense we have to incur. I am fortunate that I own rental property and am trying to keep the rents affordable.

Bill Buscatch-I moved here in 2021, and I understand some moved from one part of Florida to another and a homestead percentage goes with them. There is something wrong with the whole system. It is unbelievable I am paying 4 to 5 times more than my neighbors.

Piata Devortoli-moved here last year in November. We must have picked the wrong time to move here. We are going to pay 100% more than the previous owner.

Greg Pierce-moved here in 2020, everything has increased. In his position, he did quarterly meetings with department heads concerning financial and performance measurements. Do you meet with your managers? There has to be accountability for that money.

Emanuel Brown-I bought 3 years ago; finally retired and moved down to enjoy all the benefits that this community has, as well as the great prices and low taxes. That has disappeared. I missed the homesteading by two weeks. My taxes are increasing. I left the madness in NY over taxation. I seem to have landed in the same position.

Cameron Sedaju- do not raise our taxes. I have had many jobs, and one job a month into it, I knew I could not do it. I went to hiring manager and quit. No shame in quitting. If you cannot stay with last year's budget, maybe you should quit. We would all respect you. You should not raise any taxes.

Bruce Stragenjac, Z section-Trying to keep it short. I stand with Mr. Danko and his ideas on what should happen here tonight.

Charles Hagger-appreciates dedication of Council; observations-lived here since 1979. I have done a number of budgets with ITT so I understand what it takes to run a community. You did not inherit a perfect community. I looked at the budget and property values. We are speaking about assessed values which have increased 70% and a budget of 15%. That sounds like double taxation. We need to take a step back and look at that. There appears to be a disconnect, some are getting way overtaxed, and some are not. That is for consideration, and I do not know if you have control over that. I am disturbed by the amount of growth in this community. Grow does not pay for itself.

Paul Vargo-looking at the same budget; there is a lot that we can do to cut and give a break to some of the homeowners. For example, \$30K for sod in the dog park-that is a place that we can cut. We have been working on canal system health for about a year and a half. The Council Members from two other districts want to cut the canal budget. Each Council Member should meet once a month with their constituents.

Gary Kunas-Addressed Mr. Klufas's comments on the C section dredging; it is obvious that CM Klufas and VM Branquinho do not want to do anything with the canals.

Mayor announced Step 3 The City of Palm Coast proposes to adopt a millage rate of 4.6100 mills.

Returned to Council for comments or a motion.

CM Danko-we have heard from a lot of citizens. Tonight, we have a pretty good crowd. One thing that is clear to me, everyone that has come is opposed to a tax increase this year. We need to rollback for one year. This is not the way to do it, we need to change the budget process. We need to have the courage to tighten our belt.

CM Fanelli-thanked everyone for their civility and decorum tonight. I appreciate it. I feel the same pain. I have 3 kids 9, 7, and 5. We have had unexpected medical expenses in the tens of thousands. The situation we are in is not unique to Palm Coast nor Florida. I have been through this budget. If the directors are hiding money, they are doing a darn good job. I am struggling to roll the rate back, but I cannot. I need to know what the cuts would be.

VM Branquinho-an idea came from a resident to cut \$3 mil. I had a vacant lot for years and paid taxes on it. The City mowed the lot. I did not have school kids on my lot, I did not have the Sheriff on my lot. I did not use services.

CM Klufas-my comments align with my colleagues. There is not any fat. I am not willing to cut services. To keep the level of service and quality of life today.

Mayor Alfin passed the gavel to VM Branquinho to speak. Repeated his statement from last Tuesday. Made motion to maintain City of Palm Coast at 4.6100 mils. Seconded by CM Klufas.

Comments on the motion.

CM Danko-this is why elections are important.

Mayor Alfin announced

Pass

Motion made to approve by Mayor Alfin and seconded by Council Member Klufas

Approved - 4 - Mayor David Alfin, Vice Mayor Eddie Branquinho, Council Member Nick Klufas, Council Member John Fanelli III

Denied - 1 - Council Member Ed Danko

4 RESOLUTION 2022-XX ADOPTING THE TENTATIVE BUDGET FOR FISCAL YEAR 2022-2023 AND AMENDING THE FISCAL YEAR 2021-2022 BUDGET

R20220116

Attorney Borkert read the title into the record.

Mayor Alfin announced Step 1 introducing the tentative budget and called for Council comments. Mayor stated: "The City of Palm Coast proposes to adopt a budget with total appropriated expenditures and reserves of \$328,187,633."

VM Branquinho has no comments.

CM Fanelli thanked staff for all their hard work in completing this budget.

CM Klufas thanked staff for their hard work as well.

CM Danko-wants to see workshops 3 days 8 hours per day so we have a clear explanation of every single item.

Mayor Alfin announced Step 2-Public Comments.

Public Comments:

Charles Hanger-reiterated concerns about population growth. Take care of what we have before we bring in more that would weigh on our infrastructure. Plan for the future. Sheriff and Fire Departments are underfunded.

Mayor Alfin announced Step 3, adopt the tentative budget resolution. Mayor stated: "The City of Palm Coast proposes to adopt a tentative budget of \$328,187,633."

Pass

Motion made to approve by Vice Mayor Eddie Branquinho and seconded by Council Member Klufas

Approved - 4 - Mayor David Alfin, Vice Mayor Eddie Branquinho, Council Member Nick Klufas, Council Member John Fanelli III
Denied - 1 - Council Member Ed Danko

Mayor Alfin announced Step 4, after resolution, announcing a public hearing for September 21, 2022.

G. PUBLIC PARTICIPATION

There were none.

Mayor Alfin added one final comment. Comments are hard to hear and heartfelt by every single member of the dais. A thought I have for a future opportunity is to look at the fixed income resident to look to the state to consider an exemption to those on fixed incomes.

CM Danko-would like to add those who move here also to the discussion to see if there is something we can do to assist.

Mayor Alfin applauds everyone in this room.

H. ADJOURNMENT

The meeting was adjourned at 7:43 p.m.

*Respectfully submitted by: Virginia A. Smith, MMC
City Clerk*