

**MINUTES  
SEMINOLE CITY COUNCIL  
TUESDAY, JANUARY 8, 2008**

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The Regular Meeting of the Seminole City Council was held on Tuesday, January 8, 2008, in the City Hall, City Council Chambers, 9199 113<sup>th</sup> Street North, Seminole, Florida.

James Johnson, Mayor, called the meeting to order at 7:00 p.m. The invocation was given by Vice Mayor Thomas Barnhorn followed by the Pledge of Allegiance.

**ROLL CALL:**

Present were: Councilors John Counts, Patricia Hartstein, Dan Hester, Peter Hofstra and Bob Matthews; Vice Mayor Thomas Barnhorn; Mayor James Johnson; City Attorney John Elias; City Manager Frank Edmunds and City Clerk Lesley DeMuth.

**INTRODUCTIONS AND PRESENTATIONS:** None

**1. PUBLIC COMMENT:**

Nancy Davis, 12344 82<sup>nd</sup> Avenue North, spoke in favor of an alcohol ordinance without a grandfather clause allowing under 21 year olds in bars.

**2. APPROVAL OF MINUTES – REGULAR MEETING DECEMBER 18, 2007.**

Motion by Councilor Hofstra, second by Councilor Hartstein to approve the minutes of December 18, 2007.

UNANIMOUS APPROVAL BY ACCLAMATION

**3. CONSIDER AUTHORIZATION TO EXECUTE A CONTRACT WITH TAMPA ELECTRIC COMPANY (TECO) IN THE AMOUNT OF \$38,187 TO PROVIDE A NATURAL GAS LINE TO THE FIRE STATION 29 COMPLEX AND THE NEW PUBLIC WORKS FACILITY.**

Motion by Councilor Hartstein, second by Councilor Counts to authorize the City Manager to execute a contract with Tampa Electric Company (TECO) in the amount of \$38,187, and expend up to \$19,100 from the Capital Improvement Fund for the installation of a Natural Gas line.

Councilor Hofstra asked if the line directed to the Public Works Complex is taking into consideration the new building that will be built and City Manager Edmunds stated it is.

Mayor Johnson asked if there are any credits the City will get by switching to natural gas. City Manager Edmunds stated the Agreement with TECO will allow the City to receive credits for a four-year period after construction for customers who may connect to the main during that period of time.

UNANIMOUS APPROVAL BY ACCLAMATION

**4. CONSIDER AUTHORIZATION TO EXPEND \$20,500 FROM THE VEHICLE REPLACEMENT CAPITAL IMPROVEMENT PROGRAM (CIP), FOR THE PURCHASE OF A 2007 FORD F-250 PICKUP TRUCK.**

Motion by Vice Mayor Barnhorn, second by Councilor Counts to approve the expenditure of \$20,500 from the Vehicle Replacement Capital Improvement Fund for the purchase of a 2007 Ford F-250 Pickup Truck.

Councilor Hofstra asked if the expenditure was calculated in the budget, and City Manager Edmunds stated it was.

UNANIMOUS APPROVAL BY ACCLAMATION

**5. CONSIDER AUTHORIZATION TO EXPEND \$40,000 FROM THE SIDEWALK CAPITAL IMPROVEMENT PROGRAM (CIP) FOR THE INSTALLATION OF A SIDEWALK ON 125th STREET.**

Motion by Councilor Matthews, second by Councilor Hartstein to approve the expenditure of \$40,000 from the FY 08 Capital Improvement Fund for the installation of a sidewalk on 125<sup>th</sup> Street.

Vice Mayor Barnhorn asked when the sidewalk construct will begin. City Manager Edmunds stated the contractor is working in the area and has indicated they are ready to mobilize to this location once given approval.

In response to a question from Councilor Matthews, City Manager Edmunds explained the sidewalk construction will be on the east side of 125<sup>th</sup> Street, south to 102<sup>nd</sup> Avenue.

UNANIMOUS APPROVAL BY ACCLAMATION

**6. CITY COUNCIL REPORTS:**

Councilor Hartstein reported on her attendance at the National League of Cities conference, and was appreciative of the opportunity to attend.

Vice Mayor Barnhorn reported he attended the Chamber of Commerce Holiday Breakfast, the Holiday Chinese Cultural Dance Performance, the School Partnership Advisory Committee Meeting, the Town Hall Meeting, and the installation of the Board of Directors of the Pinellas Park and Gateway Chamber of Commerce. Vice Mayor Barnhorn also reported on his attendance at the National League of Cities Conference.

Mayor Johnson gave a report on his attendance at the National League of Cities Conference, and reported he attended the Mayors' Council Luncheon, the Town Hall Meeting at Seminole Gardens, and the Chamber Holiday Breakfast.

Councilor Matthews reported he attended the Chamber Holiday Breakfast.

Councilor Counts reported he attended the Town Hall Meeting at Seminole Gardens, and the School Partnership Committee Meeting.

## **7. CITY MANAGER REPORTS:**

Deputy Dave DiSano gave an update on the activities of the Community Policing Officers.

## **8. OLD BUSINESS.** None

## **9. NEW BUSINESS.**

Councilor Hofstra stated he was sure the other members of the Council received Mr. Edmunds letter of December 28, regarding the outrageous behavior of the Pinellas County Tax Collector, and he would like to go on record authorizing the City Attorney to file whatever appropriate legal action he deems just.

Councilor Hester stated the email indicated the City Attorney was going to be asked to research this to find out if this was legal, and asked if it was. Councilor Hester suggested the City Manager provide an overview on what the Tax Collector did.

City Attorney Elias stated he is consulting and conferring with other City Attorneys and there has not been a definitive answer whether or not there are grounds to bring legal action.

City Manager Edmunds stated the City received notice over the holidays that the Pinellas County Tax Collectors Office transferred tax receipts due to the City into an account in the City's name at the State Board of Administration (SBA). The SBA maintains and administers an investment pool that most jurisdiction/governments in the State of Florida have funds in. It became known that some of those funds were invested in the sub-prime market and when word was released that this occurred, a good number of jurisdictions withdrew their monies; Seminole being one of them. The City withdrew most of its money, there was \$4.5 million in the fund, and many other cities did the same. The City left two accounts open with small amounts of monies, one less than \$100.

City Manager Edmunds explained that the Pinellas County Tax Collector is required to make disbursements of taxes collected to the local jurisdictions for which it is collected. Unfortunately, the Tax Collector did not withdraw most of their funds in the Pool. Some \$48 million worth of funds were frozen by the Pool, due to the mass withdrawal, leaving the Tax Collector with no access to the money to make the disbursements. City Manager Edmunds stated that during the first several weeks in December the Tax Collectors Association for all the Tax Collectors in the State met with SBA Officials and worked out an arrangement that would allow the Tax Collectors to take their frozen dollars and transfer them into local government's accounts, and have them frozen. City Manager Edmunds stated for Seminole it is: \$102,000 directly to the City, \$166,000 due to the Fire District, and an undetermined amount due to the Fire Department through the Emergency Medical Services Contract. Two funds were established, an "A" and a "B" Fund. "A" Funds are not available, and that is where most of the money went, and approximately 15% of the funds went into the "B" Fund which is available to cities with significant penalties. City Manager Edmunds advised Council the Tax Collector was not directed by the City to make the disbursements into the Pool. He believed the indication was made to them to make the disbursements to another banking facility, and for the Tax Collector to have deposited those funds elsewhere without direction is unheard of. City Manager Edmunds stated from what he can tell from emails that have been circulating, this is a one time event. The Tax Collector is placing subsequent tax

receipts into accounts other than the SBA Pool Account, and has indicated to the jurisdictions that future disbursements will be made as directed.

City Attorney Elias stated once you look at the initial question as to whether or not they were authorized to do this, part of the evaluation needs to be what is the injury or what is the harm to the respective City.

Councilor Hester stated clearly there is a fiduciary responsibility. This is a fund where the funds are in a liquid account and the funds are to be available upon request but, they are not available. Councilor Hester stated the question he has is if what they did it is not illegal it should be, and the State Legislature needs to do something about this as they in essence are the ones who put withdraw limitations on that fund as a result of liquidity calls. The City has a fiduciary responsibility because it is not our money, it is the taxpayer's money, and we are being asked to just wait calmly until they release our funds. Councilor Hester stated the City may not have suffered any harm or had to go out and borrow money and incur interest expense as a result of this but, there has to be a better way to manage our taxpayers money instead of asking the county to do it for us, if this is the result.

City Manager Edmunds stated he would agree but, Florida Law requires that the Tax Collectors collect tax revenues. They are the custodians of the revenues until they make the disbursements. They decided to use the Pool as everyone else but, they chose not to withdraw their funds as many other jurisdictions did as a matter of being prudent with taxpayer dollars. This has resulted in the condition that we are discussing.

Councilor Hester asked if State Representative Long was aware of this. City Manager Edmunds stated it is his understanding that Representative Long was copied on most of the communications, and should be well informed.

Councilor Hofstra stated he agreed that the City may not have suffered any true, actual damages but, what he would like the City to do at a minimum would be some sort of a declaratory action to challenge the validity of the Tax Collector being able to do this.

City Attorney Elias stated there are a number of theories being discussed and there has not been a definite answer that has not come forward. He will continue to monitor the situation.

In response to a question from Mayor Johnson, City Manager Edmunds stated there is a Committee that is being established to investigate and review what has happened with the SBA and their investment practices.

**10. CONSIDER A MOTION FOR ADJOURNMENT.**

Motion by Councilor Hester, second by Councilor Hartstein to adjourn.

UNANIMOUS APPROVAL BY ACCLAMATION

Date Approved: \_\_\_\_\_

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Lesley DeMuth, City Clerk

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James Johnson, Mayor