



**City of Palm Coast
Minutes
City Council Special Business
Meeting - Final Budget
Hearing**

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**

Wednesday, September 25, 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 5:15 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.

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.

Mayor Alfin provided the rules and procedures of public comment.

James Deen spoke about damage that can be done before Council's terms are done, infrastructure, need for everyday businesses, discussed the recent passing of a 17-year-old, distracted drivers and riders of motorized bikes, and provided suggestions for education to be provided.

E. PRESENTATIONS

1. PRESENTATION - FINAL PROPOSED FISCAL YEAR 2024-2025 BUDGET

Gwen Radsdale, Budget & Procurement Manager, and Helena Alves, Director of Financial Services, presented the item to Council.

Topics presented included: presentation overview, Fiscal Year 2025 Proposed Budget, 5-Year Capital Improvement Plan Update, Millage Rate, Next Steps, and where to find additional information.

Vice Mayor Danko clarified the increase since last year, which was 17.9%.

RECESS CITY COUNCIL AND CONVENE THE SR 100 CORRIDOR CRA BOARD

City Council recessed at 5:24 p.m. and convened the SR 100 Corridor CRA Board.

F. SR 100 CORRIDOR CRA RESOLUTIONS

2. SR 100 CORRIDOR COMMUNITY REDEVELOPMENT AGENCY RESOLUTION 2024-154 ADOPTING THE SR 100 CORRIDOR COMMUNITY REDEVELOPMENT AGENCY FINAL BUDGET FOR FISCAL YEAR 2024-2025

Mayor Alfin stated the SR 100 Corridor Community Redevelopment Agency Board hereby proposes to adopt a budget with total appropriated expenditures and reserves of \$3,581,603.

*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

The SR 100 Corridor CRA Board adjourned at 5:26 p.m. and reconvened the City Council Meeting.

G. RESOLUTIONS

3. RESOLUTION 2024-153 ADOPTING THE MILLAGE RATE FOR THE FISCAL YEAR 2024-2025

Mayor Alfin stated 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.*

The Mayor stated the City of Palm Coast proposes to adopt a millage rate of 4.1893 mills.

Vice Mayor Danko asked what this means to non-homesteaded properties, rental properties, and businesses.

Ms. Alves replied that staff can provide the increase per \$100,000 of value.

Vice Mayor Danko asked what the increase would be on a \$500,000 property.

Ms. Alves asked for a moment to get the requested information.

Vice Mayor Danko asked if there is a cap of 3%.

Ms. Alves replied that commercial property is capped at 10%.

Vice Mayor Danko discussed the increase and shared concern for increases passed down to consumers, was concerned for a 17.9% budget increase, and urged a full millage rate rollback.

Vice Mayor Danko referenced a social media post and asked Flagler County Sheriff's Office representatives if the \$650,000 they found can be returned to the City.

Mark Strobridge, Chief of Staff for the Flagler County Sheriffs Office, provided a response related to the money, and the repurposing those funds to address shortfalls that they know they will have in their health insurance and medical, and further explained the budget process.

Vice Mayor Danko urged Council to use \$2 million from the reserves.

Council Member Pontieri requested the percent increase for health insurance.

Ms. Alves responded that the health insurance fund increased by 18.4% and provided a breakdown of the increases.

Council Member Pontieri responded to Vice Mayor Dankos comments, sharing that she understood but found the inclination that she does not think this is a lot of money to be a bit offensive, continuing her comments to share that she is proud of the budget, staff, Council, and for what has been accomplished. Council Member Pontieri continued discussion on the topics of inflation, employment costs, ability to reduce the tax rate, ability to provide for the Strategic Action Plan Priorities, prioritizing public safety and road improvements, ability to build 2 new fire stations, reserve funds and uses, granting pension requests, funding 10 stormwater employees, funding an additional Code Enforcement Officer to address Short-Term Rental issues, the budget as being well rounded, and accomplishing many resident concerns.

Council Member Klufas thanked staff for another great budget, was glad that the Maintenance Operations Center was prioritized, and shared compliments to the Finance staff for their transparency.

Vice Mayor provided a response to Council Member Pontieri regarding reserve fund requirements, budget cuts, and the residents need to put food on the table.

Public Comment:

Michelle (no last name provided) agreed with the comments of Vice Mayor Danko, shared that seniors are suffering, and that expenses will be passed down to residents.

James Deen discussed that his Social Security Cost of Living increase does not cover Medicare increases, discussed the cost of a forensic audit as recently presented, inflation and cost increases, finding money somewhere else, and encouraged a risk assessment as previously presented.

Linda Allen, a fixed-income senior resident in the community, discussed cost of living increases, money received from impact fees, increase in property taxes, and did not see the need to increase the tax base and hurt residents.

Pass

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

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

Denied - 1 - Vice Mayor Ed Danko

4. RESOLUTION 2024-151 ADOPTING THE FINAL BUDGET FOR FISCAL YEAR 2024-2025

Mayor Alfin stated 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 stated the City of Palm Coast proposes to adopt a budget of \$421,551,721. and asked 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

Mayor Alfin stated the City Clerk must forward a copy of the resolution adopting the final millage to the Property Appraiser, the Tax Collector, and the State of Florida Department of Revenue within 3 days.

5. RESOLUTION 2024-152 APPROVING THE FISCAL YEAR 2025 FLEET REPLACEMENT/PURCHASE PROGRAM AND ASSOCIATED PURCHASE ORDERS FOR FLEET VEHICLES AND EQUIPMENT AS APPROVED IN THE FISCAL YEAR 2025 BUDGET

Attorney Duffy read the title into the record.

Mr. Mancill provided a background of the item.

Vice Mayor Danko asked if these purchases are already in the budget.

Mr. Mancill responded yes and explained the need for this to be a separate item.

*Public Comment:
There were none.*

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

Vice Mayor Danko discussed a lawsuit filed against the City concerning a charter amendment, an attorney email, and a local media article stating that the email violated State Statutes, and asked if the email violated State Statutes as reported by the media.

Mr. Duffy responded that he does not agree with that interpretation, and does not agree with the assessment.

Vice Mayor Danko responded that he researched the topic and agrees with the media, believed the discussion of a shade meeting should have occurred at City Council, did not want the topic discussed in a shade meeting, did not want taxpayer dollars spent on legal defense, shared concern for the future Council Members, discussed communications from attorney Jay Livingston to the City Attorney, and urged Council Members to rescind their vote.

City Council Members held discussion on the topic.

Attorney Duffy advised City Council to not continue the discussion of pending litigation matters.

Council Member Pontieri asked Vice Mayor why he agreed and voted on the item.

Vice Mayor Danko responded with the history of the item and information he learned after the vote.

Council Member Pontieri made a commitment to the voters, sharing that she intends to make a motion putting limits on borrowing and length of borrowing, if the Charter Amendment passes.

Vice Mayor Danko shared concern for the uncertainty of the composition of the future Council and urged Council not to spend taxpayer money on defending this.

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

There were none.

L. ADJOURNMENT

Adjourned at 6:07 p.m.

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