

**MINUTES OF THE SPECIAL MEETING OF THE APALACHICOLA CITY COMMISSION HELD THURSDAY,  
OCTOBER 17, 2019, 5:00 PM AT THE APALACHICOLA COMMUNITY CENTER.**

**PRESENT:** Mayor Kevin Begos  
Commissioner Adriane Elliott  
Commissioner Anita Grove  
Commissioner Despina George

Ron Nalley, City Manager  
Deborah Guillotte, City Clerk

**ABSENT:** Commissioner Brenda Ash

<b>CALL TO ORDER</b>
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Mayor Begos called the meeting to order at 5:00 PM.

<b>NEW BUSINESS</b>
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<b>A. DISCUSSION – FY 2019-2020 BUDGET</b>
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Mayor Kevin Begos briefly reviewed the additional \$50,000 expected from the Duke Energy Franchise Agreement as soon as it is approved. Mayor Begos reviewed the City's allocation for the Florida/Georgia water litigation stating this could possibly be lowered. Mayor Begos also expressed his concerns with the following budget items: accounting and e-bill software, parking lot paving at the library and a new full time Planning and Zoning Director position and suggested possibly postponing these until the next fiscal year. Mayor Begos discussed the DEP debt default, staff over-time and possible solutions on how to resolve this. Mayor Begos reviewed the City's form of government and that he would like this to be discussed at the November meeting. Commissioner Despina George expressed her concerns with the sale of City property, lease of city properties; legislative projects; proposals for management of the Mill Pond; paying a lobbyist; the Community Redevelopment Agency and the water loss audit. Mayor Begos reviewed the downside of what the City would lose from the County, if the CRA program was suspended. Commissioner Grove stated these are all great ideas but the Commission should stay with the current budget and Capital Improvement Plan which was carefully drafted by the staff and Commission. Commissioner Grove strongly recommended not cutting the budget for Planning and Zoning and agreed with overtime for water and sewer employees. Commissioner George suggested making the budget changes and voting on them tonight so we can move forward. Commissioner Adrian Elliott expressed her concerns with the sale of City properties, the CRA, and lack of affordable housing. Mayor Begos stated that the City needs to revise and update ordinances so that everything flows correctly. Commissioner Grove stated that the City Commission can't fill the place of city staff positions, and that the Commission helps with ordinances and other items, but not the day to day issues. Discussion was held on the Planning and Zoning positions budgeted by the Commission and staff. Mr. Nalley explained the difference between operating cash and budgets and expressed concern over the past abuse of overtime. Mayor Begos stated that he would like more oversight of the Manager position and felt that the new board would like more oversight. Commissioner Grove stated that the paving of the library is paid for by PALS money which is raised for certain projects for the library, and is not City money.

Commissioner Elliott made a motion to reduce the Florida/Georgia water litigation expense to \$2,000 for the fiscal year. Commissioner Grove seconded and the motion carried 4-0.

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Commissioner Grove stated that the accounting software was recommended by the auditors. Commissioner George stated she would have to research the program the city is now using and come back to the board with her suggestion. Mayor Begos suggested holding off on this item until further research.

Mayor Begos suggested leaving the library parking lot as is at this time pending further research.

Commissioner Elliott stated that the P & Z positions are important positions. Commissioner Elliott made a motion to fill the Planning and Zoning Director position, fill the Code Enforcement position and then review the Assistant position later if needed. Commissioner Grove spoke on the importance of the City Manager position and how he has always worked with the past Commission. Mayor Begos made the public aware that the City Manager has the right to hire and fire employees.

Commissioner Elliott made a motion to leave the budget as is under the condition that the Planning and Zoning Director and Code Enforcement positions be filled and the Assistant position be filled at a later date as a secondary position. Commissioner Grove seconded and the motion carried 4-0. In a response to a question from Commissioner George, Mr. Nalley stated that the City contracts out the building permitting and inspection services to EPCI out of Port St. Joe, and they are spread thin due to the storm and are not in the office at all times. Mr. Nalley stated that Cindy Clark's position was the City Planner, which is the Planning and Zoning Director position.

Numerous citizens expressed concerns for the Planning and Zoning positions and the department being short staffed at the time.

Granville Croom reviewed his issue with the ditch on 12<sup>th</sup> Street and would like to see this filled in.

Dave Watts expressed his belief that the role of the City Commission was for developing policy and oversight and that the City Manager and staff run the day to day operations. Michaelin Watts expressed how important it is to have a City Manager and how many projects have been accomplished since the City hired a City Manager and his tremendous knowledge of the City since hired.

Dolores Croom expressed her concern with the condition of the library parking lot and approval for the lot being repaired.

Numerous citizens expressed concerns with the City Manager position.

Mike Sarki expressed his concerns with the City neglecting taking care of keeping the grass cut in the cottage hill area and requested that the grass be cut in this area.

<b>NEW BUSINESS</b> <b>B. DISCUSSION – AUDIT</b>
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Mayor Begos expressed his desire to having an audit on portions of the City finances. This could either be a forensic audit or operational review. Commissioner Elliott stated her concerns with the debt default and how

we can resolve this so it is not repeated. Mayor Begos suggested researching the types of audits to be done and reporting back to the board. Mayor Begos stated that previous audits showed that operating expenditures exceeded the budget; property and equipment records were not complete and tagged; and problems with maintaining the sinking funds. Mayor Begos referenced the Franklin County Tax Collector issue as an example of how this type of audit might be helpful. Mayor Begos stated that the City can ask for advice through the Commission on Ethics and from an Attorney if needed. Mayor Begos recommended starting with an operational audit which gives positive feedback of things that were not necessarily wrong doing, but improvement to the financial system. Mayor Begos stressed he is only trying to rebuild trust with the community again. Commissioner Grove stated she was pleased with the 2017/18 audit and their suggestions on resolving issues. Commissioner Grove stated that we need to be specific with what we want an audit for: loan default, current operations, grants and proceed from that point on which will be the best audit to have. Mayor Begos stated we would have to meet with auditors first to see if they think we should move forward with an audit, what kind and the cost of the audit. Commissioner George expressed her concerns with last year's audit, specifically the DEP debt default, the audit committee not being at the exit conference meeting, and the unfunded liability to the CRA. Commissioner George reviewed three choices of how the City could possibly have an operational audit through the State of Florida Joint Legislative Audit Committee. Commissioner George reviewed the issue of the debt default on the DEP loan; the CRA fund; the BP Settlement money; over spending grants; audits and overall poor decisions made by the City.

Mr. Nalley suggested that he and Mayor Begos review his specific concerns, and discuss those matters with the auditors and proceed from there if needed.

Commissioner George made a motion that the City request an operational audit from Senator Montford and Representative Shoaf on the DEP debt default; BP Settlement and the Scipio Creek Grant from the State of Florida Joint Legislative Audit Committee and to authorize the Commission to seek estimates from accounting firms for more specific types of audits. Commissioner Elliott seconded and the motion carried 4-0.

<b>ADJOURNMENT</b>
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With no further business, Commissioner Grove made a motion to adjourn the meeting at 7:15 p.m. Commissioner Elliott seconded and motion carried 4-0.

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Kevin Begos, Mayor

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Deborah Guillotte, City Clerk