

# CITY OF GREEN COVE SPRINGS CITY COUNCIL REGULAR SESSION

321 WALNUT STREET, GREEN COVE SPRINGS, FLORIDA  
TUESDAY, JUNE 17, 2025 – 6:00 PM



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## MINUTES

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Invocation & Pledge of Allegiance to the Flag - **Pastor John Sanders, The Vineyard**

Roll Call

**COUNCIL MEMBERS PRESENT:** Vice Mayor Ed Gaw, Council Member Glee Glisson, Council Member Matt Johnson, Council Member Darren Stutts

**STAFF MEMBERS PRESENT:** L.J. Arnold, III, City Attorney, Steve Kennedy, City Manager, Mike Null, Assistant City Manager, Erin West, City Clerk

### SUPPLEMENTAL AGENDA ITEM:

#### COUNCIL BUSINESS

1. Pursuant to City Charter section 2.08, City Council approval to start the special election process and the approval of a new Mayor and if applicable a new Vice Mayor due to the resignation of Council Member Thomas Smith. *Erin West*

City Attorney Arnold advises the city council has supplemental agenda to address two main issues due to a council member's resignation. A Special Election must be scheduled to fill the vacant seat, as the resignation occurred early in the term. September 23, 2025, will be the date of the Special Election. An emergency resolution will be passed to formalize this, and the City Clerk will coordinate with election officials to ensure everything is prepared. The second item will be a new Mayor and Vice Mayor selection. The acting mayor, currently filling in due to the absence of the elected mayor, needs to be officially selected as mayor by the council. If confirmed, a new vice mayor must also be chosen, as the charter requires these roles to be filled.

Discussion followed on if one item was higher priority and it was decided to first approve the emergency resolution.

**Motion to approve the emergency resolution setting the special election for the vacated seat for September the 23rd authorizing the execution of the emergency resolution authorizing City Attorney Arnold to send Chris Chambless the letter that he requires.**

Motion made by Council Member Johnson, Seconded by Council Member Stutts.

Voting Yea: Vice Mayor Gaw, Council Member Johnson, Council Member Glisson, Council Member Stutts

Vice Mayor Gaw advises the part on the supplemental agenda is to vote for a new Mayor.

Council Member Johnson makes a motion to nominate Vice Mayor Gaw as the new Mayor.

After no second the motion dies.

Council Member Stutts makes a motion to nominate Council Member Johnson as the new Mayor.

Motion made by Council Member Stutts, Seconded by Council Member Glisson.  
Voting Yea: Vice Mayor Gaw, Council Member Johnson, Council Member Glisson, Council Member Stutts

City Attorney Arnold advises that concludes the supplemental agenda.

Mayor to call on members of the audience wishing to address the Council on matters not on the Agenda.

1. Greg Will expressed concern about a proposed substation and transmission project for Chapman substation, speaking about the complexity of the process based on his experience with substation construction and permitting. He advises the city council and staff to ensure any such project is 100% funded, designed, and constructed by the developer, as infrastructure costs have risen significantly.

### **PUBLIC HEARINGS**

1. First Reading of Ordinance No. O-12-2025, amending City Code Chapter 90, Article III, Electric Utility, section 90-122 entitled “rate schedule for electricity furnished”; and section 90-123 entitled “fees for capital installation in the electric department”; and section 90-61, “security and night-lights”; and section 90-62 “meters, generally, a new service connection charge; temporary service, generally”. *Mike Null*

City Attorney Arnold reads Ordinance No. O-12-2025 by title.

Assistant City Manager Mike Null addressed public concerns about accessing City Council meeting information and provided an overview of Ordinance No. O-12-2025, which included updates to electric rates and related fees. He spoke about the need for rate and fee increases to cover rising costs, maintain infrastructure, and ensure financial stability and addressed concerns about transparency and fiscal responsibility.

City Manager Steve Kennedy addressed public concerns about the uncertainty surrounding the transfer of funds from the electric utility to the general fund.

Council Member Glisson asked Mr. Null how much it costs the city when a rate study is completed.

Mr. Null advised the initial rate study in 2023 was \$40,000. The update cost is \$10,000 and there will be additional costs due to the requested changes in the numbers on the models.

Council Member Stutts asked how we compare to other cities on the connection fees.

Mr. Null advised he does not have any comparison of the city's utility costs with others, focusing only on internal costs. He advised the current \$125 fee for new electric service connections does not cover expenses, resulting in a loss. He advised he would gather comparative data before the next steps are taken.

Council Member Stutts would like to see what other cities are charging and if \$300 is feasible to help cover the costs.

Mayor Johnson opens the public hearing.

Mike Kelter 630 Myrtle Ave. GCS expressed gratitude to Vice Mayor Gaw, the City Manager, Assistant City Manager, and Van Royal for a prior meeting. He raised concerns about the proposed electric rate increase, noting that the lower-tier residential rates would be 16.2% above

the state municipal average, leaving little room for further increases. He suggested a modified rate structure of 9% (lower-tier), 12% (higher-tier), and 12% (non-residential) to generate \$1.336 million, reducing the burden on larger households facing the 20% increase. He advised that addressing the financial situation requires collective effort from citizens (via rate increases) and the city (via cost-cutting).

Greg Will 218 N. Magnolia Ave. GCS addressed several concerns about the proposed electric rate increase including gross receipts tax, rate structure concerns, equity issues, and the meeting time. He urged the council to reconsider the tiered rate structure for fairness.

Susan Bonuer 103 Park St. GCS asked for clarity on fund allocation, questioned the city's payroll structure, and expressed concern about unsustainable financial practices leading to future deficits.

Van Royal 3688 LaCosta Ct. GCS supported a flat 12% electric rate increase across all usage tiers and questioned the financial impact of reducing the rate from 14% to 12%. He proposed reserving 25% of general fund transfers to rebuild depleted reserves, addressing both citizen and auditor concerns.

Steven Kelley 101 Park St. GCS supported the 12% rate increase, prefers capping the general fund transfer at 7%, and suggested leveraging ad valorem tax increases to strengthen the general fund, reducing the burden on utility ratepayers, while addressing the city's financial needs.

Following no further comments, Mayor Johnson closes the public hearing.

Council Member Stutts advised he reviewed city finances and determined that an electric rate increase is unavoidable. While the recommended hike was 22% (to reach funding needs in three years), he agreed with the proposed 12% increase instead, which would take about six years but be more manageable for residents. He suggested a flat 12% across all income levels for simplicity and supported raising the hookup fee.

Council Member Glisson acknowledged that many older homes in Green Cove have poor insulation, making a 20% electric rate increase unaffordable for residents. She would prefer a 9% increase but will support a 12% increase as a compromise.

Vice Mayor Gaw spoke about the council ignoring the professional rate study they paid for and delaying necessary action on the electric department's projected 2026 loss. He argued that lowering the proposed increase from 14% to 12% only postpones needed revenue by a few months, calling the delay an example of "kicking the can down the road."

Mayor Johnson thanked staff for their thorough presentation and acknowledged public input on the proposed electric rate increase. He believes the rate study is accurate and supports its findings, noting the city is taking a financial risk by choosing a 12% increase instead of the recommended 20%. He spoke about the city's unique role in running its own electric utility and recalled that the council initially agreed unanimously to move forward based on the rate study.

Mr. Null advised that 30% of city property is untaxed, making the city reliant on both ad valorem taxes and utility rates. He described the difficulty of balancing these revenue sources without overburdening property owners or low-income residents. Budget workshops are challenging because the city's budget has little excess, and urged the public to attend the upcoming August 7 meeting.

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**Motion to approve changing Ordinance No. 0-12-2025 to be 12% across the board and that the connection fee be raised to \$300.**

Motion made by Council Member Stutts, Seconded by Council Member Glisson.

Voting Yea: Mayor Johnson, Vice Mayor Gaw, Council Member Glisson, Council Member Stutts

City Attorney Arnold advised a motion needs added to set schedule the second public hearing on July 1st.

**Amend the original motion to add July 1, 2025 as the second and final public hearing.**

Motion made by Council Member Stutts, Seconded by Vice Mayor Gaw.

Voting Yea: Mayor Johnson, Vice Mayor Gaw, Council Member Glisson, Council Member Stutts

### **CONSENT AGENDA**

All matters under the consent agenda are considered to be routine by the city council and will be enacted by one motion in the form listed below. There will be no separate discussion on these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately. Backup documentation and staff recommendations have been previously submitted to the city council on these items.

Council Member Stutts pulled item 8.

**Motion to approve Consent Agenda items**

Motion made by Council Member Glisson, Seconded by Council Member Stutts.

Voting Yea: Mayor Johnson, Vice Mayor Gaw, Council Member Glisson, Council Member Stutts

2. City Council review and approval Fun in the Sun Community Event. *Michael Daniels*
3. City Council approval of the Preliminary Plat and Improvement Plan for phase 3A and 3B of the Rookery Development for a portion of parcel #: 016515-008-00 and all of parcel #: 016515-008-07 *Michael Daniels*
4. City Council review of a Site Development Plan for two warehouses located on Energy Cove Court *Michael Daniels*
5. City Council approval of Pay Application #2 for the Bayard Stormwater Improvements to DB Civil Construction in the amount of \$284,537.73 *Greg Bauer*
6. City Council approval of Minutes. *Erin West*  
Regular Session: 4/15/2025, 5/6/2025
7. City Council approval of CPH (formerly Mittauer) Invoice # 167487 in the amount of \$294,380.00, and authorization for the mayor to execute Disbursement Request #6 (to follow) for permitting and design services for the Magnolia Point Reclaimed Water System & Potable Water System Improvements. *Scott Schultz*
8. City Council approval to authorize a loan of \$48,674.39 at 0.68% interest from the Wastewater fund to the Solid Waste fund for FY 25, to be repaid in FY 26, to cover the first debt service

payment on a new garbage truck; approval of resolution R-12-2025 authorizing the City Manager to enter into a 5-year lease purchase agreement with Leasing 2, Inc. to finance the purchase of a different truck than was approved on May 20, 2025 in the amount of \$263,611.00.

***Greg Bauer***

Council Member Stutts spoke about whether to repair (internal engine replacement) or replace a truck with a bad motor, priced at \$263,000 for a new one. He consulted Greg at public works and a friend at Tom Neil Trucks. The current truck has a reliable transmission but requires a new motor, costing \$69,000. The truck, with 50,000 miles, is not considered worn out. The motor failure in a similar vehicle is due to prolonged idling. He suggested repairing the existing truck is worth considering due to the cost difference and maintenance insights.

Council Member Glisson questioned what components come with that?

Council Member Stutts continued to discuss whether to repair or replace a 2017 truck with a bad motor, emphasizing the high cost of a new truck (\$263,000) and the city's limited budget. Repairing the truck by replacing the motor, costing around \$69,000, could save approximately \$200,000. He recommended towing the truck for evaluation to confirm if repair is viable, noting that ordering a new motor would take 50-60 days. He urged the council to thoroughly investigate repairing the truck before committing to a costly replacement.

Mayor Johnson asks Assistant Public Works Director Greg Bauer to discuss the decision-making process for whether to repair or replace a truck.

Assistant Public Works Director Greg Bauer discussed the complexities of deciding whether to repair or replace a truck, advising that the issue extends beyond the engine. The truck's packing body is vulnerable, with recent repairs on another truck costing \$30,000 due to a collapsed box and failed cylinders. The current truck's smaller two-inch cylinders, operating at 100% capacity, are leaking and at risk of major failure. Purchasing a new truck (\$263,000) would involve borrowing from the wastewater fund for the initial debt service payment, repaid at 0.68% interest from the solid waste fund, with subsequent annual payments of \$40,000 over five years. Recent catastrophic failures and renting a replacement truck at \$15,000/month, strained the budget. The truck's stop-and-go usage, with high engine hours despite low mileage, accelerates wear. He advised that the truck, at its five-year replacement cycle, is unreliable for critical daily service, as the city operates with only two trucks.

Mayor Johnson discussed the city's twice-a-week garbage pickup service. While some residents appreciate the service, others complain about the cost, especially when rates are raised. He asked Mr. Bauer if delaying the purchase until the next meeting would cause problems, such as the need to rent or lease a vehicle, which would end up costing the city more money.

Mr. Bauer advised Council of the risks of not buying the new truck, explaining that the city currently only has two operational trucks. He advised that the council had previously approved the purpose of the truck, they now need to approve the updated terms and a new financing option.

Council Member Stutts questioned the source of that information and believes that repairing the truck, even with significant hydraulic cylinder repairs, would be much more cost-effective than buying a new one for \$263,000. He suggests that the truck is repairable and that the city should at least explore the possibility of fixing it before committing to a new purchase.

Assistant City Manager Mike Null explained that the decision is based on a long-standing city guideline: if repairs cost more than 50% of a new chassis, it's more economical to buy new. He advised that the council had already approved the purchase, but a new financing plan needed to be approved.

Vice Mayor Gaw spoke about the evening's discussion over the city's level of service, particularly regarding garbage collection. The core issue is whether the city should continue to operate with a small fleet of aging, unreliable trucks, which puts them at risk of service disruptions.

Mr. Bauer advised the Solid Waste Fund is healthy enough to cover the initial down payment and subsequent debt payments for the new garbage truck. This will not require any funds to be transferred from the wastewater department and, most importantly, there will be no rate increases for customers.

Council Member Glisson asked how long the department has been requesting the new truck and confirms there will be five payments.

Mr. Bauer advised the city approved the purchase of a new truck in the budget last September and clarified the first of six total payments is being requested now, with the next payment scheduled for this November, followed by one payment every November for the next four years.

Council Member Stutts clarified that his previous suggestion was just a proposal and that he is not against buying a new truck, especially given the minimum 60-day waiting period for delivery. He also suggested another option of repairing the old truck and then selling it, rather than just scrapping it for a low price.

Mr. Null advised he wanted to clarify a couple of things: This is a five-year lease proposal with a down payment of approximately \$46,000–\$49,000. The interest rate for this lease is 5.36% over five years. For the initial down payment the city plans to borrow the down payment from the wastewater fund. The interest on this internal loan would be just 0.68%, which is the rate the city's banks are currently paying on the wastewater department's funds. This strategy avoids taking on a more expensive loan for the initial payment.

**Motion to approve Consent Agenda item 8.**

Motion made by Vice Mayor Gaw, Seconded by Council Member Glisson.

Voting Yea: Mayor Johnson, Vice Mayor Gaw, Council Member Glisson, Council Member Stutts

9. City Council approval of Sawcross (Tender Contractor) Change Order #4, in the amount of \$73,666.13, to automate the waste sludge system. In addition, authorize staff to combine all Willaims (Bankrupt Contractor) Change Orders (2) and Sawcross Change Orders (4) into Contract Modification #4, and these costs be included in the final loan/grant package for the Florida Department of Environmental Protection (FDEP), State Revolving Fund (SRF), Harbor Road Water Reclamation Facility (WRF) Expansion, Phase 2, SRF Agreement No. WW1000420. *Scott Schultz*

**COUNCIL BUSINESS**

10. City Manager & City Attorney Reports / Correspondence  
The City Manager and City Attorney made comments regarding various city activities, events, operations, and projects.

11. City Council Reports / Correspondence

The City Council made comments regarding various city activities, events, operations, and projects.

Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 8:05 p.m.

CITY OF GREEN COVE SPRINGS, FLORIDA

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Daniel M. Johnson, Mayor

Attest:

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Erin West, City Clerk