

ATTACHMENT

A

**JOINT MEETING
PALMETTO CITY COMMISSION
AND CRA BOARD
JANUARY 13, 2009**

Elected Officials Present:

**Shirley Groover Bryant, Mayor
Brian Williams, Vice Mayor
Tamara Cornwell, Commissioner
Mary Lancaster, Commissioner
Tambra Varnadore, Commissioner
Alan Zirkelbach, Commissioner**

Staff Present:

**James R. Freeman, City Clerk
Tanya Lukowiak, CRA Executive Director
Garry Lowe, Chief of Police
Allen Tusing, Interim Public Works Director
Mark Barnebey, Interim City Attorney
Deanna Roberts, Administrative Assistant**

CRA Board Members Present:

**Scott Maloney
Sia Mollanazar
Jane Hunter
Charles Smith**

Mayor Bryant called the meeting to order at 5:33 p.m. The meeting began with a moment of silence followed by the Pledge of Allegiance.

1. AGENDA APPROVAL

MOTION: Commissioner Varnadore moved, Commissioner Zirkelbach seconded and motion passed unanimously to approve the January 13, 2009, agenda with Mayor Bryant's recommendation to add a time certain to 6:30 p.m., to appoint Scott Maloney Interim Chair of the CRA Board, and to discuss the confirmation of the \$1,200 in the CRA Budget for the Martin Luther King Parade.

2. APPOINTMENT OF SCOTT MALONEY AS INTERIM CHAIR OF CRA BOARD AND TIME CERTAIN FOR THE JOINT MEETING

MOTION: Commissioner Zirkelbach moved, Commissioner Williams seconded and motion passed unanimously to establish a time certain to 6:30 p.m. and to approve the appointment of Scott Maloney as Interim Chair of the CRA Board.

3. CRA EXPENDITURES FOR THE MARTIN LUTHER KING PARADE

Mayor Bryant asked for concurrence by the CRA Board to expend \$1,200 in funds in the CRA budget allocated under Fairs and Events for the parade, because there had been some hesitancy regarding the expenditure. Dr. Maloney concurred on behalf of the CRA Board.

4. DISCUSSION CRA BOARD

Mayor Bryant commented that she is working with the Property Appraiser's Office to design a better CRA map, which will show individual parcels.

The Mayor said one of the reasons for the meeting was to discuss the importance of the accountability to the citizens by the Board and the Commission, and to discuss recent audits of some CRA's. Audits of CRA funds spent inappropriately forced the cities to repay the funds back to the CRA's. In her review of the CRA expenditures over the last five years, \$4.8 million was piggybacked to one single vendor. Piggybacking was one of the issues brought up in the audits. Strict guidelines are in place for awarding of bids. This brings up the necessity of the City Commission becoming more involved and accountable.

Mayor Bryant recognized City Attorney Mark Barnebey who went over a memo he provided to the City Commission and the CRA Board. The memo, which was a brief summary of the power and authority of the CRA and the City Commission under *Florida Statutes*, is made a permanent part of the record of this meeting.

Mr. Barnebey pointed out that under Section 163.357, *Florida Statutes*, the City Commission may, at any time, by resolution, declare itself to be the governing body of the CRA. If the Commission takes this action, it can appoint two additional persons to act as members of the CRA, and he added that the current ordinance setting up guidelines of the CRA would have to be amended.

Mayor Bryant declared that after much research, she recommends that the City Commission step in and take over the CRA, with the current CRA Board to remain as an advisory board. She called for comment.

Dr. Scott Maloney, Interim Chair of the CRA Board, voiced his opposition to the recommended action. The appointed Board gives citizens the opportunity to serve in an important position. The Board has, or has had in the past, a banker, an engineer, a contractor, all of whom bring experience and ideas to the table. He has enjoyed his many years of serving, and it has given him a great sense of civic pride.

Mayor Bryant emphasized that she does not want to eliminate the Board. It would serve much like the Planning and Zoning Board which reviews issues and brings them to City Commission for approval. Each commissioner would have to publicly approve recommended CRA Board actions and thereby be accountable to taxpayers and make sure funds are spent in the best manner possible. She invited all current Board members to remain and said they would notice little difference in things.

Commissioner Varnadore opined that she values Board input and sees this as a partnership. Due to the increased budget of the CRA and legal issues, the Commission needs to have more oversight and accountability.

Dr. Maloney said he was proud of the CRA's actions over the past years and felt they were always taken in the City's best interests. The Board always took advantage of legal counsel in decision making.

Commissioner Lancaster said the Commission has the responsibility to go over the CRA budget line-by-line, but can be accountable without taking over the Board.

Commissioner Zirkelbach asked for more Board member input. Sia Mollanazar said he was relatively new to the Board, eight or nine months, but in his opinion the Board was very dedicated and thoroughly reviewed all expenditures. He was proud to serve on the Board.

Jane Hunter, a member since October 2008, said the budget is very specific and the Board is clear on what it can and cannot approve. The Commission liaison and the Board attorney make sure the Board makes the right decision, and they work within strict guidelines. She questioned whether overseeing some of the minor expenditures they must approve is the best use of Commission time. She said the Board certainly has no political interest, and volunteer their time and expertise.

Mayor Bryant pointed out that some of the discretionary line items in the budget are over a million dollars.

Member Charles Smith said he had reviewed the documents of the CRA and years of spending practices. In his opinion, there has been questionable spending. He sees a need to help people with the inside of their homes. In the past, they have addressed flooding issues in the City and Infrastructure, some wonderful things, but in the current economy things have to change and more accountability is needed. He told the Mayor there needs to be an independent audit of the CRA disbursements. He referred to the \$50,000 given to Palmetto First Baptist.

Commissioner Zirkelbach, addressing Mr. Smith's comments, said any church could have applied under the same guidelines as Palmetto Baptist and that Storefront grants are for exterior renovations only. Improving the exterior improves blighted areas and adds to the tax base. He continued that millions have been spent in Ward I.

Mr. Smith raised Commissioner Williams' earlier point about properties annexing into the City becoming eligible for CRA funding. Mayor Bryant said she will get an opinion on that.

Regarding the Palmetto Baptist Church grant, Dr. Maloney said the Board reviewed guidelines for Storefront grants to see which requests best met the requirements. The Baptist Church grant boiled down to the fact that they qualified for that grant. It may not have been a popular decision, but with the Director's and attorney's input, they qualified, and the Board approved. All decisions are not that clear cut. Commission will be taking over a lot of extra work.

MOTION: Commissioner Williams moved, Commissioner Cornwell seconded and motion passed unanimously to extend the meeting time fifteen minutes.

Commissioner Williams said the new relationship should be a partnership. Communication has been lacking, and the City Commission has to know what's going on with the CRA budget. He did not agree with the church grant. He questioned if it was in the CRA district. The City Commission knows City ordinances and the Board knows Florida Statutes, so they can share knowledge in decision making. The City Commission has to help control the dollars.

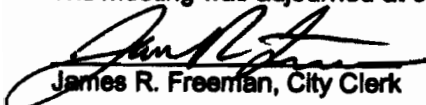
Commissioner Cornwell agreed with the Mayor's recommendation to take over the CRA, based on the budget and accountability to citizens which lies with the City Commission. She said she was ready to move forward with the Mayor's proposal, and also wants this to be a partnership.

MOTION: Commissioner Cornwell moved, Commissioner Williams seconded and motion passed 3-2 to direct the City Attorney to prepare a resolution and appropriate ordinances for the City Commission to declare itself the CRA. Commissioners Lancaster and Zirkelbach cast the dissenting votes.

MOTION: Commissioner Cornwell moved, Commissioner Varnadore seconded and motion passed 3-2 to direct the City Attorney to prepare a resolution or ordinance as appropriate to establish the CRA as an advisory board and to reaffirm those members of the existing CRA Board who wish to continue serving. Commissioners Lancaster and Zirkelbach cast the dissenting votes.

Dr. Scott Maloney submitted his resignation as a member of the CRA Board to the Mayor and the Commissioners. His letter will become a permanent part of the record of this meeting. He said he has enjoyed his time on the Board and will make himself available to help in any way he can.

The meeting was adjourned at 6:50 p.m.


James R. Freeman, City Clerk

**BOARD OF DIRECTORS MEETING
PALMETTO COMMUNITY REDEVELOPMENT AGENCY
BOARD MEETING**

January 20, 2009

Board Members Present:

Sia Mollanazar
Jane Hunter
Charles Smith

Board Members Absent:

Also Present:

Tanya Lukowiak, CRA Executive Director
Mark Barnebey, City Attorney
Tambra Varnadore, City Commission Liaison
Shirley Groover Bryant, Mayor
Mary Lancaster, City Commissioner
Alan Zirkelbach, City Commissioner

I. CALL TO ORDER

Mr. Barnebey called the meeting to order at 5:35 PM.

II. ELECTION OF CHAIR AND VICE CHAIR

Mr. Barnebey clarified that the current Board is still the CRA Board, and not an Advisory Board until action is taken by the City Commission.

Mr. Smith opined that City Commission must appoint the Chairman and Vice Chairman, and that such action on the part of the CRA Board is improper.

Mr. Barnebey explained that the City Commission may appoint these officers, but that the CRA Board may do so if the Commission has not.

Ms. Hunter nominated Mr. Mollanazar for the position of Chairman.

There were no other nominations.

Mr. Smith objected to action, concerned that both the Chair and Vice-Chair positions should be "Interim", in that City Commission has directed legal counsel to prepare resolutions and ordinances required for the City Commission to become the CRA Board. He wanted to avoid actions to "sidestep the City Commission".

MOTION: Ms. Hunter moved, Mr. Mollanazar seconded, and motion carried 2-1 with Mr. Smith opposed, to close the nominations. Motion carried 2-1 with Mr. Smith opposed, to elect Mr. Mollanazar as Chair of the CRA Board.

Mr. Mollanazar nominated Mr. Smith for the position of Vice-Chairman.

There were no other nominations.

MOTION: Motion carried 3-0, to elect Mr. Smith as Vice-Chair of the CRA Board.

III. APPROVAL OF AGENDA

MOTION: Mr. Mollanazar moved, Mr. Smith seconded, and motion carried unanimously to approve the Meeting agenda for January 20, 2009 with Item III, the Election of Officers, removed from the order of business.

III. OLD BUSINESS

A. Approval of Minutes

MOTION: Mr. Smith moved, Ms. Hunter seconded, and motion carried unanimously to approve the minutes for the November 21, 2008 meeting.

B. Discussion regarding Lease for CRA Office

The Executive Director advised the Board that, during the budget process, the Board directed her to report back with any budget areas that could be cut. The one remaining item for discussion is the lease on the CRA Office. In that the CRA owns outright a similarly sized building on 5th Street that is vacant, she explained that it might be prudent to move to a location that saves the approximately \$2,200 per month. At the last meeting, the Board directed the Executive Director to have our new legal counsel examine the lease. At their meeting on December 5, 2008, the Director asked Mr. Barnebey to research the issue.

Mr. Barnebey suggested that it might be more appropriate to wait to review this issue given the current circumstances. Ms. Hunter reported that her recollection of the last CRA Board meeting included direction for legal counsel to review the matter to determine whether there is an option to get out of the lease.

Mr. Barnebey advised the Board that it was unlikely that the lease for the CRA Office can be terminated early under the provision of Force Majeure. Mr. Mollanazar concurred. Mr. Smith opined that the long term of the contract is appropriate because of the significant discount in the lease rate, because this office was rented in 2004, when it should have been leased for approximately \$5,000 per month.

MOTION: Mr. Smith moved, Ms. Hunter seconded, and motion carried unanimously to remain in the office located at 715 4th Street West, and for the Executive Director to attempt to negotiate a lower lease rate with the landlord before the next meeting.

C. Update of RFP for property located at 305 7th Ave. W.

The Executive Director advised the Board that there were no responses to the request for proposal for the redevelopment of the property located at 305 7th Avenue West. She recommended that the CRA refrain from issuing another RFP at this time, in the current economy. Ms. Hunter opined that we should wait several months before republishing. Discussion ensued regarding the method of advertising RFP's and results, and the Executive Director explained the purchasing procedures. Mr. Mollanazar suggested that the property remain on the website as "available", so that if an interested party sees it, the CRA can, at that time, issue an RFP.

MOTION: Mr. Mollanazar moved, Ms. Hunter seconded, and motion carried unanimously to leave the property available on the website for viewing by potentially interested parties.

IV. NEW BUSINESS

A. Executive Director Update

- Apologized for the short length of the agenda, due to the transitional stage of the Boards.
- Advised that the list of projects for prioritization is prepared. The list from last year is also available for review and discussion. These projects will allow for the allocation of funding that has yet to be discussed at a joint meeting with the City Commission.
- Advised that it is time for CEDC contract review. CEDC has submitted the invoice and all documentation, however, given the current circumstances, the Director has spoken to the Mayor and the information will be presented to the City Commission on February 2, 2009. If City Commission recommends approval of the continuation of the contract, the item will come before the CRA Board at the February meeting.

B. Commissioner Varnadore's Comments

- She is happy to be here and happy that the Board members attended as well. She appreciates the Board's service.
- Asked Mr. Barnebey when the Resolution and Ordinances regarding the change of the CRA Board composition would be brought to the City Commission. Mr. Barnebey said that he saw the drafts of documents last week. The Executive Director said that she would like to see a copy of those documents and Mr. Barnebey agreed. Mr. Barnebey advised that the resolution would go to the workshop on January 26, 2009, and the first reading of the ordinance might be scheduled for the same day.
- Advised the Board that the quarterly review of the budget has been changed from January 27th and rescheduled for February 3rd. She

invited Board members to attend in order to have input if CRA issues are discussed.

V. **NEXT REGULAR SCHEDULED MEETING** – Feb 17, 2009 at 5:30 PM

VI. **BOARD COMMENTS**

Jane Hunter

- Requested an update regarding the CRA's final revenue. The Executive Director advised that the revenue has increased by approximately \$430,000, promised to send Board members the email describing the increase immediately, and apologized for not having sent out the detail sooner.
- Inquired about the next step for the purchase of parcels for a 1st Ward Neighborhood Park. The Executive Director advised that City Commission approval will be necessary, so that once the Board transition is complete, all relevant information will be presented. Ms. Hunter wanted to ensure that the project did not get unnecessarily delayed with the transition of the Boards.

Charles Smith

- Inquired whether the Executive Director was working with the 1st Ward representative regarding the neighborhood park, and whether the residents knew of plans. The Executive Director advised Mr. Smith that the CRA is, per the direction of the Board, still researching the possibility of acquiring the corner parcel which is in probate. She explained the process of acquiring property and reiterated the discussion of the last CRA meeting regarding community involvement. Mr. Smith voiced concern about locating a park in the vicinity of drug activity and law enforcement activity that he would not discuss in this meeting.
- Inquired as to whether there was a "target number" for cutting the budget. The Executive Director explained that the budget is not in deficit and that there is no crisis with the CRA budget, and that there is in excess of \$3 Million yet to be allocated to projects once the City Commission meets with the CRA to prioritize spending. Mr. Smith asked whether the office lease is the only item in the budget that is being reviewed. The Executive Director reviewed the budgeting process with the Board. Mr. Smith asked about the CRA's elimination of a position and the Executive Director explained the job description for the Business Development Specialist position as well as the need to ensure that money is well spent.
- Inquired of the attorney as to how many members are to be on the CRA Advisory Board and how many members there are left now. Mr. Barnebey advised that there are five on the Board, and that is what is being suggested now. He announced for the record that both

Mr. Maloney and Mr. Langford resigned and that the City Commission may fill those positions. Commissioner Varnadore advised that the City Commission had some discussion about going to a seven member Board and that is part of the discussion that the Commission will be having with input from Mr. Barnebey. She encouraged Board members to attend the City Commission meetings when these items will be discussed and requested that the Executive Director get the schedule to the Board members.

Chairman Mollanazar

- Inquired about the comments that were made during the joint meeting regarding the Storefront Grant awarded to First Baptist Church. He asked how we would resolve issues related to the grant.
- Mr. Barnebey advised the Board that the Executive Director has directed him to send a letter to the Church asking them not to spend the money at this time. There is an issue because he has seen four CRA maps, and none of them are consistent. We are trying to determine exactly where that boundary is, and that's easier said than done. He is working with Ms. Lukowiak to determine which improvements were made within the actual CRA boundaries.
- The Executive Director added that there is a list of Parcel ID numbers that is produced by the Property Appraiser's Office. It is distributed annually and is used to determine the amount TIF from the County and City. With the consensus of previous legal counsel, this list has been used to determine whether a parcel is in or out of the CRA District, especially when there is some question when viewing the map. Commissioner William's contention is that there was a Scribner's Error and the Property ID listing does not, in fact, represent the parcels which are within the CRA District. As such, we have gone back to the map which is within the founding ordinance. Mr. Barnebey concurs that this is the appropriate course of action, but this is further complicated because the map in the founding ordinance is inconsistent with the parcel listing in the same ordinance. Mr. Barnebey and Ms. Lukowiak are currently examining the improvements that were made to the Church property to determine what lies within the district.
- Mr. Smith asked Mr. Barnebey whether there is a map that says that the church itself is in the CRA District. Mr. Barnebey replied that there are parcels of the church that are listed as being part of the CRA that may not actually be in the district. Mr. Smith asked for distinction between the term "parcels" and the actual church building. Mr. Barnebey replied that it appears that the line in that

area goes down the middle of the block, so part of the building appears to be in the district.

- Ms. Hunter asked Mr. Barnebey whether, having approved the grant with legal advice at the meeting, we are relying upon the good faith of the recipient in not cashing the check. Mr. Barnebey explained that there's no need to stop payment on the check based on cooperation of the recipient. We can ask that they do not cash the check yet, in that the funding may not have been legally issued.

VII. ADJOURNMENT

The meeting was adjourned at 6:36 P.M.