



**MINUTES  
REGULAR CITY COUNCIL MEETING  
APRIL 5, 2010 AT 6:00 P.M.  
CITY HALL, 116 FIRST STREET,  
NEPTUNE BEACH, FLORIDA**

Pursuant to proper notice a Regular Meeting of the City Council of the City of Neptune Beach was held April 5, 2010, at 6:00 p.m. in the City Hall Council Chambers, 116 First Street, Neptune Beach, Florida.

Attendance

IN ATTENDANCE:

STAFF:

Mayor Harriet Pruette  
Vice Mayor Fred Lee  
Councilor Eric Pardee  
Councilor Kara Tucker  
Councilor John Weldon  
City Manager Jim Jarboe

Community Development Director Amanda Askew  
Director of Public Safety David Sembach  
Deputy City Clerk Karla Strait, CMC

ABSENT:

City Attorney Christopher White  
City Clerk Lisa Volpe, CMC

Order Call/Pledge

Mayor Pruette called the meeting to order at 6:00 p.m. and led the pledge of allegiance.

**AWARDS / PRESENTATIONS / RECOGNITION OF GUESTS**

Mayor Pruette recognized the presence of several students from Fletcher High School that would be observing the meeting.

Mayor Pruette presented a Proclamation to Geoffrey Sample, declaring the month of April "Water Conservation Month".

**APPROVAL OF MINUTES**

Moved by Tucker, seconded by Lee.

Minutes

Motion: **TO APPROVE THE FOLLOWING MINUTES:**

**MARCH 1, 2010 REGULAR CITY COUNCIL MEETING**  
**MARCH 15, 2010 WORKSHOP CITY COUNCIL MEETING**

Roll Call Vote:

Ayes: 5 – Lee, Pardee, Tucker, Weldon, Pruette  
Noes: 0

**MOTION CARRIED**

**COMMUNICATIONS AND CORRESPONDENCE**

Mayor Pruette thanked staff for their participation in the success of the "Spring in the Park" event that was held on Good Friday.

**CITY MANAGER REPORT**

City Manager Jarboe reported the following:

- The Florida Department of Transportation has installed cameras above the traffic light at Atlantic Boulevard and Third Street that will allow them to monitor traffic and provide information for the 511 system. The cameras were not installed for the purpose of issuing traffic citations.
- The agreement for the \$950,000 grant from the St. Johns River Water Management District has been signed and accepted.
- The old water lines and sidewalks are being replaced on Third Street south of Florida Boulevard.
- A program has been set up to inspect the five private lift stations located in the city.

Mayor Pruette asked if Florida Department of Transportation owned the sidewalk along Third Street. City Manager Jarboe replied the sidewalk was owned by FDOT. The City is responsible for restoring the sidewalk after the installation of the new water lines.

**2008/2009 Audit**

Gary Hugget, Masters, Smith, and Wisby presented the September 30, 2009 Financial Report to the Council.

The Enterprise Funds had a negative change in assets of \$223,000 due to water and sewer rates. If the expenses remain consistent and the city continued to raise water and sewer fees, the fund should be in the back in the positive within the next couple of years.

Vice Mayor Lee questioned if any positive increase in the water and sewer rate fees would be allocated to increase the Reserve Fund. Mr. Hugget replied any increase would be allocated as a capital asset above and beyond the debt related liabilities and was not necessarily cash money.

Councilor Weldon questioned the current reserve level of the Enterprise Funds. Mr. Hugget responded there was currently no money in the enterprise reserve fund.

Vice Mayor Lee stated the City had a substantial reserve in the General Fund. Mr. Hugget replied he would not say the reserve fund was substantial.

Councilor Weldon questioned what the level of reserves should be in the Enterprise Fund. Mr. Hugget replied the standard minimum recommendation was for every city to have three months worth of operational expenses.

Councilor Weldon questioned whether the liability of \$1,165,094, within the Enterprise Funds, was money that was transferred from the General Fund. Mr. Hugget replied there was only one bank account and when one fund did not have enough money to pay out cash it would borrow from another fund.

Councilor Weldon asked what amount was transferred from the General Fund into the Enterprise Fund for the FY2008-2009. Mr. Hugget stated \$288,455 had actually been paid back into the general fund during FY2008-2009. Therefore, the Enterprise Fund did not consume monies from other sources throughout FY2008-2009.

Mr. Hugget reported in the overview of the Governmental Funds, the General Fund had a positive increase of \$245,000 and a decrease in net assets of \$575,000.

Councilor Weldon asked if the increased balance in the General Fund actually reflected the level of reserves. Mr. Hugget responded in this case the money was unreserved.

Councilor Weldon stated the City has been trying to increase the level of reserves. Mr. Hugget stated that was correct, however the increase is reflected in assets not actual cash money in the bank.

Councilor Weldon questioned if the numbers in the General Fund actually reflected the level of reserves. Mr. Hugget replied there were different ways to look at it. The money would be available should the city have the money or resources to go spend at its discretion.

Councilor Weldon asked Mr. Hugget to state the amount of reserves in the General Fund. Mr. Hugget replied the fund balance in the reserve was \$2,113.00. The unreserved fund within the General Fund was \$1,645,329.

Councilor Weldon asked what percentage of the General Fund was expended on an annual basis. Mr. Hugget replied the General Fund expends about \$343,000 per month. Therefore, the recommended three months of reserves would amount to approximately \$1,029,000.00. There was currently one month worth of cash operations within the reserve fund.

Councilor Weldon clarified for the audience that the positive numbers did not reflect available capital or an excess of collected taxes. He added the City did not have adequate reserves to operate the Enterprise Funds at present and the reserves needed to be replenished before the City could ever consider reducing revenue sources. Mr. Hugget stated that was correct.

Councilor Weldon was concerned if there was a major hurricane this season and the City sustained major damage what kind of funds would be available before the Federal Emergency Management Administration could deliver cash. Mr. Hugget stated the cash balance as of September 30, 2009 was \$833,759. City Manager Jarboe stated if necessary the City could take out an emergency loan to continue operations until money was received from FEMA.

Vice Mayor Lee stated the City recently made a decision to erase the deficits in the Enterprise Funds. This would allow the City to handle major emergency issues. City Manager Jarboe stated the City has been using Better Jacksonville funds to handle major emergency issues.

Vice Mayor Lee questioned the current percentage of the General Fund. Director of Finance Steve Ramsey responded the percentage of reserves in the General Fund was approximately 20%.

Vice Mayor Lee asked if the City could start adding money to the fund next year. Mr. Ramsey replied we were hoping to start adding to the fund next year or shortly after.

City Manager Jarboe stated the City has taken action to gradually build up the Reserve Fund.

Vice Mayor Lee asked if the Police Officers Pension Fund was fully funded. Mr. Hugget replied there was a pension asset of \$67,153 but that did not mean it was fully funded. The actuarial value of assets is \$5,188,000 with an accrued liability of \$7,000,000 and an unfunded amount of \$1,832,031. However the balance sheet shows a positive.

Councilor Weldon asked Mr. Hugget if he was confident that city staff was doing a good job in managing the financial affairs of the City and if the accounting conformed to standard accounting practice. Mr. Hugget replied his firm was not a financial analyst. They audited the numbers provided and verified their accuracy. They did not provide financial advice. The opinion letter stated they thought the city's financials were fairly presented.

Councilor Pardee questioned how the St. Johns River Water Management District rules would affect the City's revenue. Mr. Hugget stated the City may have to increase usage charges. His firm did not participate in water and sewer rate studies.

Mayor Pruette asked City Manager Jarboe when the Water and Sewer Rate Study would begin. City Manager Jarboe stated the study would begin in about a month.

City Manager Jarboe stated the only pension plan for the City was for the Police Officers. All other employees had a 401K. Mr. Hugget advised next year there would be a post employment benefit and cities would be required to start capturing insurance costs for those that have retired and are still carrying insurance coverage. Even though the retiree was paying their premium the extra group rate in the premiums would have to be picked up as a liability. He did not think this would have a huge impact on Neptune Beach. But it would be included in the 2010 Financial Statement.

Vice Mayor Lee questioned the amount of bonded debt and if decreases were made to that amount FY2008-09. City Manager Jarboe stated both the City Hall and the Public Safety Building had been paid off. However those were not bonded debt. Director of Finance Ramsey replied the total of bonded debt was 7.7 million with interest rates varying from 3.4 to 4.85 percent.

### **COMMENTS FROM THE PUBLIC**

Lynda Padrta, 1113 First Street, felt the Audit Report was very clearly explained and the questions from the Council were excellent. The city should be proud of the financial state and is headed in the right direction. She supported the presentation of the Water Conservation Proclamation.

Allen Martin, 1113 First Street, wanted to make sure that the City of Jacksonville Beach was replacing the lights on the beach with cobra head lights.

### **CONSENT AGENDA**

- Approval for Resurrection Anglican Church to hold an Easter Sunday Service in Jarboe Park

Moved by Weldon, seconded by Lee.

Motion: **TO APPROVE THE CONSENT AGENDA.**

Roll Call Vote:

Ayes: 5 – Lee, Pardee, Tucker, Weldon, Pruette

Noes: 0

**MOTION CARRIED**

### **VARIANCES / NONE**

### **ORDINANCES**

Ord. No. 2010-05

**ORDINANCE NO. 2010-05, ADDING SECTION (D) TO SECTION 23-27 ADOPTING THE ST. JOHNS RIVER WATER MANAGEMENT CONSERVATION RULE, SECOND READ AND PUBLIC HEARING; AN ORDINANCE OF THE CITY OF NEPTUNE BEACH, FLORIDA ADDING (D) TO SECTION 23-27 IN THE CODE OF ORDINANCES ADOPTING THE ST. JOHNS RIVER WATER MANAGEMENT DISTRICT'S WATER CONSERVATION RULE FOR LANDSCAPE IRRIGATION AND PROVIDING AN EFFECTIVE DATE.**

City Manager Jarboe explained adoption of this Ordinance is part of a requirement to receive a \$950,000 grant from St. Johns Water Management District. The City will have a consultation with violators on the first offense and on the second and third offense they will required to go before the Code Enforcement Board.

Mayor Pruette read Ordinance No. 2010-05 by title only and opened the public hearing.

There being no comments from the public, the public hearing was closed.

Moved by Weldon, seconded by Lee.

Motion: **TO ADOPT ORDINANCE NO. 2010-05 ON SECOND READ AND PUBLIC HEARING.**

Vice Mayor Lee noted a typo in the top left hand corner of the first page of the Ordinance. Deputy City Clerk Strait stated the typo would be corrected before the Ordinance was signed.

Roll Call Vote:

Ayes: 5 – Lee, Pardee, Tucker, Weldon, Pruette

Noes: 0

**MOTION CARRIED**

Ord. No. 2010-06

**ORDINANCE NO. 2010-06. ADDING TO SECTION 2-447. AUTHORIZING ISSUE OF CITATIONS FOR CODE VIOLATIONS, FIRST READ: AN ORDINANCE OF THE CITY OF NEPTUNE BEACH, FLORIDA ADDING TO SECTION 2-447 PROVISIONS OF DIVISION SUPPLEMENTAL IN THE CODE OF ORDINANCES AUTHORIZING THE CITY MANAGER AND HIS DESIGNEE TO ISSUE CITATIONS FOR VIOLATIONS OF THE CITY'S CODE AS HE DEEMS NEEDED AND PROVIDING AN EFFECTIVE DATE.**

City Manager Jarboe explained the normal code enforcement process can take up to 60 days to bring compliance. This Ordinance would allow the City Manager designee to issue a citation for a code violation.

Mayor Pruette agreed to sponsor the Ordinance.

Moved by Lee, seconded by Pardee.

Motion: **TO PASS ORDINANCE 2010-06 ON FIRST READ.**

Roll Call Vote:

Ayes: 5 – Lee, Pardee, Tucker, Weldon, Pruette

Noes: 0

**MOTION CARRIED**

Ord. No. 2010-07

**ORDINANCE NO. 2010-07, AMENDING SECTION 22-26 SCHEDULES OF STREETS, DISTRICTS, AND ZONES, FIRST READ: AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF NEPTUNE BEACH, FLORIDA, AMENDING CHAPTER 22, TRAFFIC AND MOTOR VEHICLES, ARTICLE II. PARKING, STOPPING AND STANDING, SECTION 22-26, SCHEDULES OF STREETS, DISTRICTS AND ZONES, AND PROVIDING AN EFFECTIVE DATE.**

City Manager Jarboe stated this Ordinance would raise the fee for parking violations from \$25.00 to \$35.00.

Moved by Pardee, seconded by Tucker.

Motion: **TO PASS ORDINANCE NO. 2010-07 ON FIRST READ.**

Roll Call Vote:

Ayes: 5 – Lee, Pardee, Tucker, Weldon, Pruette

Noes: 0

**MOTION CARRIED**

Ord. No. 2010-08 ORDINANCE NO. 2010-08, AMENDING SECTION 2-362 SERVICE FEE FOR DISHONORED CHECKS, FIRST READ: AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF NEPTUNE BEACH, FLOIRDA, AMENDING CHAPTER 2, ADMINISTRATION, ARTICLE VI. FINANCE, SECTION 2-362, SERVICE FEE FOR DISHONORED CHECKS.

City Manager Jarboe explained this would raise the fee for returned checks from \$20.00 to \$30.00 and would generate revenue to help cover the costs.

Vice Mayor Lee questioned how many dishonored checks the City received per month. City Manager Jarboe replied during a bad month there are probably 50 returned checks and there are quite a few water cut offs each month.

Moved by Weldon, seconded by Tucker.

Motion: **TO PASS ORDINANCE NO. 2010-08 ON FIRST READ.**

Roll Call Vote:

Ayes: 5 – Lee, Pardee, Tucker, Weldon, Pruette

Noes: 0

MOTION CARRIED

Ord. No. 2010-09 ORDINANCE NO. 2010-09, AMENDING ARTICLE IV, WATER AND SEWER CHARGES, FIRST READ: AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF NEPTUNE BEACH, FLOIRDA, AMENDING ARTICLE IV. WATER AND SEWER CHARGES, SECTION 23-81(D) NEW CONNECTIONS; WATER AND SEWER TAP-INS, SECTION 23-83(A) SECURITY DEPOSIT'S AND SECTION 23-89 NOTICE OF PROPOSED TERMINATION OF SERVICE; ADMINISTRATIVE HEARING; DISCONNECTING SERVICE OF FAILURE TO PAY CHARGES; RECONNECTING FEE AND PROVIDING AN EFFECTIVE DATE.

City Manager Jarboe explained raising the utility deposit from \$75.00 to \$150.00 and the reconnection charge from \$50.00 to \$75.00 would generate revenue to help cover the costs.

Councilor Weldon asked City Manager Jarboe if it was his intent to increase the charge of reconnects fees outside of normal business hours and not to increase the reconnect charges during regular business hours. City Manager Jarboe replied that was correct. It cost the City money in overtime to reconnect shut offs during after business hours.

Moved by Weldon, seconded by Lee.

Motion: **TO PASS ORDINANCE NO. 2010-09 ON FIRST READ.**

Roll Call Vote:

Ayes: 5 – Lee, Pardee, Tucker, Weldon, Pruette

Noes: 0

MOTION CARRIED

### **OLD BUSINESS**

Community RENEW REVOCABLE CONDITIONAL USE AGREEMENT WITH BEACHES LOCAL FOOD  
Garden Lease NETWORK / COMMUNITY GARDEN:

Moved by Weldon, seconded by Lee.

Motion: **TO APPROVE THE LEASE AGREEMENT WITH BEACHES LOCAL FOOD NETWORK.**

Roll Call Vote:

Ayes: 5 – Lee, Pardee, Tucker, Weldon, Pruette

Noes: 0

MOTION CARRIED

**NEW BUSINESS**

PDRB10-02  
Seagate Shores5

PDRB10-02 REPLAT OF JARRETT POINT UNIT 1 (A.K.A. SEAGATE SHORES SUBDIVISION) LOCATED AT THE END OF SEAGATE AVENUE: City Manager Jarboe stated the replat was required by the City of Jacksonville Beach due to the drainage design.

Tom Rogers, representative for the owners of the plat, stated the replat included the information requested by the City of Jacksonville Beach.

Councilor Weldon asked Mr. Rogers what the owners had planned for the project. Mr. Rogers stated they planned to install curbing and drainage culverts. They planned to sell the property as individual lots.

Councilor Weldon voiced concern regarding the preservation of the tree canopy on the island. He encouraged the owners to cooperate with the City in trying to preserve the natural beauty of the site.

Mayor Pruette stated there was a City easement with access to the March on the property that should be available to citizens and should not be made to look private. Mr. Rogers stated the owners understood the public had the right to access the marsh via a driveway on the right of way.

Councilor Weldon questioned if each individual lot would need Council approval. City Manager Jarboe replied yes that they would have to submit building plans. Councilor Pardee stated they would not need Council approval; they would only need approval from the Building Department. Councilor Weldon asked if the previous variance granted by the Council for the dock was still effective. City Manager Jarboe stated the dock permit has expired. The other variances granted for the property have not expired.

Moved by Weldon, seconded by Lee.

Motion: **TO APPROVE THE REVISE PLAT FOR JARRETT POINT.**

Roll Call Vote:

Ayes: 5 – Lee, Pardee, Tucker, Weldon, Pruette

Noes: 0

MOTION CARRIED

**OPEN DISCUSSION**

Mayor Pruette had adjourned the meeting but several Council members wanted to make comments. Mayor Pruette stated she would allow the Council members to make comments this time. She did not want to get into the habit of conducting city business without it being on the agenda. She felt these comments should have taken place earlier in the meeting during Council correspondence. She added that there would be an item called "open discussion" on the April workshop meeting agenda. This would allow Council to vote on whether or not to allow comments at the end of each meeting.

Councilor Pardee suggested replacing the 13" television located in the conference room that was used during emergency situations with a 32" LCD television.

Mayor Pruette stated he could place the subject on a workshop meeting.

There were no further comments from the Council.

Adjournment

There being no further business, the meeting adjourned at 7:30 p.m.

---

Harriet Pruette, Mayor

ATTEST:

---

Lisa Volpe, CMC, City Clerk

Approved: