

**COUNCIL MEETING
MINUTES
JANUARY 18, 2012**

Pursuant to Public Notice, Mayor Ferrante convened the regular meeting of the City Council on Wednesday, January 18, 2012, at 6:00 p.m., in the Council Chamber. Those present were Mayor Joseph Ferrante, Vice-Mayor Scott Rhodes, Councilwoman Sheryl Denan, Councilman William Higginson, Councilman Gregg Billman (via Skype), City Manager Michael P. Crotty, City Attorney James Beadle, and City Clerk Leonor Olexa.

Mayor Ferrante led a moment of silence and the Pledge of Allegiance.

CITIZEN RECOGNITION

• **INTRODUCTION OF GUESTS**

Mayor Ferrante introduced four Boy Scouts (Steve Kershaw, Matt Kahonsa, Nick Morgan and Brandon Rabel), who were recognized for working on their Citizenship in Community badge.

• **CITIZEN COMMENTS**

The following individuals addressed Council:

- Mark Johnson, 616 Poinsetta Drive, stated that there were numerous meetings held by the CRA Advisory Committee and the CRA on the SR A1A and DeSoto Parkway property. He asked that the time invested not go to waste. There are a number of gas stations that have gone out of business and he had concern with the noise, heavy traffic, and visual blight that a gas station would produce. He requested that the property be deed restricted and actively marketed before being sold.
- Elaine Fee, 615 Palm Drive, stated that a gas station at SR A1A and DeSoto Parkway property would create a high traffic area. She requested that Council take into consideration all the time invested on this topic in making their decision.

CITY COUNCIL COMMENTS

Councilman Billman stated that citizen comments and input has been great. He attended the Recreation Board meeting and stated that Chris Braswell is a great addition to the Board. They are working on a Capital Improvement Plan.

Councilman Higginson congratulated Vice-Mayor Rhodes for a job well done of leading his first Council meeting last Wednesday.

Councilwoman Denan stated she had nothing to report since the last meeting.

Vice-Mayor Rhodes reported that the CRA workshop had a lot of public attendance and a request by Council was made to have a JLAC response letter drafted. He also attended the Samsons Island meeting where they are working on the Management Plan with specific wording to assist with possible future grant applications.

Mayor Ferrante thanked the Council for holding the CRA workshop meeting and thanked Vice-Mayor Rhodes for chairing the meeting.

CITY ATTORNEY REPORT

City Attorney Beadle reiterated the Sunshine Law requirements:

- AGO: Boards should not become a preferred forum to the actual Council meeting.
- Evaluation of information is critical to ensure positions/issues that reasonably could be presented to Council in the foreseeable future are not hindered by not following the Sunshine Law.
- He cautioned forwarding/courtesy copying information to everyone in the discussion group. Two words to be mindful of: Perception and conduit.

CITY MANAGER REPORT

FDOT Landscaping on South Patrick Drive

City Manager Crotty provided a copy of the FDOT (80K) funded landscaping plan which encompasses the City and unincorporated areas on South Patrick Drive. The planning is in the final phase portion of the project.

City Engineer David King recommended additional grant funds be allocated to accentuate the sharp angle sidewalk design at intersections to accommodate bicyclists through projected landscaping.

Agenda Report Form

City Manager Crotty provided a suggested agenda report form to replace the City Manager's letter (yellow sheets).

Transfer of Ownership of Pelican Beach and Hightower Beach Park

City Manager Crotty stated final documents transferring ownership of Pelican Beach and Hightower Beach Park to the citizens of Satellite Beach are forthcoming within the next two weeks.

Florida Retirement System Options for Police and Fire Pension Plan

City Manager Crotty stated FRS options for possible transition of the Police and Fire Pension Plan has been submitted to the State. Prior to any finalization, employees must vote.

SR A1A and DeSoto Parkway Property (Peg Legs)

City Manger Crotty provided correspondence from David Omler requesting commission agreement for the SR A1A and Desoto Peg Legs property. Finalized deed restrictions from the July 20 meeting were proposed to Council on August 17, however, they met with opposition from citizens. This turn of events resulted in a change in direction and placed a halt on approval of the deed restriction from Council. It was recommended to schedule a meeting to determine future status and involvement with property.

Council discussed the following:

- Was clear direction provided in July and August meeting on how to proceed with property and deed restrictions?
- Deed restrictions cut the market value in half; is selling the property for the highest value to get it back on the tax roll best for the City?
- There is an existing action to place deed restrictions on this property. The City should not backtrack on the decision made by the past Council.
- If Council decides not to put deed restrictions on the property, then there needs to be a motion to move forward.
- Peg Legs is a Community Redevelopment property. In order to dispose of the property, a process must be followed regardless of potential buyer's eagerness.

PRESENTATIONS ON OPTIONS FOR AUDITING SERVICE

- **RICH SUTTER, WHITTAKER COOPER – 6:30 P.M. TIME CERTAIN**

Mayor Ferrante stated that Mr. Sutter will be presenting his information.

City Manager Crotty explained that Council directed staff to pursue information on a forensic audit including the scope of services. Information in the packet was submitted by Whittaker Cooper Financial Group at the request of the City.

Mr. Sutter presented the following information:

- Types of services a CPA firm can provide.

- A reputable firm has already performed an annual high level audit on Satellite Beach. This audit includes compliance auditing, and tests Florida Statutes and/or grant regulations. The annual audit is in compliance with government accounting standards and the single audit act delineates what will be tested.
- Federal funding that exceeds certain thresholds will be tested even further at a program and financial statement level. The Community Redevelopment Agency funds would not have been selected for a single audit, because it is not federally funded. Therefore, pursuing a full compliance audit would lean towards excessive.
- The next step in the process of the audit is the agreed upon procedures. The Council determines the scope, years and items/transactions of what procedures can be performed. The results will be generated into a report, but will not address any details of alleged fraud.
- The forensic/fraud examination is used when there is suspected fraud. The agreed upon procedures are drawn up by the accountant performing the examination. The scope is broader with many more items tested and gives the examiner the latitude for testing ability (i.e., number of items/transaction, etc.). This is in direct relation to the fee.
- Mr. Sutter recommended the City go with a generic agreed upon procedure allowing the Council to determine the scope. This procedure is much more cost effective.

Council discussed the following items:

- Would you expect an outside auditor to find misappropriations of F.S. § 163, an integral component to the Community Redevelopment and proper management of the City? *[Mr. Sutter indicated that misappropriations are not routinely caught by an audit, rather by stance or a perpetrator being thrown under the bus. In respect to F.S. § 163, they are tested, but it will really come down to the significance of the transaction being tested. If under the materiality threshold of the auditor it most likely would slip pass the audit. However, if significantly above the materiality threshold, then it should have been tested.]*
- If contract of 150 transactions a year are agreed upon, what would the timeframe be for it to come back to Council, and what would be the cost? *[Mr. Sutter stated 30 to 45 days, 150 transactions a year for four years would equate to \$12K to \$16K for testing.]*
- How long have you been a CPA, and what knowledge do you have of municipalities? *[Mr. Sutter stated they have worked with the City of West Melbourne and he and Mr. Cooper have a combined 50 years of public accounting experience.]*
- Do you believe the charges against CRAs (i.e., Daytona 2009) should have been highlighted as a red flag by our auditing firm and others across the state? Should there have been (informed) recommendation to the City on this situational issue? *[Mr. Sutter explained that he has worked with municipalities, but not in the capacity as an auditor. They required a more extensive tool set. Our job is to be informed and many publications like AICPA and newspapers bring out the problem areas that are reoccurring risk alerts.]*

DISCUSS/TAKE ACTION ON AWARD OF BID FOR ENERGY IMPROVEMENTS AT THE SCOTTY CULP MUNICIPAL COMPLEX

City Engineer David King provided a recommendation to award the Federal Energy Efficiency Community Block Grant. It was sent out for public bid as required, and five (5) bids were received (12/22/11). With the funding available and the lowest bid received, it is recommended the energy improvements base bid for Civic Center HVAC and (Additive Alt. 1, 3, and 4) at the Scotty Culp Municipal Complex be awarded to local business Competitive Air and Heat at a cost of \$98,961. He received good references on this company from other government agencies. The recommendation letter of award (12/27/11), it shows a remaining balance of \$19,554. This amount is not enough to fund Additive Alt. 2 for the City Hall lighting. If the remaining balance is awarded to Additive Alt. 2, the City would have to fund the difference.

Council discussed the following:

- Do they have the same specification? [*Mr. King indicated yes.*]
- What was the total grant funding available to spend on the improvement? [*Available grant funds for improvement and audits are \$196,738. There have been audits on various City buildings. The energy efficiency evaluation performed on the DRS Schechter Community Center, an evaluation that recommended additional cost of control modifications. City Engineering Services. These were the Cities requirement by the grant public education process and certification of the Schechter center.*]
- Are the improvements for lighting fluorescent, LED's or specific fixtures? [*Mr. King indicated changes are converting outdated T12 to T8 and compact fluorescent to LED's which translates to energy savings.*]
- Council thought it was great to see that a local company won the bid, which circulates the money back into the community.
- What is the anticipated completion date? [*Mr. King indicated 180 days, roughly April.*]

Mayor Ferrante asked for public comments; the following individuals addressed Council:

- Don McLendon, 695 Fountain Boulevard, asked who developed the specifications. [*TLC engineering procured through Quentin L. Hampton and Florida Solar Energy.*] Was the use of natural gas ever considered for heating and hot water, prices are going down with the use of new technology. Advantages of using natural gas makes a lot more sense than a heat pump system.
- Vic Brungart, 140 Park Avenue, stated he used to work for an energy company. He recommended using a form of natural gas, which is cheaper and better.
- John Fergus, 135 Maple Drive, stated natural gas and resistant heating was not a part of this project. It was high efficiency heat pump technology. Florida Solar Energy was in it from the beginning. If you do not do this now, you will lose the opportunity.

ACTION: Councilman Higginson MOVED, SECOND Vice-Mayor Rhodes, to award the bid for the City Hall and Civic Center HVAC and Lighting Improvements for Additive Alt. 1, 3, and 4 in the amount of \$98,961 to Competitive Air & Heat, LLC. VOTE: ALL AYES. MOTION CARRIED.

DISCUSS/TAKE ACTION ON CITIZEN INITIATIVE TO REVIVE THE BEACHCASTER

Carol Robitschek stated we are brainstorming. There is a good mix of ideas coming to the surface from staff and citizens. An example of the *Beachcaster* is displayed in the lobby, which depicts a 4 page publication in black and white to save money. She feels the best way to see where we stand on the *Beachcaster* is to provide a sample copy at the next council meeting. February edition is ready to go for under \$2K.

Council had the following comments:

- The *Beachcaster* sample has no cost involved. [*No.*]
- Funding has been an issue and where will the funding come from?
- The *Beachcaster* should have not been cut; the previous 16 page edition was too much.

DISCUSS/TAKE ACTION ON PARTNERING WITH BREVARD COUNTY ON FIRE TRUCK PURCHASE

City Manager Crotty indicated this is a follow-up on the discussion the Council held on October 5 and Fire Chief Don Hughes will provide the report.

Fire Chief Hughes provided the Capital Replacement and Improvement Plan for FY 11/12 through FY 30/31. The Plan is based on the fire suppression needs of the City with a funding plan to meet

those needs. Based upon what direction Council would proceed in, the following were potential solutions:

- To reduce capabilities from \$500K to \$350K over a 20-year period to a maximum \$1M base over a 20-year period.
- To maintain capabilities as low as \$736K to as high as \$985K.
- To improve capabilities as low \$811K over a 20-year period to a maximum of \$1.5M.
- Partner with Brevard County to purchase Ladder Truck to replace 1996 Fire Engine which has an expiration date.
- The City purchase a Fire Engine in FY 16/17 (or sooner) to replace 1992 Fire Engine.
- The City could make both purchases using a 10-year lease option or use cash purchase if Capital Reserve Fund would not be depleted.
 - The City could pay off the lease purchase to avoid interest costs.

Council had the following discussion:

- Tough economic times create a challenging budget; need to put money aside for these types of purchases in the future.
- Recommend fixing the current Fire Truck and extending service life.
- There was a question on the ISO rating. [*The Fire Truck condition and the pumps lost will result in a degradation of services, which will ultimately impact the ISO rating.*] Request to have an ISO report excluding the pumper to see where the City stands and impacts involved.
- Issue with current funding due to not being budgeted, however, funding will become available in FY 13/14 which will generate \$450K.
- There was a question about the need of a ladder truck. [*Chief Hughes stated you need to have this in order to have elevated water streams and cut through buildings.*]
- Every life is precious and money should not be put in front of safety.

Mayor Ferrante asked for public comments; the following individuals addressed Council:

- Andrew Groome, 400 Roosevelt Avenue, stated that you have data to understand the costs.
- Michelle French, 240 Colonial Court, questioned the failure of the pump test and crank shaft. She suggested that the City receive three quotes on the cost to repair in order to make a financially sound decision.
- Gardner Russell, 645 Cinnamon Court, requested a breakdown of required cost to evaluate what is needed.
- Don McLendon, 690 Fountain Boulevard, stated that there should be a zero tolerance policy on non-fire usage to ensure the greatest service life.
- Dave Allison, 700 Atlantic Drive, emphasized that if you do a partnership with Brevard County, the fire truck may not be available for local resident's safety.
- Edward Kinberg, 240 Kenwood Court, questioned the interlocal agreement and how it would impact residents. He further indicated that it would be more feasible to keep the fire truck in service and when funds become available, the City can implement the purchase of the fire truck.
- Dania Billman, 690 Jackson Court, stated that she talked with Brevard County who would be willing to transfer one of their trucks in the unincorporated area until the City could purchase the fire truck. She recommended using the fire truck for only fire suppression related incidents.

- Brian Rodrigues, 689 South Hedgecock Square, questioned if the City's firefighters have joined the Brevard County union? [No.] He questioned whether the Fire Department could be outsourced to Brevard County.
- Skip Bollinger, 400 Kale Street, stated the City could work with Indian Harbour Beach to utilize their fire truck. He further asked if the City could retrofit the fire truck from Indian Harbour Beach. [*That fire truck is at its maximum capacity and could not be retrofitted to what is needed.*]
- Gabe Feindt, 470 Caribbean Drive, stated that you would not want to use a fire truck that is not safe and agreed with Council, that emotionally and financially we need to make sure that the safety of our citizens is taken care of.

ACTION: Councilwoman Denan MOVED, SECOND Vice-Mayor Rhodes to not pursue the joint purchase with Brevard County Fire Rescue for a 100' Platform Ladder Truck. VOTE: FOUR AYES (Ferrante, Rhodes, Billman, and Denan); ONE NAY (Higginson). MOTION CARRIED.

PRESENTATIONS ON OPTIONS FOR AUDITING SERVICE

• JAMES MILUCKY FORENSIC AUDITING SERVICES – 7:30 P.M. TIME CERTAIN

Mr. Milucky stated his credentials as a certified fraud and forensic auditor. He presented the following information:

- Long term auditing relationship can produce impaired objectivity and clarity from the auditing company.
- Many examinations have determined that there were misunderstandings of facts and/or over reaction based on limited information.
- A forensic audit identifies issues, investigates facts, the communications involved, and seeks out necessary evidence.
- Concept relies on management representation versus gathering information from staff.
- Concept of materiality versus non-materiality, works to summarize data provided, verifies it.
- Focuses on events and transactions, active basis versus intuitive process applied and then recreates the history of the transactions.
- He recommended services that can be provided in phases.
- Phase I would include review of policies and procedures and report non-compliance issues. He would provide 20 hours with a maximum cost of \$3K.
- Phase II would be based on the findings from Phase I and the preliminary investigation.
- He indicated that he would answer any questions Council had.

The Mayor asked for public comments; the following individuals addressed Council:

- Joanne Regan, 546 Majorca Court, stated that she was outraged that the Council would put forth money for an audit. Who would consider putting this person in the presence of employees based on his conduct at a public forum? She thanked City Manager Crotty for his years of service to the City and stated that the City has many fine employees. She indicated her outrage at the level of mistrust and allegations of fraud and malfeasance.
- Rodney Smith, 265 South Robert Way, asked how many bids were received for this audit. [Two.] Are we going to take the road to repair or disrepair? He stated the presenter was negative, rude, and is unthinkable to do business with this person. He should not have been allowed to talk to our Mayor in the manner in which he did.
- Vic Brungart, 140 Park Avenue, stated that an auditor is looking for the truth. Phase I will show what the facts are and recommended that Council vote.

- Edward Kinberg, 245 Hedgecock Court, apologized for the presenter's behavior. He stated that almost always a forensic audit shows that nothing is wrong. Judgments are made based on interpretation of statutes and laws. A forensic audit is specialized and can assist to protect the City in the future. He recommended doing the forensic audit.
- Lloyd French, 240 Colonial Court, stated that it would have been more appropriate to allow citizens comments on agenda item #7 to continue after the auditor's presentation. An audit would provide important information into the processes, which could provide indicators of where the City needs to make adjustments.
- Skip Bollinger, 400 Kale Street, stated that he is in the "I don't know" realm and recommended the audit. He further stated that he did not believe anyone has lined their pockets with money and that the report could come back with nothing. He felt that CRA funds had been improperly used according to F.S. § 163.
- Don McLendon, 695 Fountain Boulevard, stated that City Charter, Article II, Section 2.11(d) indicates that Council shall make its own rules. The degree of civility is the whole point of having order. He recommended Council have discussion and call a motion for consideration.
- Dorothy Russell, 645 Cinnamon Court, inquired whether Mr. Milucky was going to look for efficiency and stated she did not hear that in his presentation.
- John Fergus, 135 Maple Drive, found it hard to believe that Council would be willing to put off a needed fire truck and spend money on a fraud/forensic audit. There was no advertising and did not hear the total cost. He stated he would like to see the report of Mr. Milucky for Manatee County, Lee County and the City of Palm Bay. He stated that this would give the Council a better understanding of what services/reports the City would be paying for.
- Michelle French, 240 Colonial Court, stated that she recommended this forensic audit six to seven months ago. There is a huge difference in price of \$3K versus \$450K. The citizens want a detailed report to bring back the trust of the citizens.
- Gardner Russell, 645 Cinnamon Court, stated that he sympathized with Council. He asked if the auditor could guarantee what he stated.
- Dania Billman, 690 Jackson Court, stated that she has lost confidence in the City and the CRA, but did not believe there is malfeasance. (This could be a misunderstanding and interpreting things a different way and it will give an idea of internal/external controls.) The purpose of an audit is to try to protect the City.

Council had the following comments:

- Hard time with the citizens thinking that there is fraud or malfeasance going on. The division amongst the City has to stop. If Mr. Milucky can assist to stop this way of thinking, then Council is all for this forensic audit.
- The sensitivity of mistrust started from the CRA funds.
- There was question regarding our current auditor's qualifications. [*Our auditors are reputable and perform detailed audits.*]
- Mr. Milucky's presentation was based on fear versus an exchange of ideas/recommendations that would best serve the City and its citizens.
- Transparency is the key to open government and a forensic audit will show if there is any dishonesty.

- The forensic audit should be the last resort and is not deserved, nor should this take place. Will this fix the problem of the CRA issue?
- There was concern about emotions running too high to make the best decision for the City and it was recommended that the Council should not vote at this time.

ACTION: Councilman Billman MOVED, SECOND Vice-Mayor Rhodes, to have James Milucky conduct Phase I of a forensic audit and to direct City Manager Crotty and staff to be open/available to the forensic audit. VOTE: THREE AYES (Billman, Denan, and Rhodes); TWO NAYS (Ferrante and Higginson). MOTION CARRIED THREE TO TWO.

DISCUSS/TAKE ACTION ON CHARTER FOR CITIZEN ADVISORY PANEL FOR EFFICIENT GOVERNMENT

City Manager Crotty stated that input from citizens, the City Attorney, and City Council has been incorporated into the proposal. He also met with Mr. French and Mr. Jurgutis on the document. The revisions/adjustments will provide a workable document for Council's initial discussion. There are two options to choose from to establish the process for how the members will be chosen.

Council discussed the following:

- The overall objective for the Panel has remained the same.
- A request to have the report deadline changed from April 30 to April 27 in order to provide information for the first meeting in May.
- Need to establish the requirements of panel members (citizens/business owners).
- Option one provides the opportunity for each Council member to appoint a person of their choice with two remaining members to be voted on by Council.
- Option two provides the opportunity for all applicants to be reviewed and voted on by Council.
- Concern of a stacked panel based on three of the five Council members voting one way.
- A suggestion was made to have a super majority vote (four to one).
- Elections have consequences and want to see new people providing input.

The Mayor asked for public comments; the following individuals addressed Council:

- Lloyd French, 240 Colonial Court, suggested having a scoring system like the Olympics that could soften the aspects of the voting process. He emphasized the need to focus on the issues at hand and not the procedure.
- Don McLendon, 695 Fountain Boulevard, stated that there are contentious issues. Mistrust has been formed due to past decisions that have been made and need to establish transparency and rule of order. Council members are elected officials and should have a majority vote.
- Vic Brungart, 140 Park Avenue, stated that if he were considered to serve on the panel, he would want a 9.5 out of possible 10 scoring scale.
- Dania Billman, 690 Jackson Court, stated that Council should be mindful of creating a panel that is for the betterment of the City. The issue should be to review the resumes and past experiences, and not go in with preconceived ideas.

The Council had the following comments:

- Emphasis should be placed on picking the most qualified to serve on the panel.
- A recommendation was made to appoint a seven (7) member panel based on a scoring system established by Council to be applied after public review.

ACTION: Councilwoman Denan MOVED, SECOND Councilman Billman, to implement Option Two of the proposal. VOTE: THREE AYES (Rhodes, Billman, and Denan); TWO NAYS (Higginson and Ferrante). MOTION CARRIED THREE TO TWO.

Mayor Ferrante asked for public comment; the following individual addressed Council:

Ron Ecker, 250 Maple Drive, asked if the proposal stated that five of the members had to be Satellite Beach residents. [No.]

ACTION: Councilman Billman MOVED, SECOND Vice-Mayor Rhodes, to approve a seven (7) member panel with recommendations to be submitted by April 27 and allow access to staff and government objectives. VOTE: ALL AYES. MOTION CARRIED.

Mayor Ferrante thanked all who were involved in the process.

The following details were discussed:

- Need to request City applications/resumes to be submitted as quickly as possible.
- City Manager Crotty stated that information will be sent via news release and the City's website.
- Applications should be received prior to the February 1 Council meeting with appointments to be made at that meeting.

DISCUSS/TAKE ACTION ON GRANT AUTHORIZATION FOR 2012/2013 INDIAN RIVER LAGOON NATIONAL ESTUARY WORK PLAN PROJECT IN PARTNERSHIP WITH BREVARD COUNTY (BANANA RIVER MUCK IMPACT RECONNAISSANCE STUDY)

City Manager Crotty stated that grant writer John Fergus will provide information on this grant application for a muck impact study.

Mr. Fergus indicated that the application is self-explanatory and will provide measurements that will assist the City with an alternative, perhaps more effective and less expensive means to meet TMDL requirements in the future.

Council had the following comments/questions:

- Council asked if Public Works would have staff to accomplish this project. [*Public Works Director Allen Potter stated that this is one of the tasks that Public Works is responsible for and can achieve what is necessary for this project.*]
- Council inquired if there were funds to provide for this muck impact study. [*There is \$300K available for this type of project.*]
- There will be a future workshop on the Stormwater Quality Master Plan.
- Have studies like this been done before and where would the study take place? [*No, however, the City was one of the first to have depth measurement studies and recognizes the impacts. The muck pit is located south of the Pineda Causeway on the east side of Indian River Lagoon.*]

The Mayor asked for public comment; the following individual addressed Council:

- Vic Brungart, 140 Park Avenue, stated that if they want to measure the muck, then he recommended the City approve the grant authorization.

ACTION: Councilman Higginson MOVED, SECOND Vice-Mayor Rhodes, to authorize Plain English to submit a joint IRL-NEP grant application with Brevard County to study the impact of muck on the Banana River, in which Brevard County will provide a maximum in-kind match of \$12,000 and the City will provide a maximum cash match of \$5,000 and a maximum in-kind match of \$6,000. VOTE: FOUR AYES (Billman, Rhodes, Higginson, and Ferrante) ONE NAY (Denan). MOTION CARRIED FOUR TO ONE.

DISCUSS/TAKE ACTION ON AUTHORIZING CORRESPONDENCE TO JLAC (FROM JANUARY 11, 2012, WORKSHOP)

City Manager Crotty stated that at the January 11 workshop meeting, Council authorized City Attorney Beadle to prepare a letter to submit to JLAC.

City Attorney Beadle stated the letter was prepared as directed by Council.

Council discussed the following:

- Send JLAC letter and have City Attorney Beadle work on the ordinances to be submitted at the next Council meeting.
- Pending issues from F.S. § 163 with regard to not allowing citizens to be indebted beyond a certain threshold/level by the CRA.
- A request was made to get an informal AGO on this matter for clarity. [*City Attorney Beadle will request an informal AGO.*]

The Mayor asked for public comments; the following individuals addressed Council:

- John Fergus, 135 Maple Drive, stated that there have been no allegations of wrongdoing. An ordinance would not have an impact. JLAC has not indicated that there has been any wrongdoing by the City, nor has there been a demand for the City to repay the money. Repayment would exacerbate the issue and there have been three Council members that have stated that they will not raise the millage rate. This has been an unfounded slur on the City's character, City Council, and CRA Advisory Committee.
- Vic Brungart, 140 Park Avenue, recommended that the City open the books up to AGO, JLAC, and the citizens. No one is saying that there was wrongdoing. He requested that the City do the right thing.
- Don McLendon, 695 Fountain Boulevard, stated that the Supreme Court issues opinions that are upheld by law. The tax money collected was to improve the appearance of the CRA District. The citizens feel that they have been deceived.

Council discussed the following:

- Vice-Mayor Rhodes discussion with JLAC has indicated error of what was done with CRA funds.
- This issue has been going on for far too long and needs to be rectified.
- Need to hold a future CRA workshop.

ACTION: Councilwoman Denan MOVED, SECOND Vice-Mayor Rhodes to request that if the drafted correspondence is appropriate, it is recommended that the City Council specifically authorize City Attorney Beadle to submit the letter to JLAC. VOTE: ALL AYES. MOTION CARRIED.

BUDGET ISSUES

City Manager Crotty reported that State economists have released information that anticipates property values are projected to fall by 4.2% for FY 12/13 and 3.3% for FY 13/14. If the City retains the same millage rate (8.5285) for the next two fiscal years, the estimated reduction in ad valorem revenue for FY 12/13 will be \$205,036, with a \$154,333 reduction for FY 12/13. These are worst case scenarios and intended to provide insight for future budget preparation.

BOARD APPOINTMENTS

City Clerk Leonor Olexa presented a list of board vacancies and applicants for Council to consider. At the January 11 CRA workshop meeting, Council requested discussion at a future meeting to establish

merging the CRA and CRA AC. With this said, all vacancies/reappointments of the CRA AC will be pending until further review/discussion can take place by Council.

Mayor Ferrante explained that the normal procedure for appointments to board is to consider reappointments first, followed by new appointments. Mayor Ferrante asked for public comments before each appointment; there were no comments.

Councilwoman Denan stated that there are four applicants that have requested to serve on the Planning and Zoning Advisory Board.

Councilman Higginson stated that PZAB is a very important and vital segment of the City development, which requires in-depth knowledge. He further stated that Lorraine Gott has devoted 22+ years in developing those skills and pointed out that there are only two other members with experience on the Board. He cautioned the impact of losing those with talent that have served the City and expressed his discernment of the mistake that would be made if not reappointing that type of experience.

Mayor Ferrante stated that Ms. Gott does her homework on the issues at hand, understands the challenges of the decisions of this Board, and leads a Board that is young in experience. Ms. Gott has dedicated her life to serve the City, has provided outstanding service, and should be considered for reappointment.

ACTION: Councilman Higginson MOVED to reappoint Lorraine Gott to three-year term as a regular member of the Planning and Zoning Advisory Board. Motion failed due to a lack of a second.

ACTION: Councilman Billman MOVED, SECOND Vice-Mayor Rhodes, to appoint Margaret Landis to a two-year term as a regular member of the Recreation Board, said term ending January 1, 2014. VOTE: ALL AYES. MOTION CARRIED.

ACTION: Vice-Mayor Rhodes MOVED, SECOND Councilman Billman, to appoint Jennifer Perduto to a two-year term as a regular member of the Recreation Board, said term ending January 1, 2014. VOTE: ALL AYES. MOTION CARRIED.

ACTION: Councilman Billman MOVED, SECOND Vice-Mayor Rhodes, to appoint Chris Burrough to a three-year term as a regular member of the Planning and Zoning Advisory Board, said term ending January 18, 2015. VOTE: ALL AYES. MOTION CARRIED.

ACTION: Councilwoman Denan MOVED, SECOND Councilman Billman, to appoint Owen Callard to a three-year term as an alternate member of the Planning and Zoning Advisory Board, said term ending January 18, 2015. Council indicated that Mr. Callard had chosen the Comprehensive Planning Advisory Board as his first choice. VOTE: TWO AYES (Higginson, Denan); THREE NAYS (Rhodes, Billman, Ferrante). MOTION FAILED TWO TO THREE.

ACTION: Vice-Mayor Rhodes MOVED, SECOND Councilman Higginson, to appoint Owen Callard to a three-year term as an alternate member of the Comprehensive Planning Advisory Board, said term ending January 18, 2015. VOTE: ALL AYES. MOTION CARRIED.

ACTION: Councilwoman Denan MOVED, SECOND Councilman Billman, to appoint Edward Kinberg to a three-year term as an alternate member of the Planning and Zoning Advisory Board, said term ending January 18, 2015. Council indicated that Mr. Kinberg stated if other applicants wanted to serve, he would be willing to not be appointed at this time. VOTE: FOUR AYES (Rhodes, Billman, Denan, Ferrante); ONE NAY (Higginson). MOTION CARRIED FOUR TO ONE.

ACTION: Councilwoman Denan MOVED, SECOND Councilman Higginson, to appoint Frederick Rudge to a two-year term as a regular member of the Samsons Island Park Committee, said term ending January 18, 2014. VOTE: ALL AYES. MOTION CARRIED.

ACTION: Councilman Higginson MOVED, SECOND Councilman Billman, to appoint David Clarke to a three-year term as a regular member of the General Employee and Police Officers and Firefighters Retirement Plan Board of Trustees, said terms ending January 18, 2015. VOTE: ALL AYES. MOTION CARRIED.

AGENDA ITEMS FOR NEXT REGULAR COUNCIL MEETING

Discussion took place on the Satellite Arms property as follows:

- Property needs to be cleaned up.
- This property was cleaned up once before costing the City \$3K.
- Cost estimates were received to clean up and trim back bushes and trees.
- Current negotiations are taking place that could take approximately 4-6 weeks to complete the sale of the property.
- City Attorney Beadle will provide an update at a future meeting on this property.
- Once a property is in foreclosure, liens cannot be placed on the property such as clean up costs.
- Unsafe structure (broken glass windows and doors open) and reports of a rat problem that need to be addressed.
- Council requested that this property be placed on a future agenda.

City Manager Crotty requested input from Council on the following possible future agenda items:

- Joint agreement on Cassia Phase III
- Follow up discussion on SR A1A and DeSoto Parkway property (Peg Legs and Corinthian Apts.)
- Fire truck
- Workshop on Stormwater Master Quality Plan
- Community Redevelopment Agency pending issues
- Mayor's request to recognize outgoing volunteers
- Transfer of Hightower Beach Park and Pelican Beach Park to the City
- Disposition of vehicles
- Fraternal Order of Police Contract

ADOPTION OF MINUTES: **DECEMBER 21, 2011, REGULAR MEETING**

ACTION: Vice-Mayor Rhodes MOVED, SECOND Councilman Higginson to approve the minutes as Amended. VOTE: ALL AYES. MOTION CARRIED.

Mayor Ferrante adjourned the meeting at 11:13 p.m.

Leonor Olexa, CMC
City Clerk