

**MINUTES OF THE JUNE 21, 2016 REGULAR SESSION
GREEN COVE SPRINGS CITY COUNCIL**

Call to Order

The regular session of the Green Cove Springs City Council was called to order Tuesday, June 21, 2016, at 7:00 p.m. in the City Council Chambers, 321 Walnut Street, Green Cove Springs, Florida.

Invocation and Pledge of Allegiance to the Flag

The invocation was given by Pastor Mark Hults, First Presbyterian Church, followed by the Pledge of Allegiance to the Flag of the United States of America.

Roll Call

COUNCIL MEMBERS PRESENT:

Constance W. Butler
Steven Kelley
B. Van Royal
Roy M. Timberlake, Jr., Vice Mayor
Pamela J. Lewis, Mayor

STAFF MEMBERS PRESENT:

L. J. Arnold, III, City Attorney
Julia W. Clevinger, City Clerk
Janis Fleet, Development Services Director
Marlena Guthrie, Finance Director
Danielle J. Judd, City Manager
Robert Musco, Chief of Police
Mike Null, Asst. City Mgr. / Public Works Dir.
Ann Schulte, Personnel Director

Mayor Lewis announced that comments from the public would be moved on the Agenda after the Awards and Recognitions.

AWARDS AND RECOGNITION

A MOTION WAS MADE BY VICE MAYOR TIMBERLAKE TO APPROVE THE PROCLAMATION RECOGNIZING THE ELKS LODGE #1892. THE MOTION WAS SECONDED BY COUNCIL MEMBER BUTLER. THERE BEING NO FURTHER DISCUSSION, THE MOTION WAS APPROVED BY THE FOLLOWING ROLL CALL VOTE: AYES – COUNCIL MEMBERS CONSTANCE W. BUTLER, STEVEN R. KELLEY, B. VAN ROYAL, ROY M. TIMBERLAKE, JR., AND PAMELA J. LEWIS, MAYOR. NAYS – NONE.

Proclamation – Elks Lodge #1892

Council Member Royal recognized Gene Rittenhouse, Exalted Ruler of Elks Lodge #1892, and presented a Proclamation (see attachment marked Exhibit “A”) for their commitment and service to the community. Mr. Rittenhouse also introduced other members of the Lodge and thanked the City Council for their support.

**Recognition – ICMA – 70th Anniversary of the
Council-Manager Form of Government**

Mayor Lewis recognized Jim Hansen, President-Elect of the FCCMA, and Town Manager for the Town of Orange Park, who presented to the City Council and City Manager Judd with a plaque in recognition of the City's 70th Anniversary of the Council-Manager Form of Government.

Recognition – Green Cove Springs Police Department Marine Patrol Unit

Sgt. Corey Buchanan and Sgt. Chris Hess recognized the following volunteer members of the new Green Cove Springs Police Department Marine Patrol Unit: Luke Byrne, Gary Carmichael, Eddie Diggs (not present), Bob Lewis, Bob Page, and Mitch Timberlake.

Recognition – B. Van Royal, Mayor – 2015-2016

Mayor Lewis and the City Council presented a Plaque of Appreciation to Council Member B. Van Royal for his service as Mayor of the City of Green Cove Springs from May 5, 2015 to May 19, 2016.

**Mayor to call on members of the audience wishing to address
the Council on matters not on the Agenda.**

Mayor Lewis recognized Felecia Hampshire, 508 Franklin Street, Green Cove Springs, Chairwoman of the Soul Food Festival, who gave a brief update on the upcoming Festival which would be held on October 1, 2016 at Vera Francis Hall Park. The Grand Marshall would be City Manager Danielle Judd. The Parade would be coordinated by the Elks Lodge #1892. She also expressed her appreciation to Kimberly Thomas for all of her help.

Mayor Lewis recognized the following citizens who expressed their opposition to the churches being classified as a Demand Charge customer for their electric rates. Because the churches are non-profit organizations and they serve and give back to the community, they believe that the churches should be exempt from this rate classification.

Elizabeth Peebles – Hickory Grove Baptist Church
Randy Brunson – First United Methodist Church
Eve Marshall – First United Methodist Church
Debbie Sleeth – First United Methodist Church
James Ziegner – First Presbyterian Church
Mark Hults – Pastor of the First Presbyterian Church
Christian Pope – Pastor of the Springs Baptist Church

In addition, Pastor Pope also noted the conservation methods and efforts the church had made to their buildings to help lower their electric bills.

Ms. Judd made the following points:

- Gave a brief history of the Non-Demand Commercial and Demand Charges;
- Explained how it was part of the Rate Tariff;
- It would be policy decision of the City Council if they wanted to add “not for profit” groups as exemptions;
- Of the 13 letters mailed to the Electric Utility customers, the City had only heard replies from 3-4 customers;
- Any change to the Rate Tariff would take approximately 45 days to complete due to the scheduling for Ordinances and sending changes to the Public Service Commission;
- The break-off point at 25kw has not changed since the review last year of the City’s Tariff nor has the indicator of hitting this point at any three (3) times in a rolling 12-month period; and
- Reminded the City Council of the funding now available through the PACE Program.

Council Member Royal advised he had met with the churches the previous evening. He noted the Tariff had not changed; however, the fact that it was being implemented was. He noted the power demand of the churches on Sundays did not actually affect the City. He had reviewed the rates and tariffs of the surrounding power companies. He believed the churches should be exempted on the demand factor.

Council Member Kelley had received a letter for his coffee shop. He agreed with Council Member Royal’s position but requested that the City reserve the opportunity to revisit this issue as it may relate to other businesses.

Council Member Butler thanked the members of the churches for their comments. She also agreed with Council Member Royal’s comments.

Vice Mayor Timberlake noted that small businesses would question why the churches received exemption when they already received property tax breaks. He reminded the audience that there were two (2) sides to this issue. He urged the churches to look at the PACE program and the efficiency of their HVAC systems and other things that impact their consumption. He requested the City Manager bring back other alternatives for the City Council's consideration.

Mayor Lewis agreed with Vice Mayor Timberlake's comments. She also reminded the audience that almost 33% of the properties in the City were tax exempt due to the County, School Board, and church properties. This reduction in ad valorem taxes puts the City in a very precarious position when it came to providing services to its citizens. She was impressed with the conservation measures taken by Springs Baptist Church to become more energy efficient and lower their consumption. She also urged the churches to consider their partnership with the City and community.

Ms. Judd advised the rates and alternatives would be reviewed by Staff. She would make sure that the churches were personally contacted when this issue was placed on the July 19th or an August Agenda.

Mayor Lewis recognized Mr. Brunson who inquired about the timeline to address this issue. Ms. Judd reviewed the process of Ordinances and seeking approval from the PSC.

CONSENT AGENDA

1. **City Council approval of Resolution No. R-18-2016 (see attachment marked Exhibit "B"), a Resolution urging the Florida Legislature to support amendments of State Regulations for Mooring Fields and anchorage of vessels on waterways outside of Mooring Fields and Resolution No. R-19-2016 (see attachment marked Exhibit "C"), a Resolution urging the Florida Legislature to support the designation of the St. Johns River as a Marine Highway and the creation of an Inland Navigation District.**
2. **City Council approval of Resolution No. R-20-2016 (see attachment marked Exhibit "D"), a Resolution authorizing interim budget adjustments in the General Fund Operating Budget for Fiscal Year 2016.**
3. **City Council approval of Resolution No. R-21-2016 (see attachment marked Exhibit "E"), a Resolution amending the Purchasing Policies and Procedures Manual, Chapter 15, Processing of Invoices for Payment, Allowing Directors and their Designees to approve payment for processing invoices based upon issuance of Purchase Orders.**
4. **City Council approval of a "Release of Code Enforcement Lien" Agreement with Lender Live Settlement Services, LLC to remove a Code Enforcement Lien on 1532 Center Street and authorization for the Mayor to sign said Agreement.**
5. **City Council approval of the extension of the Professional Design Team Engineering Services Agreement – Historic Spring Park Pool and Interactive Water Feature with Mathews Design Group for Construction Inspection Services through February 28, 2017 in a not-to-exceed amount of \$35,000.**
6. **City Council approval of Payment Application No. 1 from Mathews Design Group in the amount of \$5,822.28 and Payment Application No. 2 in the amount of \$1,561.59 under Contract Value of \$35,000 for the Historic Spring Park Pool and Interactive Water Feature Project Construction Inspection Services.**
7. **City Council approval of the purchase of a 2016 Ford F-450 Utility Body Truck from Duval Ford under the State of Florida Sheriff's Contract No. 15.23.0904 in the amount of \$48,079 to be used in the Streets Department and authorization to surplus Vehicle No. 207, a 2007 Ford Econoline Van.**
8. **City Council award of RFQ. No. 01-16-02, Engineering Services for Water, Wastewater, Drainage, Stormwater, Roadway and Parks, to seven (7) firms: Applied Technology & Management, Causseau Hewett Walpole, CPH, GAI Consultants, Mathews Design Group, Mittauer & Associates, and Wantman Group, Inc. and report back on July 19, 2016 with a contract.**

9. City Council approval of a Co-Sponsorship request from the Soul Food Festival, Inc. for the 15th Annual Soul Food Festival for Direct Services totaling \$1,200 and In-Kind Services.

A MOTION WAS MADE BY VICE MAYOR TIMBERLAKE TO APPROVE CONSENT AGENDA ITEMS 1 THROUGH 9 AS LISTED ABOVE. THE MOTION WAS SECONDED BY COUNCIL MEMBER BUTLER. THERE BEING NO FURTHER DISCUSSION, THE MOTION WAS APPROVED BY THE FOLLOWING ROLL CALL VOTE: AYES – COUNCIL MEMBERS CONSTANCE W. BUTLER, STEVEN R. KELLEY, B. VAN ROYAL, ROY M. TIMBERLAKE, JR., AND PAMELA J. LEWIS, MAYOR. NAYS – NONE.

COUNCIL BUSINESS

1. Presentation of the Audited Financial Statements for the period ending September 30, 2015. Purvis Gray and Company, Mr. Ron Whitesides, CPA

Mayor Lewis recognized Ron Whitesides, CPA with Purvis Gray and Company, who gave an overview of the Audited Financial Statements for the period ending September 30, 2015. He advised that the City had received an “Unmodified Opinion” which was the highest possible level of assurance that auditors can render when they conduct a financial statement audit. There was one (1) finding which was a carry-over from the prior year related to electric billings but it had been corrected as of this time.

Further discussion included FRS, Police Pension Plan, power costs, benefits to the City from the lower fuel costs, FMPA power bills, and Bulk Power Cost Adjustments (BPCA).

Ms. Judd thanked Ms. Guthrie and her staff for their hard work on the audit.

A MOTION WAS MADE BY VICE MAYOR TIMBERLAKE TO ACCEPT THE REPORT. THE MOTION WAS SECONDED BY COUNCIL MEMBER ROYAL. THERE BEING NO FURTHER DISCUSSION, THE MOTION WAS APPROVED BY THE FOLLOWING ROLL CALL VOTE: AYES – COUNCIL MEMBERS CONSTANCE W. BUTLER, STEVEN R. KELLEY, B. VAN ROYAL, ROY M. TIMBERLAKE, JR., AND PAMELA J. LEWIS, MAYOR. NAYS – NONE.

2. Approval of Debt Forgiveness of Interfund Balance between the Capital Project Fund and the General Fund and authorization for the City Manager to prepare associated budget amendments and public hearings. Judd /Guthrie

Discussion ensued with the City Council regarding approval of Debt Forgiveness of Interfund Balance between the Capital Project Fund and the General Fund and authorization for the City Manager to prepare associated budget amendments and public hearings as presented by Ms. Guthrie. Ms. Judd further clarified this would be a reversing entry related to the E-911 funds that did not materialize from the County for the new Police Station.

A MOTION WAS MADE BY VICE MAYOR TIMBERLAKE TO APPROVE DEBT FORGIVENESS OF INTERFUND BALANCES BETWEEN THE CAPITAL PROJECT AND GENERAL FUND IN THE AMOUNT OF \$175,519 AND AUTHORIZE THE CITY MANAGER TO PREPARE ASSOCIATED BUDGET ADJUSTMENTS AND PUBLIC HEARINGS TO EFFECTUATE THIS POLICY DECISION. THE MOTION WAS SECONDED BY COUNCIL MEMBER KELLEY. THERE BEING NO FURTHER DISCUSSION, THE MOTION WAS APPROVED BY THE FOLLOWING ROLL CALL VOTE: AYES – COUNCIL MEMBERS CONSTANCE W. BUTLER, STEVEN R. KELLEY, B. VAN ROYAL, ROY M. TIMBERLAKE, JR., AND PAMELA J. LEWIS, MAYOR. NAYS – NONE.

3. Approval of a Scope of Engagement with Bryant Miller Olive for the issuance of the City of Green Cove Springs, Florida Capital Improvement Refunding Revenue Note, Series 2016A and the Capital Improvement Revenue Note, Series 2016B,. Judd / Guthrie / Arnold

Discussion ensued with the City Council regarding approval of a Scope of Engagement with Bryant Miller Olive for the issuance of the City of Green Cove Springs, Florida Capital Improvement Refunding Revenue Note, Series 2016A and the Capital Improvement Revenue Note, Series 2016B, as presented by Ms. Guthrie.

A MOTION WAS MADE BY VICE MAYOR TIMBERLAKE TO APPROVE THE SCOPE OF ENGAGEMENT WITH BRYANT MILLER OLIVE FOR THE ISSUANCE OF THE CITY OF GREEN COVE SPRINGS, FLORIDA CAPITAL IMPROVEMENT REFUNDING REVENUE NOTE, SERIES 2016A, AND [THE CAPITAL IMPROVEMENT REVENUE NOTE, SERIES] 2016B. THE MOTION WAS SECONDED BY COUNCIL MEMBER BUTLER. THERE BEING NO FURTHER DISCUSSION, THE MOTION WAS APPROVED BY THE FOLLOWING ROLL CALL VOTE: AYES – COUNCIL MEMBERS CONSTANCE W. BUTLER, STEVEN R. KELLEY, B. VAN ROYAL, ROY M. TIMBERLAKE, JR., AND PAMELA J. LEWIS, MAYOR. NAYS – NONE.

4. Approval of Resolution No. R-22-2016, a Resolution authorizing the issuance of a Capital Improvement Refunding Revenue Note, Series 2016A, of the City in the principal amount of not to exceed \$1,470,000 to currently refund the City's outstanding sales tax Revenue Note, Series 2013, and to pay associated transactional costs. Judd / Guthrie / Arnold

Discussion ensued with the City Council regarding approval of Resolution No. R-22-2016 (see attachment marked Exhibit "F") as presented by Ms. Guthrie. The note is expected to be repaid by July 1, 2026. The total interest rate paid over the life of the note will be \$129,555.12. She also noted that the interest was 1.63% which was lower than the 1.80% that was proposed at the previous meeting. This note would be provided by Hancock Bank.

A MOTION WAS MADE BY VICE MAYOR TIMBERLAKE TO APPROVE RESOLUTION NO. R-22-2016 AUTHORIZING THE ISSUANCE OF ITS CAPITAL IMPROVEMENT REFUNDING REVENUE NOTE, SERIES 2016A, IN THE PRINCIPAL AMOUNT OF \$1,470,000 FOR THE PURPOSE OF REFUNDING THE CITY'S OUTSTANDING SALES TAX REVENUE NOTE, SERIES 2013, AND TO PAY ASSOCIATED TRANSACTIONAL COSTS. THE MOTION WAS SECONDED BY COUNCIL MEMBER KELLEY. THERE BEING NO FURTHER DISCUSSION, THE MOTION WAS APPROVED BY THE FOLLOWING ROLL CALL VOTE: AYES – COUNCIL MEMBERS CONSTANCE W. BUTLER, STEVEN R. KELLEY, B. VAN ROYAL, ROY M. TIMBERLAKE, JR., AND PAMELA J. LEWIS, MAYOR. NAYS – NONE.

Ms. Guthrie expressed her appreciation to Jeremy Niedfeldt for their assistance in this process.

5. Approval of Resolution No. R-23-2016, a Resolution authorizing the issuance of a Capital Improvement Revenue Note, Series 2016B, of the City in the principal amount of not to exceed \$1,030,000 to finance the restoration and renovation of Spring Park and to pay associated transactional costs. Judd / Guthrie / Arnold

Discussion ensued with the City Council regarding approval of Resolution No. R-23-2016 (see attachment marked Exhibit "G") as presented by Ms. Guthrie. The note is expected to be repaid by July 1, 2031 at an interest rate of 2.25%. The total interest paid over the life of the note is estimated to be \$181,796.25. This note would be provided by BB&T who had waived the pre-payment penalty.

A MOTION WAS MADE BY VICE MAYOR TIMBERLAKE TO APPROVE RESOLUTION NO. R-23-2016 AUTHORIZING THE ISSUANCE OF ITS CAPITAL IMPROVEMENT REFUNDING REVENUE NOTE, SERIES 2016B, IN THE PRINCIPAL AMOUNT OF \$1,030,000 FOR THE PURPOSE OF FINANCING THE RESTORATION AND RENOVATION OF SPRING PARK, AND TO PAY ASSOCIATED TRANSACTIONAL COSTS. THE MOTION WAS SECONDED BY COUNCIL MEMBER ROYAL. THERE BEING NO FURTHER DISCUSSION, THE MOTION WAS APPROVED BY THE FOLLOWING ROLL CALL VOTE: AYES – COUNCIL MEMBERS CONSTANCE W. BUTLER, STEVEN R. KELLEY, B. VAN ROYAL, ROY M. TIMBERLAKE, JR., AND PAMELA J. LEWIS, MAYOR. NAYS – NONE.

Ms. Judd explained that the annual debt service for the Police Station was \$420,000. Because this transaction was occurring prior to July 1st, this meant the 2nd debt service payment would not occur in this fiscal year which would result in an increase of \$220,000 on the cash side for surtax. As a result, the net pick-up would be approximately \$179,000 that would go back into the General Fund for Capital Projects. The first payment would not be due until January 1, 2017.

6. First Reading of Ordinance No. O-09-2016, an Ordinance extending and renewing an Electrical Franchise with Clay Electric Cooperative, Inc. through January 28, 2033. Arnold / Judd

Mr. Arnold read the title of Ordinance No. O-09-2016 into the record as follows:

AN ORDINANCE OF THE CITY OF GREEN COVE SPRINGS, FLORIDA, EXTENDING AND RENEWING AN ELECTRICAL FRANCHISE PREVIOUSLY GRANTED TO CLAY ELECTRIC COOPERATIVE, INC.; PROVIDING FOR REPEALER, SEVERABILITY, AND SETTING AN EFFECTIVE DATE.

Ms. Judd explained that as opposed to extending the Franchise Fee Agreement every couple of years, this would extend the renewal period to coincide with the Territorial Agreement, or January 28, 2033.

A MOTION WAS MADE BY COUNCIL MEMBER KELLEY TO APPROVE ORDINANCE NO. O-09-2016 ON FIRST READING AS TO FORM ONLY AND SET A SECOND AND FINAL READING FOR JULY 19, 2016. THE MOTION WAS SECONDED BY VICE MAYOR TIMBERLAKE. THERE BEING NO FURTHER DISCUSSION, THE MOTION WAS APPROVED BY THE FOLLOWING ROLL CALL VOTE: AYES – COUNCIL MEMBERS CONSTANCE W. BUTLER, STEVEN R. KELLEY, B. VAN ROYAL, ROY M. TIMBERLAKE, JR., AND PAMELA J. LEWIS, MAYOR. NAYS – NONE.

7. North Florida Regional Council (NFRC) 2017 Legislative Priorities for Northeast Florida. Clevinger

Discussion ensued with the City Council regarding the North Florida Regional Council (NFRC) 2017 Legislative Priorities for Northeast Florida as presented by Ms. Clevinger.

A MOTION WAS MADE BY VICE MAYOR TIMBERLAKE TO APPROVE [THE LEGISLATIVE PRIORITIES AS SUBMITTED FOR 2016]. THE MOTION WAS SECONDED BY COUNCIL MEMBER BUTLER. THERE BEING NO FURTHER DISCUSSION, THE MOTION WAS APPROVED BY THE FOLLOWING ROLL CALL VOTE: AYES – COUNCIL MEMBERS CONSTANCE W. BUTLER, STEVEN R. KELLEY, B. VAN ROYAL, ROY M. TIMBERLAKE, JR., AND PAMELA J. LEWIS, MAYOR. NAYS – NONE.

8. City Manager and City Attorney Reports and/or Correspondence.

- a. Executive Summary – Development Services – April 2016.
- b. Executive Summary – Electric – April 2016.
- c. Executive Summary – Police – April 2016.
- d. Executive Summary – Public Works – April 2016.

The City Manager acknowledged the above reports provided to the City Council for information.

The City Manager and City Attorney made comments regarding various city activities, events, operations, and projects.

In addition, Mr. Arnold gave a brief update on the current litigation regarding the Red Light Camera and advised he had requested reimbursement from American Traffic Solutions for attorney's fees.

Ms. Judd also gave a brief update on the last phase (VIIC) of development in Magnolia Point related to a surety bond for reclaimed water infrastructure [this also included water and sewer]. As of this date, Mr. Arnold stated the developer was in agreement to provide the City with a \$25,000 cash "bond" in lieu of a \$141,000 surety / performance bond which was in contrast to the City Codes. Ms. Judd explained that in the community she had come from, she was not accustomed to the payment of impact fees within 30 days after the plat was completed. The impact fees were estimated to be \$90,000. For the record, Ms. Judd stated that when a development was unplatted, the concurrency was not locked in until the project was platted and all the impact fees were paid. She did not want to set a precedent. Each development should be evaluated on a case-by-case basis. Electric was also not included because it did not have concurrency; only water, sewer, and reclaimed water. She believed the City had already been flexible with this project. According to the City Codes, the developer was required to have a final plat within six (6) months of acquiring construction plans. With this information, the developer was, therefore, out of compliance for Phase VIII. Mr. Arnold added that the \$25,000 could be refunded within 60 days provided the project was completed, final acceptance by the City of all the utilities, and the Performance /Maintenance Bond was provided simultaneous with the refund so there was no gap in coverage.

AN EMERGENCY MOTION WAS MADE BY COUNCIL MEMBER ROYAL BASED ON COMMENTS FROM MS. JUDD AND MS. FLEET THAT WE ASK THE CITY ATTORNEY TO DRAFT AN AGREEMENT BETWEEN THE CITY AND DREAMFINDERS TO MOVE FORWARD WITH A \$25,000 DEPOSIT AND ALL THE ASSURANCES WE HAVE DISCUSSED TO ALLOW THEM TO BEGIN CONSTRUCTION ON THE FINAL PHASE. THE MOTION WAS SECONDED BY COUNCIL MEMBER BUTLER. THERE BEING NO FURTHER DISCUSSION, THE MOTION WAS APPROVED BY THE FOLLOWING ROLL CALL VOTE: AYES – COUNCIL MEMBERS CONSTANCE W. BUTLER, STEVEN R. KELLEY, B. VAN ROYAL, ROY M. TIMBERLAKE, JR., AND PAMELA J. LEWIS, MAYOR. NAYS – NONE.

For the record, Vice Mayor Timberlake stated he was bothered by the fact that they were manipulating the process and they were outside of what is normal and customary. He understood what they were asking and that the City Council had approved it. However, it needed to be on the record that there was a process, they knew the process, and they needed to follow it. There would be others required to follow it, and it was not right to give them an acceptance just because it benefitted them. Ms. Judd added there were issues on Phase VIIB with the Site Development Site Clearing Permit process where the development just started moving dirt. Ms. Judd reiterated for the record that the developer had approached Ms. Fleet numerous times with this request and was advised that the City Manager had denied their request. It ultimately came down to the developer requesting it be addressed by the City Council. Mr. Null advised that concurrency had been set aside in the beginning for 975 dwelling units. Mr. Arnold recalled the City's \$900,000 investment in Magnolia Point with the recoupment of the expense as lots were developed. The City also

condemned the electric to be able to serve the area annexed by the City because Clay Co-op would have had to spend \$1 million plus doing that.

9. City Council Reports and/or Correspondence.

The City Council made comments regarding various city activities, events, operations, and projects.

10. Adjournment.

There being no further business to come before the City Council, the meeting was adjourned at 10:17 p.m.

CITY OF GREEN COVE SPRINGS, FLORIDA

Pamela J. Lewis, Mayor

Attest:

Julia W. Clevinger, City Clerk