

**City of South Daytona
City Council Meeting Minutes
Tuesday, February 8, 2022, at 6:00pm**

City Council Chambers, 1672 S. Ridgewood Avenue, South Daytona, Florida
and FaceBook Live (www.facebook.com/CityOfSouthDaytona)

A. Opening. Call to Order: Mayor William C. Hall called the City of South Daytona Regular City Council Meeting to order at 6:00 pm.

Roll Call:

Present:

Mayor William C. Hall
Vice-Mayor Doug Quartier
Councilman Brandon Young
Councilwoman Lisa O'Neal
City Manager James L. Gillis, Jr.
City Attorney Wade Vose

Not Present: None

Present via Phone: Councilman Eric Sander

Deputy City Clerk Becky Witte announced we have a physical quorum and Councilman Sander is attending remotely via phone.

Pledge of Allegiance led by Mayor William C. Hall followed by the **Invocation** led by Councilman Brandon Young.

Item 5: City Manager Report:

City Manager Gillis announced an upcoming movie night set for Friday, March 4th at the Reed Canal Park Multipurpose Field beginning at 5:00 pm. The movie, Paw Patrol, The Movie, will start at dark, around 6:00pm. Free popcorn will be provided by the Parks and Recreation Department and refreshments will be available for purchase from the Citizens Alert Council, he said. He recalled a recent movie night which was well attended and thanked Citizens Alert for their attendance and selling refreshments.

Mr. Gillis announced the City closing on the Cell Tower on January 20, 2022, in the amount of \$2,725,000 which is set aside in a Capital Projects Fund. The funds will be tracked and used for projects throughout the city and will not be used for general operations, he explained.

Mr. Gillis discussed the recent opportunities staff has had to work with the CCAFW (Concerned Citizens for Animal Welfare) regarding a feral cat colony within the city. The city received a complaint about too many cats residing in the colony. In working through the issues, the City reconnected with the CCAFW with whom we have had success working with in the past. The wonderful group of individuals within the CCAFW offered to assist the city in the management of the colony, he explained. Mr. Gillis explained the TNR (Trap Neuter and Release) program where

cats are trapped, evaluated, spayed or neutered and returned to the colony with the goal of controlling the cat population while allowing the cats to live their lives within their colony. City Manager Gillis said Feral Cat Colonies will be managed by the CCFaw. Together we feel this is the solution to the overpopulation of cats within the city, he concluded.

Item 6: City Attorney Report:

City Attorney Wade Vose provided an update on items addressed since the last council meeting. Mr. Vose informed the Council of recent Code Enforcement litigation noting a filing of a response to an appeal and the upcoming Special Master Hearing on Thursday, February 10, 2022, regarding multiple code issues. Mr. Vose discussed advising staff on the potential demolition on the property at 530 Elizabeth Place that was found unfit for human habitation at the January Council meeting. The potential use of code enforcement lien foreclosures was also discussed with staff, he said, but any policy decisions would be brought before Council.

City Attorney Vose said he has been working with planning staff on a forthcoming Master Development Agreement. He discussed a call earlier this week with Human Resources Director O'Dell and City Manager Gillis to strategize with insurance Defense Counsel on a pending claim.

City Attorney Vose also said he reviewed the agenda in its entirety.

B. Citizens to be Heard:

Bob Williams (Tall Pine Drive, Port Orange), Assistant State Captain from the Patriot Guard Riders of Florida introduced his group the Patriot Guard Riders of Florida and members: Gary Snider, Senior Ride Captain, Michael Richards, Ride Captain, Lisa Williams, PGR Member, and Lisa Holton-Snider, State Historian. Mr. Williams explained the Patriot Guard Riders mission and purpose.

Mayor Hall noted the Patriot Guard Riders of Florida participated in a mission several years ago for the funeral of Anthony Davis at the Daytona Beach News Journal. There were some protesters across the street who were not on the same page as those honoring his life. Anthony Davis, a Seabreeze High School graduate, was killed on January 6, 2009. Staff Sgt. Anthony Davis was a team leader assigned to 1st Battalion, 75th Ranger Regiment at Hunter Army Airfield. He was killed during a direct fire engagement by a heavily armed enemy combatant in northern Iraq and was the first ranger killed from Daytona Beach. Mayor Hall said he appreciates the work of the Patriot Guard Riders and invited them to upcoming city events.

Robert Alkire (1039 Palm View Drive) discussed issues with a local cat colony. He discussed a meeting with the Police Chief, City Manager, staff, and the CCFaw. He requested updated rules with adjacent property owner notification and approvals.

Mayor Hall questioned how long the cat colony has existed which Mr. Alkire answered at least 15 years. Mayor Hall requested patience with the solution.

Antoine Clark (1043 Palm View Drive) said he was the original complainant regarding the cat colony. He discussed his issues with the cat colony.

Darlene Kochendoerfer (5571 Lancewood Drive / Port Orange Cats) discussed the TNR (Trap Neuter and Release) program and her assistance with the city and the TNR program. Ms. Kochendoerfer said that 8 cats have been spayed or neutered, vaccinated and returned since the January Council meeting. She explained that the TNR program does not happen overnight, but we are making great progress.

Maria Fasseas (596 Cambridge Circle) discussed her success with local cat colonies.

Mayor Hall asked for comments from the Council, hearing none he asked the City Manager to work on the Cat Colony issue and satisfy both parties.

C. Consent Agenda: (Items 8-10):

Mayor Hall introduced the Consent Agenda and said the matters included under the consent agenda are self-explanatory and not expected to require discussion for approval. Items will be enacted by one motion. If discussion is desired by any member of the City Council, that item must be removed from the consent agenda and considered separately.

Item 8: Approval of minutes: January 11, 2022, Council Meeting

Item 9: Consideration of awarding the purchase and installation of a vehicle exhaust extraction system for Fire Station 98 (Bid No. 22-B-001) to Rossman Enterprises Inc. dba MagneGrip, (11449 Deerfield Road, Cincinnati, OH 45242) in the amount of \$43,996 utilizing a Federal Emergency Management Agency (FEMA) Assistance to Firefighters Grant as budgeted in the current fiscal year.

Item 10: Consideration of approving the City of South Daytona's Budget Calendar for Fiscal Year 2022-23.

Motion to approve the consent agenda as presented by Councilwoman Lisa O'Neal. Second by Vice-Mayor Doug Quartier. Motion carried unanimously.

D. REGULAR AGENDA

Item 11. Consideration of approving the Annual Comprehensive Financial Report for the Fiscal Year ending September 30, 2021, and the Independent Auditor's Report as presented by James Moore.

City Manager Gillis explained this is the Annual Comprehensive Financial Report for last fiscal year, 2021, as well as the Independent Auditor's Report. City Manager Gillis thanked the Councilmembers for meeting with the auditors one-on-one this week. He noted the extensive review by each member of the Council and the numerous questions received with straightforward answers provided from staff and the audit team. Mr. Gillis said we are continuing to right the ship, noting the goals provided to him by the Council including to get the city back on better financial footing with healthy reserves. Each audit Mayor Hall inquired about our reserves. This year we are pleased to announce that we have a total of \$2,453,126 in reserves, Mr. Gillis said. Previously the City had little to no reserves, he explained. City Manager Gillis said the disaster recovery fund currently has \$1.25 million dollars for emergencies so loans after a disaster will no longer be needed.

Mr. Gillis introduced Zach Chalifour, Partner at James Moore who was in attendance to present his findings. He said this presentation is more for the audience since each Councilmember spent time with the auditors and staff this week reviewing the documents and reports.

Zach Chalifour introduced Cody Girvin, Audit Manager. Mr. Chalifour thanked the Council for the opportunity and noted this was the third year he has had the pleasure to work with Finance Director Oliva and the team at South Daytona. He said the 150-page Financial Report was developed by city staff which is a great accomplishment for such a small team as many cities rely on his firm to develop the same report. James Moore issued a clean opinion which is the best result they can issue, he announced. Mr. Chalifour said there are no issues to report on the internal controls and compliance. The city fell under certain thresholds and there was no single audit report this year. Mr. Chalifour said there were two recommendations he felt would strengthen the City's position. The first being to relocate collected impact fees into their own fund and the second was to improve the Utility Fund's targeted balance. The Utility Fund is on the trajectory to satisfy that recommendation. The previous audit year comments (there were three) have been corrected in 2021, he said. Mr. Chalifour closed the slide announcing the city is in compliance with specified investment statutes.

Zach Chalifour discussed the General Fund and showed the General Fund financial trend from 2019 to 2021. He said Reserves have increased approximately one-million dollars from 2020 to 2021, and echoed City Manager Gillis who explained there was \$2,453,126 in unassigned fund balance. Mr. Chalifour closed the slide noting the positive trend over the past three years.

Mr. Chalifour explained the Government Finance Officers Association (GFOA) recommends coastal cities have a minimum of three months' worth of expenses in a reserve account. The city is currently at 31.1% which is a little over 3 ½ months of expenses in the reserve account. The General Fund has exceeded the target of 20% in the General Fund. He said the General Fund continues to head in the right direction while meeting these internal and external benchmarks and policy targets.

Auditor Zach Chalifour discussed the Utility Service Fund and the continued progress it has made but it is not completely where it should be just yet. When the city adjusted utility rates, it did so incrementally over time to reduce the burden to the residents. In doing so, it meant that it would take several years for the Utility Fund to show a positive amount in Unrestricted New Position. He said although there is a negative amount in the Unrestricted Net Position, the trend is very positive, and the city is approximately two years from meeting the target goal. He expressed long range capital planning is just as important for the future of the Utility System.

Mr. Chalifour discussed the Community Redevelopment Area (CRA), with a \$412,100 restricted fund balance, which received a separate set of Financials, and the audit had no findings in those reports. He acknowledged the Transportation Fund with a \$114,482 restricted fund balance. Mr. Chalifour highlighted the \$3.275 million from the American Recovery Plan Act (ARPA) which was placed in the Capital Project Fund and will be recognized when funds are utilized. He said this is

half of the expected funds and the total will be approximately 6.5 million dollars when the second portion is received this summer. Mr. Chalifour discussed the net pension liability from the Florida Retirement System which is for reporting purposes only.

Mayor Hall questioned Mr. Chalifour on the Utility Fund information provided, seeking clarification that in 2019 the Utility Department was negative \$1,832,330 which Mr. Chalifour confirmed. Mr. Chalifour explained the change was the repayment of the General Fund loan for \$866,823 as well as replenishing the Utility Fund Customer Deposit Account.

Mayor Hall questioned if customer deposits were used to pay bills which Mr. Chalifour answered yes, several years ago but that has been rectified. Mr. Gillis elaborated on the practice of prior management and how the discovery was shocking when he discovered it and conveyed the facts to the Council. This too has been corrected.

City Manager Gillis discussed the incremental utility rate adjustments which is less of a burden to our residents. He explained the deficit was expected to remain in 2021 but should be resolved next year. He commented we are performing better than predicted.

Mayor Hall requested City Manager Gillis and Finance Director Oliva to explain the chart located on Page 3 of the Transmittal Memo, titled General Fund Balances (Item 11 on the agenda). Mr. Oliva explained the chart was a snapshot of the last ten years of the general fund balance. The General Fund was on a steady rate of decline since 2012; however, beginning in 2016 the fund began trending upwards to where it sits now which is very positive. He discussed the 2016 unassigned fund balance, or reserves, for the City were at approximately negative \$200,000. There has been an upward trend since then with the greatest strides being made in the last three years.

City Manager Gillis explained in 2019, his first year as City Manager, the Council tasked him with turning this City around. The state of our finances were not good so tough decisions had to be made regarding our spending habits including reducing our payroll, ending the practice of borrowing money and paying back the debt already incurred. He discussed the three goals provided by the Council of increasing reserves, decreasing debt and encouraging new development which all are being accomplished.

Mayor Hall requested the City Manager elaborate on the City's debt. City Manager Gillis said in 2016 the City's debt was at \$19 million. A trend began to develop where the debt was slowly being paid off with great strides being made in the last three years due to cost reduction strategies. Our debt as of the September 30, 2021, was 6.4 million dollars. City Manager Gillis said the city continues to pay off our debt and that the goal is to be debt free in 2024. That date will mark a rebirth for our city as we will be able to move forward with a new vision and make major improvements including roadway resurfacing and an increased ability to replace aging capital.

Mayor Hall said he is pleased with the direction and work that has been done. He offered those residents who were as shocked as he was about our finances prior to 2016 to come to city hall and

see the files. Mayor Hall said the city was in a deep hole and that the decisions made, especially during the last three years, have helped get us of it.

Motion to approve by Councilwoman Lisa O'Neal. Second by Vice-Mayor Doug Quartier. Motion carried unanimously.

E. COUNCIL COMMENTS

Councilman Eric Sander (via phone) thanked staff for the financial report and the progress noting it happens as a collective unit. He also wished Councilman Young a happy birthday.

Councilwoman Lisa O'Neal echoed those comments and noted that it is good to see us going in an upward direction. She thanked staff and wished Councilman Young a happy birthday.

Councilman Brandon Young gave kudos to the Council, City Manager Gillis, as well as the Finance Director for our financial movement in the right direction. He said that healthy reserves give the City Council the flexibility required to make the right decisions for the City and our citizens.

Vice-Mayor Doug Quartier said he was pleased with the audit and that we have come a long way in a short time. He said we not only met but exceeded the goals and the accomplishments are the result of help from everyone from the City Manager to Public Works, Fire, Police, Parks and all staff.

Mayor William Hall wished a happy birthday to Councilman Young. He discussed the finances of the city and the positive direction we are now headed under new management. He recalled the old police cars that were purchased in 2009 which are still being used today. Those vehicles need to be replaced and I am glad that we finally have a replacement program in place which is funded, he said. He discussed the belt tightening that was required by all departments to get us back on track. He said the progress was a team effort and that the City Manager has followed the goals as set by the Council.

Mayor Hall extended an invitation to the "Coffee with Chief and Mayor" event on Wednesday, February 16, 2022, at 10:00am at Enclave 3230 (3230 S. Ridgewood Avenue, South Daytona). He recalled a great turnout at the last Coffee with Chief and Mayor at Halifax Landing and hope the attendance will grow.

Mayor Hall gave kudos to Citizens Alert for selling concessions at the Flag Football games.

Mayor Hall recognized those who were concerned about the cat issues. He asked for patience as it did not get this way overnight nor will it be corrected overnight. He expressed his appreciation for the volunteers who were working to resolve the issue and tasked City Manager Gillis to develop the appropriate solution. He noted that people do not own cats, they own you and discussed the benefits of the TNR (Trap, Neuter, Release) program.

Mayor Hall wished everyone a great weekend and closed the meeting.

F. ADJOURNMENT: Mayor William C. Hall adjourned the City of South Daytona Regular Meeting of the City Council 7:02 pm.

Deputy City Clerk, Becky Witte

Mayor William C. Hall