City of Palm Coast
Minutes
City Council Special Business Meeting - Tentative Budget

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

Mayor David Alfin
Vice Mayor Ed Danko
Council Member Nick Klufas
Council Member Theresa Pontieri

Thursday, September 5, 2024 | **5:15 PM** | **City Hall - Community Wing**

City Staff
Lauren Johnston, Acting City Manager
Marcus Duffy, City Attorney
Kaley Cook, 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 5:19 p.m.

B. PLEDGE OF ALLEGIANCE TO THE FLAG AND A MOMENT OF SILENCE

C. ROLL CALL

City Clerk Kaley Cook called the roll. All members were present with Council Member Klufas appearing virtually.

D. PUBLIC PARTICIPATION

Public Participation shall be held in accordance with Section 286.0114 Florida Statutes. And pursuant to the City Council's Meeting Policies and Procedures:

(1) Each speaker shall at the podium, provide their name and may speak for up to 3 minutes.

(2) The Public may provide comments to the City Council relative to matters not on the agenda at the times indicated in this Agenda. Following any comments from the public, there may be discussion by the City Council.
(3) When addressing the City Council on specific, enumerated Agenda items, speakers shall:
(a) direct all comments to the Mayor;
(b) make their comments concise and to the point;
(c) not speak more than once on the same subject;
(d) not, by speech or otherwise, delay or interrupt the proceedings or the peace of the City Council;
(e) obey the orders of the Mayor or the City Council; and
(f) not make any irrelevant, impertinent or slanderous comments while addressing the City Council; which pursuant to Council rules, shall be considered disorderly.
(4) Any person who becomes disorderly or who fails to confine his or her comments to the identified subject or business, shall be cautioned by the Mayor and thereafter must conclude his or her remarks on the subject within the remaining designated time limit.

Any speaker failing to comply, as cautioned, shall be barred from making any additional comments during the meeting and may be removed, as necessary, for the remainder of the meeting.

Members of the public may make comments during the public comment portion of the meeting. Please be advised that public comment will only be permitted during the public comment portions of the agenda at the times indicated by the Chair during the meeting.

Carrie Purdy, owner of Flagler Fluid Swim Team, expressed the urgent need for aquatic programs in the community, inadequate facilities, Florida Statutes, and Palm Coast aquatics center as the only facility offering swim lessons. Ms. Purdy asked Council to consider building a proper aquatic center, to assist in avoiding future drownings, and to make a significant investment in the safety and wellbeing of the community.

Jeannie Duarte discussed the prior Council meeting, rewriting the ballot language, demanded the removal from the ballot, and supported a forensic audit.

Jeffery Seib wanted to add his voice to the people already calling for the temporary tabling of the 2050 Comprehensive Plan, provided a description of a Comprehensive Plan, considerations for special interests, shared concerns, and believed that the item should be pushed until a new Council is seated and can peruse the chapters, maps, sections, and wording contained.

Kandie Stevens agreed with Mr. Seib on the Comprehensive Plan, discussed the upcoming newly elected officials, and wanted Mayor Alfin to answer how all of this was missed, how grant money was used instead, supported a forensic audit, and asked how we are going to get the money back.

Ken McDowell discussed his comments over the last year and commented on a forensic audit.

Council Member Pontieri responded to public comments to clarify State appropriations.

E. PRESENTATIONS

Lauren Johnston, Acting City Manager, opened the item. Ms. Johnston discussed the budget process, meetings held, and Strategic Action Plan objectives.

1. PRESENTATION - FINAL PROPOSED FISCAL YEAR 2024-2025 BUDGET AND REVISED FISCAL YEAR 2023-2024 BUDGET

Helena Alves, Director of Financial Services, and Gwen Ragsdale, Budget & Procurement Manager, presented the topic to City Council.

Topics presented included: General Fund, Proprietary Funds, Special Revenue Funds, Capital Funds, Internal Service Funds, Millage Rate options, and next steps.

Vice Mayor Danko sought clarification on positions labeled as "frozen."

Ms. Alves explained that the positions are from 2024 that were not filled.

Vice Mayor Danko commented on the term and believed that the positions should be labeled as new hires.

Mayor Alfin asked what the deadline is for ARPA funds.

Ms. Alves responded that the funds must be obligated by December 31, 2024, and spent by December 31, 2026.

Council Member Pontieri discussed the increase in the health insurance fund and asked if this was included in the General Fund expenditures.

Ms. Alves responded that is correct.

Vice Mayor Danko asked for the reserve fund balance.

Ms. Alves provided the balance.

Vice Mayor Danko asked what we are required to keep in the balance.

Ms. Alves responded that the City Council Fund Balance policy requirement is 10-20%.

Vice Mayor Danko asked what we would be required to have at the 10%.

Ms. Alves responded $6.1 million.

Vice Mayor Danko stated that there is a lot of leeway available with following our own policy. Vice Mayor Danko shared that a full millage rate rollback could occur without making cuts.

Council Member Pontieri discussed the appropriated fund balance and asked if it has been earmarked for anything.

Ms. Alves provided the figures for the appropriated fund balance.

Council Member Pontieri held discussion with Ms. Alves on items funded from the reserves.

Council Member Pontieri has an issue from a policy perspective in using the reserves each year and dwindling them down year after year and believed the fund should be for emergency or onetime costs, and provided other expenses for which the reserves could be used. Council Member Pontieri also shared that a reduction in millage is not only for that year, it will also reduce the budget for upcoming years, and that through continued rollback, we are continuing to lose revenues year after year.

Council Member Pontieri supported the reduced millage rate as presented.

Council Member Klufas found it important that we do not try to use reserves for these types of expenditures, did not believe the budget has much to cut, and advised the current and future Council that these are not the rainy days for which the reserve funds should be used.

Mayor Alfin shared that Council has agreed, or approved, to push several agenda items to the next City Council and did not support making a decision regarding policy which would handcuff the next Council.

Vice Mayor Danko responded that setting the millage rate right now has nothing to do with our City Council, that he did not see anything wrong with removing $2 million and staying within policy, shared concern for senior citizens, discussed golf course losses, and wanted to see a full millage rate rollback.

Council Member Pontieri highlighted that the general fund expenditures went up by $5.3 million and outlined the increases including fire, sheriff, and health insurance increases, totaling $4.269 million of the $5.3 million.

Public Comment:
Cornelia Downing Manfre discussed millage, that we do not know who the next Mayor or Council would be, supported a rollback, shared her experience as a commercial real-estate professional, provided recommendations for budget cuts, asked questions about the budget and shared concerns, shared that it is not clear which monies are grant monies, and asked that consideration be made to approve a millage rate of 3.9.

Mayor Alfin asked for the definition as requested.

Ms. Alves responded that the estimated amount is where staff believes they will finish the year and that much of the roll-forward is based on capital projects.

Mayor Alfin asked how accurate the forecast has been historically.

Ms. Alves responded that there have been no major variances.

RECESS CITY COUNCIL AND CONVENE THE SR 100 CORRIDOR CRA BOARD

City Council recessed at 6:20 p.m. and convened the SR 100 CRA Board.

F. SR 100 CORRIDOR CRA RESOLUTIONS

2. STATE ROAD 100 CORRIDOR COMMUNITY REDEVELOPMENT AGENCY (SR100 CRA) RESOLUTION 2024-144 ADOPTING THE SR 100 CORRIDOR CRA TENTATIVE BUDGET FOR FISCAL YEAR 2024-2025 AND AMENDING THE STATE ROAD 100 CORRIDOR CRA BUDGET FOR FISCAL YEAR 2023-2024

Attorney Duffy read the title into the record.

Public Comment:
There were none.

Pass
Motion made to approve by Council Member Pontieri and seconded by Council Member Klufas

Approved - 4 - Mayor David Alfin, Vice Mayor Ed Danko, Council Member Nick Klufas, Council Member Theresa Pontieri

ADJOURN THE SR 100 CORRIDOR CRA BOARD AND RECONVENE CITY COUNCIL

City Council adjourned the SR 100 Corridor CRA Board at 6:23 p.m. and reconvened City Council.

G. CITY RESOLUTIONS

3. RESOLUTION 2024-143 APPROVING SETTING THE TENTATIVE MILLAGE RATE (TRIM) FOR THE FISCAL YEAR 2024-2025

Mayor Alfin recited that the City of Palm Coast proposes to levy a millage rate of 4.1893 mills. This is an increase of 4.83% from the rolled-back rate of 3.9961 mills.

Public Comment:
There were none.

Mayor Alfin recited that the City of Palm Coast proposes to adopt a millage rate of 4.1893 mills and called for a motion.

Pass
Motion made to approve by Council Member Pontieri and seconded by Council Member Klufas

Approved - 3- Mayor David Alfin, Council Member Nick Klufas, Council Member Theresa Pontieri

Denied - 1 - Vice Mayor Ed Danko

4. **RESOLUTION 2024-142 ESTABLISHES THE TENTATIVE BUDGET FOR THE FISCAL YEAR 2024-2025 AND AMENDS THE FISCAL YEAR 2023-2024 BUDGET**

Mayor Alfin recited that the City of Palm Coast proposes to adopt a budget with total appropriated expenditures and reserves of $421,551,721.

Public Comment:
There were none.

Mayor Alfin recited that the City of Palm Coast proposes to adopt a tentative budget of $421,551,721.

Council Member Pontieri wanted to address the transfer of General Fund monies into the Stormwater Management Fund in the future.

Mayor Alfin shared that the Public Hearing to adopt the final millage rate and budget is scheduled for September 18, 2024, at 5:15 p.m., at the Palm Coast City Hall, Community Wing.

Approved - 3- Mayor David Alfin, Council Member Nick Klufas, Council Member Theresa Pontieri

Denied - 1 - Vice Mayor Ed Danko

H. PUBLIC PARTICIPATION

Remainder of Public Comments is limited to three (3) minutes each.

There were none.

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

There were none.

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

There were none.

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

There were none.

L. ADJOURNMENT

The meeting was adjourned at 6:29 p.m.

Respectfully submitted by: Kaley Cook, CMC, FCRM
City Clerk