A Regular Meeting of the Apalachicola City Commission was held on Tuesday, July 7, 2026, at 6:00 PM, at the Commission Meeting Room located at 74 6th Street, Apalachicola, FL.

Present: Mayor Brenda Ash, Commissioner Donna Knutson, Commissioner Donna Duncan, Commissioner Adrienne Elliott, Commissioner Despina George, City Manager Chuck Anderson, City Attorney Dan Hartman, Chief Chase Richards, and City Clerk Sheneidra Cummings.

Meeting was called to order by Mayor Ash followed by invocation and the Pledge of Allegiance.

Agenda Adoption

A motion to adopt the agenda as presented was made by Commissioner Elliott, seconded by Commissioner Knutson. No discussion. Nono opposed. Motion carried, 5-0.

Swearing in of Incoming Chief of Police Chase Richards

Chief Chase Richards was sworn in as the incoming Chief of Police for the City of Apalachicola.

Public Comment

Joe Taylor, Director of Franklin's Promise Coalition, presented two items. First, he requested permission to park a small food distribution trailer at the pavilion near the corner of 8th and Ave F, twice a month for up to three days at a time, to support food delivery for transportation-disadvantaged residents. He noted that the coalition had completed appropriate insurance arrangements to additionally insure the city. He also requested use of an electrical outlet at the location to power a freezer for perishable food during summer months. City Manager Anderson agreed to address the request during his report. Second, Mr. Taylor announced an upcoming community meeting at Holy Family on July 21st focused on flooding, stormwater, and nature-based solutions, and invited the city's tree committee and parks and recreation representatives to attend. Mayor Ash recognized Mr. Taylor for his years of service on the Planning and Zoning Board.

Susan Keith requested that the Commission, city manager, and public recognize and applaud the volunteer fire department, first responders, and law enforcement for their extraordinary service during the July 4th weekend.

Ginger Creamer, City of the Apalachicola Volunteer Fire Department, provided a firsthand account of the marine fire that occurred on the evening of July 4th. She described significant challenges in reaching a vessel fire at the city docks due to the lack of fire hydrants along the pier, noting that a fisherman and a jet ski operator had to assist in getting a firefighter and hose to the burning boat. She reported that the department simultaneously responded to three life-safety calls over the weekend with some of those calls relating to individuals blown off the burning vessel. Ms. Creamer requested that the city consider installing fire hydrants along the length of the pier, spaced approximately every 20 to 30 feet, and noted the department is in the process of purchasing two portable pumps for dock and boat use. She also reported that from January through June 30, the department had responded to 181 calls and 162 first responder calls.

Duane Handels indicated he would wait to see if his comment on the Kevin Road easement item was necessary.

New Business #1: Review and Approval of Strategic Plan Goals

Charles Chapman of C4 Strategies LLC presented the results of a two-phase strategic planning process, which included background research, individual commissioner and staff interviews, and a two-day facilitated focus group with community stakeholders. He summarized nine suggested strategic goals resulting from that process for Commission consideration:

1. Within two years, the city will take concrete steps to protect and preserve the city's historic character in balance with maximizing economic value for current and future generations.
2. The city will translate city ordinances from legal language into an easy-to-understand guide in printed and online format.
3. Increase citizen involvement by establishing advisory boards that provide input and feedback to the city commission and staff.
4. In order to protect, promote, and preserve the historic waterfront and water resources, the city will create a waterfront development advisory board.
5. Develop a system of accountability measures to illustrate the achievements of departments and report them at each commission meeting.
6. Develop and implement a workforce development program using partnerships to provide the services.
7. The city will take concrete steps to explore increasing the inventory of attainable/affordable housing options for residents.
8. The city will undertake an analysis and develop an implementation plan to ensure its ability to recruit, hire, and retain the most qualified city employees possible.

9. Ensure a successful two-year transition of the city's utility system to the independent special district established by House Bill 4103, consistent with legal requirements and industry best practices.

Mr. Chapman clarified that the goals are not ranked in priority order and are intended to be pursued concurrently. He noted the plan is a two-year action plan rather than a longer-horizon strategic plan, given the city's unique circumstances including the utility transition and upcoming elections. He also noted that once goals are approved, Phase 3 will involve building out measurable objectives, with the intent to present the full plan at a future meeting. City Manager Anderson noted the approved plan would be used to inform the FY 2026–27 budget development. The Commission expressed appreciation for the process and unanimously agreed to table action until July 21st.

Motion was made by Commissioner Elliott to table the approval of the Strategic Planning goals to the July 21st Commission. No discussion. None opposed. Motion carried, 5-0.

__**New Business #2:** Audit Findings – Comp Time__

City Attorney Dan Hartman introduced this item, explaining that the city's most recent audit identified a finding related to compensatory time accrued by employees in a manner inconsistent with the city's personnel policy, which requires that overtime be paid in accordance with the Fair Labor Standards Act (FLSA) rather than banked as comp time. Three employees were identified as having accrued comp time balances, with the most significant amount belonging to Finance Director Lee Mathes at 389 hours, resulting from extensive work to reconstruct the city's accounting records and support audit completion. The other two employees had lower balances and had developed plans to use their time through leave.

City Manager Anderson provided context, noting that when he arrived, all city employees except himself had been reclassified from salaried to hourly positions, which created the conflict. He has since reclassified several positions—including the Finance Director, Grants Director, Police Chief, Library Director, Special Projects Coordinator, and City Clerk—as FLSA-exempt salaried positions. He confirmed that budget savings from unfilled positions are available to cover payouts and recommended that the commission authorize payment of the accrued comp time balances within the current fiscal year.

Commissioner George moved to approve the payout, acknowledging that the hours were legitimate, approved by the city manager over time, and represented necessary extraordinary work. She noted the total payout figure of approximately $24,548.02 represents gross wages only and would be increased by payroll taxes and, where applicable, Florida Retirement System contributions. Commissioner Elliott emphasized the need for a clear policy going forward that defines exempt employee classifications, establishes use-it-or-lose-it provisions, and potentially creates an escrow mechanism to ensure funds are available for future payouts. Commissioner George echoed the need for a written policy that also addresses excessive accruals for exempt employees. City Manager Anderson noted that balances are expected to decrease before final payout as employees use accumulated time.

Motion by Commissioner George, seconded by Commissioner Elliott, to approve payment of accumulated compensatory time to affected employees, to be completed within the current fiscal year. No further discussion was held. None opposed. Motion carried, 5-0.

New Business #3: Easement Agreement – 400 Kevin Road

City Attorney Hartman presented a request to grant an extension of an existing ingress/egress and utility easement across a city-owned 95-acre parcel acquired from St. Joe in 2003. The existing easement runs along the northern boundary of a subdivided area off Kevin Road. The applicant, Noble and Daniel Davidson, requested an extension of that easement to provide legal access and utility service to their property at the northern end. The Commission had previously approved the concept in April 2025, directing that the easement be the minimum necessary. A survey and legal description were subsequently submitted, tracking an existing trail on the property.

Public commenter Duane Hendels, a neighboring property owner, explained that his home and the Davidson's barn property were once a single parcel, that he granted 15 feet of his yard to allow the Davidsons legal access, and that both properties have been using the road. He expressed concern about ensuring his continued access to the road and was advised by City Attorney Hartman that his rights would not be affected by the proposed easement, and that a separate non-exclusive easement could be granted to him in the future if needed, particularly if he proceeds with plans to subdivide his own property.

Discussion held.

Motion was made by Commissioner Elliott to approve the Easement Agreement at 400 Kevin Rd. and authorize the Mayor to sign, with the City Attorney Hartman directed to confirm correct ownership and names prior to execution. Motion was seconded by Commissioner Duncan, no further discussion was held. None opposed. Motion carried, 5-0.

New Business #4: Big Bend Scenic Byway – FDOT Approach Marker Permit

City Manager Anderson presented a request for the Commission to approve a local governing body permit required by FDOT for wayfinding signage associated with the Big Bend Scenic Byway project. The signage would direct visitors to a commemorative kiosk to be installed at Waterfront Trail Park, near the Three Servicemen Memorial. Commissioner Elliott noted having previewed elements of the project and expressed enthusiasm for the community benefit.

Motion by Commissioner Elliott, seconded by Commissioner Duncan, to approve the Big Bend Scenic Byway FDOT Approach Marker Permit. No further discussion held. None opposed. Motion carried, 5-0.

New Business #5: Capital Improvements Plan Funding Request for Riverfront Park Transient Boating

Parks and Recreation Chair Donna Ingle introduced the first in a series of monthly park enhancement plans to be brought before the Commission under the recently adopted park adoption program. Park adoptee Chris Aiken presented his plan to revitalize Bodiford Park, which would include painting the dock to prevent deterioration, adding landscaping, and installing a kayak launch on the north side of the park.

Motion to approve the Bodiford Park Enhancement Plan to be completed by park adoptee Chris Aitken made by Commissioner Elliott while noting a need for staff to verify whether any submerged land lease with the state would require modification to accommodate the kayak. Motion was seconded by Commissioner George. No further discussion was held. None opposed. Motion carried, 5-0.

Following the motion, Parks and Rec Vice-Chair Torben Madsen presented a broader parks and recreation activity schedule developed with staff, ranging from softball and basketball to movie nights and game nights, and requested that the Commission allocate the approximately $25,000 sitting in the dormant Farmers Market fund to the Parks and Recreation Committee to begin programming.

Following discussion, several commissioners expressed concern about the origin of the Farmers Market funds, with Commissioner George noting those revenues had originally been tied to improvements at Scipio Creek/Mill Pond, and Commissioner Duncan raising the issue of adequate public notice before redirecting the funds. Commissioner Knutson raised the mill pond's emergency infrastructure needs, including the lack of working water connections for city-owned marina docks. Commissioner Elliott suggested the motion focus on allocating funds through the upcoming budget cycle without designating the specific source. Commissioner Knutson amended her motion accordingly.

Motion by Commissioner Knutson, seconded by Commissioner Duncan, to allocate funds to the Parks and Recreation Committee through the FY 2026–27 budget cycle. No further discussion was held. None opposed. Motion carried, 5-0.

Torben Madsen was directed to coordinate with City Manager Anderson and Finance Director Mathes to bring a formal funding proposal back for Commission consideration.

New Business #6: Grant Application Approvals – HCA Building & Old City Hall

City Manager Anderson presented a request to submit a grant application for $1,250,000 through a program with no local match requirement (due to the city's rural area of opportunity designation) to complete construction, ADA improvements (including elevators and accessible restrooms), and furnishings, fixtures, and equipment (FF&E) for both the HCA Building and Old City Hall. He noted that repeated state appropriations for these buildings had been line-item vetoed by the governor, preventing completion of the second floor of Old City Hall and limiting the buildings' usability.

Commissioner George supported the application but emphasized that the Commission has not yet formally determined the intended use of either building, and requested assurance that the grant would provide flexibility to adjust the configuration based on future use decisions. City Manager Anderson confirmed that flexibility would be maintained and noted that a city properties workshop is planned to address future use of all city-owned buildings. He also noted the grant deadline of July 13th necessitated timely action.

Motion was made by Commissioner Elliott, seconded by Commissioner George, to approve submission of the grant application for the HCA Building and Old City Hall. No further discussion was held. None opposed. Motion carried, 5-0.

New Business #7: Grant Application Approval – Drainage Basin Analysis Implementation Project

City Manager Anderson presented a request to submit a grant application to the Florida Department of Environmental Protection (DEP) Florida Resilient Coastlines Program for $3,700,000 with no local match required. The funds would finance the design, repair, and construction of drainage and nuisance flooding infrastructure at ten high-priority outflow locations across the city, building on the completed Phase 1 and Phase 2 Drainage Basin Analysis work. Commissioner Knutson confirmed the grant relates solely to city stormwater infrastructure and not to any future utility district functions.

Motion was made by Commissioner George, seconded by Commissioner Elliott, to authorize staff to submit a grant application to the DEP Florida Resilient Coastlines Program for the Drainage Basin Analysis Implementation Project. No discussion. None opposed. Motion carried, 5-0.

<u>New Business #8:</u> <u>Grant Application Approval – Mitigation Measures Critical Assets</u>

City Manager Anderson presented a request to submit a grant application to the Florida DEP Resilience Implementation Program for $250,000, with no local match required, to purchase "tiger dams"—portable, water-filled flood barrier systems deployable from a trailer.

Motion was made by Commissioner Elliott, seconded by Commissioner Knutson, to approve submission of the grant application to the FDEP Resilience Implementation Program for Mitigation Measures – Critical Assets. No Discussion. None Opposed. Motion carried, 5-0.

<u>New Business #9</u><u>: Grant Application Approval – Commerce Street Pervious Parking</u>

Discussion held.

Motion was made by Commissioner George, seconded by Commissioner Knutson, to authorize staff to submit the grant application for the Avenue Stormwater Retrofit Project to the DEP Resilience Implementation Program. No further discussion was held. None opposed. Motion carried, 5-0.

<u>New Business #10:</u> <u>Grant Application Approval – Avenues Stormwater Retrofit Project</u>

City Manager Anderson presented a request to submit a grant application to the Florida DEP Resilience Implementation Program for $2,500,000 with no local match required, to address nuisance flooding at five priority locations along Water Street and Avenues D, E, F, and G. He described the project as a continuation of prior Hinterland Group stormwater work and noted it is particularly timely given the loss of Stewardship Act funding.

Motion was by Commissioner George, seconded by Commissioner Knutson, to authorize staff to submit a grant application to the DEP Resilience Implementation Program for the Avenues Stormwater Retrofit Project. No Discussion. None opposed. Motion carried, 5-0.

New Business #11: Grant Application Approval – Stormwater Pipe Relining & Backflow Device

City Manager Anderson presented a request to submit a grant application for $100,000 with no local match required to fund stormwater pipe relining and backflow device installation on Avenue B between 11th and 12th Streets and on 5th Avenue between Avenues C and E. He explained that a prior $100,000 state appropriation in 2021–22 funded the design and one of three originally planned improvements (Fred Meyer Road), but rising construction costs prevented completion of the remaining two. An engineering contractor is on standby to proceed if the grant is awarded.

Mayor Ash commended Grants Director Leslie Glaze for her diligence in identifying and pursuing the multiple grant opportunities presented this evening.

Motion was made by Commissioner Elliott, seconded by Commissioner Knutson, to approve submission of the grant application for the Stormwater Pipe Relining and Backflow Device project. No discussion. None opposed. Motion carried, 5-0.

New Business #7: HB 4013 Referendum Language

City Attorney Hartman introduced proposed referendum language options that the Commission had previously requested for potential placement on the November 2026 general election ballot. The language was intended to gauge public opinion on whether to pursue a legal challenge to House Bill 4103, which mandates the transfer of the city's water, sewer, and reuse utility system to an independent special district by December 1, 2026.

Following discussion, the Commission voted informally on whether to proceed with a referendum. Commissioners Elliott and Duncan expressed support for moving forward. Commissioner Knutson and Mayor Ash indicated they did not wish to proceed. Commissioner George stated her position at length, noting that any procedural defects in the bill could simply be corrected by the legislature in a future session, rendering litigation on those grounds of limited value. She argued that the more critical focus should be on ensuring the city is fairly compensated for its utility assets and that the upcoming interlocal agreement negotiation is the appropriate venue to advance that objective. She concluded that the time for a referendum to shape public opinion had passed and she saw no purpose in proceeding with one. **The majority agreed not to place the referendum on the ballot.**

Attorney Hartman then presented a list of priority negotiation points for the interlocal agreement with the new Apalachicola Water and Sewer District, to be negotiated within 30 days of the governor appointing the district's three board members (which had not yet occurred as of the meeting date). The ten identified negotiation priorities included:

1. Compensation for utility system assets transferred to the district (lump sum, appraised value, or long-term payments/lease).
2. Charges to the city for water, wastewater, and reuse services post-transfer.
3. Terms of indemnification of the city by the district for transition-period liabilities.
4. Cooperation between the city and district for shared infrastructure and operations, and compensation therefore.
5. Reimbursement to the city for transition-related work performed after December 1, 2026.
6. Retention of city employees who elect to join the district, including a minimum retention period.
7. Submission of an annual five-year capital improvement plan by the district, consistent with the city's comprehensive plan and Land Development Code.
8. Right of first refusal for the city to reacquire assets or utility service authority if the district is dissolved.
9. Location of the district's headquarters within city limits.
10. Standard interlocal agreement provisions for amendment and severability.

Commissioner Knutson raised the importance of streamlining permit and contract transfers, noting that every permit previously issued would need to be re-permitted under the new entity. Commissioner George stressed the need for the city to retain adequate records for audit purposes and to safeguard resident data privacy during the records transfer. Attorney Hartman confirmed that Chapter 119 public records obligations apply equally to both entities.

City Manager Anderson reported that the Finance Director is developing a cost-tracking mechanism to capture all staff hours dedicated to the utility transition, both retroactively within the current fiscal year and going forward, to support future reimbursement claims. He also noted that shared assets—such as equipment purchased from both utility and public works funds—are being inventoried and assessed for depreciated value.

Attorney Hartman advised the Commission that the interlocal cannot contradict the statutory December 1, 2026 transfer deadline, and that on that date all assets and liabilities transfer by operation of law regardless of the status of administrative processes. He emphasized that the city must be fully exited from the utility by that date, and that the interlocal negotiation outcome would determine whether a legal challenge remains warranted—particularly on the issue of compensation for the taking of city-owned assets.

End of discussion.

New Business #13: Code Enforcement Hearing Officer Contract

City Manager Anderson and City Attorney Hartman jointly presented a proposal to retain a hearing officer (special magistrate) for code enforcement proceedings, as authorized under city code Section 28-133. Franklin County uses Cole Davis for this service and has expressed satisfaction with his performance. The one-year contract is expected to cost less than $10,000 annually, below the competitive bidding threshold. Hearing officer costs would be partially offset by administrative fees assessed against violators found in breach of city code. Commissioner George asked whether an RFQ should be issued; Attorney Hartman confirmed it is not legally required at this expenditure level but could be done at contract renewal.

Motion was made by Commissioner Knutson, seconded by Commissioner George, to authorize the City Manager to execute a one-year contract for hearing officer services. No further discussion was held. None opposed. Motion carried, 5-0.

New Business #14: Appointment to the Apalachicola Water and Sewer District Board

City Attorney Hartman and City Manager Anderson presented the item for the city's appointment of one member to the five-person district board (three governor appointees, one county, one city). City Manager Anderson confirmed that of the names previously submitted, four individuals remained willing and available: George Maher, Paul Hill, Dolores Croom, and Commissioner Donna Knutson. Commissioner George nominated Commissioner Knutson, citing her deep familiarity with the utility transition process and the importance of having a city commissioner involved during the critical early phase of the interlocal negotiation and board standup. Commissioner Elliott noted that any litigation-related shade meeting conflicts could be managed procedurally. Commissioner Knutson accepted the nomination and acknowledged the role would likely be challenging but expressed willingness to serve. The Commission also noted that the county had appointed Billy Fuentes to its board seat.

Motion was made by Commissioner George, seconded by Commissioner Elliott, to appoint Commissioner Donna Knutson as the City of Apalachicola's representative to the Apalachicola Water and Sewer District Board. Motion carried unanimously.

New Business #15: Demo George Building Parking Waiver

City Attorney Hartman introduced this item. Applicant Jim Wardell presented on behalf of the nonprofit entity that owns the historic Demo George Building on Commerce Street. The building is being rehabilitated using a Department of State historic resources grant, and the intended adaptive reuse is a restaurant. Due to the property consisting of only two 30-foot lots, the applicant requested a historic parking waiver for 8 of the 20 required parking spaces. He noted potential use of on-street parking and a city public parking lot approximately 494 feet away, and indicated he is working on additional off-street parking agreements. He also referenced a desire to restore a historic canopy/awning over the sidewalk but acknowledged further design work and documentation are needed before a formal encroachment request.

Public comment was provided by Molly Hill on behalf of HAPI, who expressed concern that the project involves constructing a new building using salvaged materials rather than restoring the historic structure, and therefore may not qualify under the city code provision for a historic parking waiver, which requires restoration of a historic structure. Susan Keith asked for clarification on the number of on-street parking spaces the applicant intended to count toward his parking plan, expressing concern about committing a disproportionate share of Commerce Street parking to a single business.

Commissioner George disclosed that the applicant is her first cousin once removed and that the building was formerly her grandfather's property; Attorney Hartman confirmed this relationship does not create a legal impediment. The Commission expressed interest in reviewing documentation from the Department of State confirming that the project meets the criteria for a historic building restoration under city code Section 2-88-1100-11, before acting on the waiver request. Attorney Hartman confirmed the parking plan itself would be addressed by Planning and Zoning on Monday and that the waiver determination is within the Commission's purview. Commissioner George moved to table the waiver pending review of grant documentation.

Motion by Commissioner George, seconded by Commissioner Knutson, to table the parking waiver request for the Demo George Building pending staff review of the Division of Historic Resources grant documentation to determine whether the project qualifies as a restoration of a historic structure under the applicable code provision. Motion carried, with Commissioner Elliott voting no.

Mayor and Commissioner's Comments

No separate commissioner comments was recorded; commissioner's remarks were incorporated throughout agenda item discussions.

City Manager Communications

City Manager Anderson offered the following updates:

- **July 4th Weekend:** Extended thanks to city public works staff for maintaining cleanliness throughout the holiday weekend, and to the police department and volunteer fire department for their response to the marine fire and other calls.
- **Franklin's Promise Coalition – Food Distribution:** The manager confirmed his support for allowing the Coalition to use the pavilion near the community garden at 8th and F Streets twice per month for up to three days at a time, to stage food distribution for transportation-disadvantaged residents. He noted a draft agreement is being developed and that he would have City Attorney Hartman review it before execution. He indicated the city has authority to proceed under existing policies and that he was informing the Commission rather than seeking formal action that evening.
- **House Bill 803 – Building Permit Reform:** Effective July 1, 2026, this legislation changes how residential and commercial construction projects are processed statewide. The city has prepared and posted a one-page informational summary and will issue an additional follow-up document to address further questions.
- **Budget Calendar and Millage Rate:** The Finance Department requested a meeting on July 21st to tentatively set the millage rate and approve a budget calendar, as rates must be set by the end of July. The meeting was set for 4:00 PM.
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- one alternate.
- **V-Pier Phase 1 Ribbon Cutting:** Scheduled for Friday, July 24th at 9:00 AM.
- **HB 4103 Utility Transition – Staff Briefing:** The manager is meeting with water, sewer, and wastewater staff to field questions about the transition to the new district, including addressing employee concerns about potential transfer to the new entity.
- **Community Town Hall on HB 4103:** The manager proposed hosting a public town hall to update residents on the transition status and field community questions, tentatively on July 21st.
- **Marine Fire After-Action Review:** The manager is coordinating a review with the Police Chief, Harbormaster, and Volunteer Fire Chief to capture lessons learned from the July 4th boat fire and improve future response.
- **Code Enforcement Reminder:** Per Florida Statute 162.21, the city's code enforcement officer cannot act on anonymous complaints. Complainants must provide their name and address before an investigation can be initiated.
- **Workshop Schedule:** The manager proposed formalizing a monthly workshop schedule using the third Tuesday of each month, with one-hour topic blocks, beginning as early as July 21st. He will circulate a draft list of approximately 10–12 potential workshop topics for Commission prioritization input. Mayor Ash requested that the schedule be coordinated with the Finance Director to avoid conflict with the budget calendar.

Attorney Communications

City Attorney Hartman indicated that his substantive communications had been addressed during the agenda items covering the interlocal agreement negotiation priorities and HB 4103 legal issues. He noted he is preparing correspondence to permitting agencies (including DEP, the Water Management District, and Rural Water) to formally put them on notice of the December 1, 2026 transfer deadline and to initiate the process of assigning permits, loans, and bond obligations to the new district ahead of that date.

Consent Agenda

A motion was made by Commissioner Elliott to approve the consent agenda items, seconded by Commissioner Knutson. No discussion. None opposed. Motion carried, 5-0.

Department Reports

Department reports were included in the agenda packet and received without further discussion.

Adjournment

Motion to adjourn made by Commissioner George, seconded by Commissioner Elliott. None opposed. Motion carried, 5-0.

The meeting was adjourned.

BRENDA ASH, MAYOR

ATTEST:

SHENEIDRA CUMMINGS, CITY CLERK