

VERNON MYERS
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

ALLEGRA KITCHENS
COMMISSIONER

PHIL LEARY
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER



MICHAEL J. CZYMBOR
CITY MANAGER

BETSY JORDAN DRIGGERS
CITY CLERK

MATTHEW D. REYNOLDS
FINANCE DIRECTOR

GARY S. GETCHELL
CHIEF OF POLICE

MICHAEL LAMBERT
CHIEF FIRE DEPT.

DONALD E. HOLMES
CITY ATTORNEY

Regular meeting 2nd and 4th Thursdays each month at 6:00 p.m.

AGENDA

CITY OF PALATKA

May 22, 2014

CALL TO ORDER:

- a. **Invocation** – The Reverend Don Hanna, Pastor; St. James Methodist Church
- b. **Pledge of Allegiance**
- c. **Roll Call**

APPROVAL OF MINUTES – 5/8/14

1. PUBLIC RECOGNITION/PRESENTATIONS:

- a. **PRESENTATION – Palatka Fire Department ISO Rating** – Mike Lambert, Fire Chief
- b. **STUDENT OF THE MONTH – May, 2014** – Mayor Myers and Commissioner Brown

David Dowling	Browning-Pearce Elementary
Daija Shaw	C. L. Overturf, Jr. 6 th Grade Center
Joshua Hansford	Children's Reading Center Charter School
Zachary Dorsey	E. H. Miller School
Dalton Wilkinson	James A. Long Elementary School
Shekia Thomas	Jenkins Middle School
Erin Owens	Kelley Smith Elementary School
Valkyrie Walrath	Mellon Elementary School
Jaiden Nealy	Moseley Elementary School
Sherman Missick	Palatka High School
Jeremiah Sweet	Peniel Baptist Academy
Angel Lopez	Putnam Academy of Arts & Sciences
Jairus Perry	Putnam EDGE High School

2. PUBLIC COMMENTS (Speakers limited to three minutes – no action taken on items)

3. CONSENT AGENDA:

- *a. **Adopt Resolution 2014-10-74** amending the FY 2013-14 budget through 4/30/2014
- *b. **Adopt Resolution No. 2014-10-75** supporting and endorsing the application of the Palatka Garden Club and Ravine State Gardens to obtain State Historic Preservation Grant Funding for the renovation of the Historic Log Cabin Clubhouse building
- *c. **Adopt Resolution No. 2014-10-76** authorizing the execution of the renewal agreement for the provisions of Supplemental Police Services between the Palatka Housing Authority and the Palatka Police Department
- *d. **Adopt Resolution No. 2014-10-77** authorizing the execution of Passero Associates Work Order #14-46 in an amount not to exceed \$17,000 to prepare bid documents for Site Preparation and Fencing Relocation at the Palatka Municipal Airport
- *e. **Adopt Resolution No. 2014-10-78** authorizing the execution of FEMA 1785-43-R Grant Agreement Modification to amend the project budget from \$284,372.00 to \$408,494.00 (*\$306,371.00 Federal Share and \$102,123.00 City Share)

AGENDA - CITY OF PALATKA

May 22, 2014

Page 2

3. CONSENT AGENDA: (Continued)

*f. **Adopt Resolution No. 2014-10-79** awarding the bid to SE Cline Construction, Inc. in the amount of \$347,574.00 for FEMA 1785-43-R, St. Johns Avenue & Oak Street Drainage Improvements Project

*g. **Grant permission to exceed allowable noise levels and waive the Class B Application Deadline for Special Events Permit No. 14-34 - Arts Council of Greater Palatka 2014 Summer Concert Series, from 5:00 p.m. to 9:30 p.m. on June 7th, June 14th, July 4th; and August 9th at the Riverfront Amphitheater - Arts Council of Greater Palatka/Denise Aiken, Applicant**

* 4. **BUDGET SUMMARY REPORT – FY 2013-2104 through April – Matt Reynolds, Finance Director**

* 5. **PRESENTATION and acceptance of FY 2012/13 Audit and Comprehensive Annual Financial Report (CAFR) – Tina Robinson and John Rowe; Carr, Riggs & Ingram, Auditors**

PUBLIC HEARINGS:

* 6. **ORDINANCE** extending the City of Palatka 2008 Economic Recovery and Incentive Program extending the suspension of the collection of Parks & Recreation, Fire Rescue, Roads and Law Enforcement Impact Fees through December 31, 2015 – 2nd Reading, Adopt

* 7. **ORDINANCE** closing, vacating and abandoning a portion of the Second Street Right of Way lying between Reid Street & St. Johns Avenue (approx. 1,200 square feet)- 1st Reading

8. CITY MANAGER & ADMINISTRATIVE REPORTS

*a. **REPORT/DISCUSSION - Beaver Street Enterprise Center site visit report and discussion of a proposed business incubator - Jonathan Griffith and Charles Rudd**

9. COMMISSIONER COMMENTS

*a. **Appointment of Mayor's Representative/Designee to the Putnam County Landfill Task Force – Mayor Myers**

10. ADJOURN

*Attachment **Separate Cover

ANY PERSON WISHING TO APPEAL ANY DECISION MADE BY THE CITY COMMISSION WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE MAY NEED TO INSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. FS 288.105

PERSONS WITH DISABILITIES REQUIRING ACCOMMODATIONS IN ORDER TO PARTICIPATE IN THIS MEETING SHOULD CONTACT THE CITY CLERK'S OFFICE AT 329-0100 AT LEAST 24 HOURS IN ADVANCE TO REQUEST ACCOMMODATIONS.

Upcoming Events:

May 23 – 26 – Blue Crab Festival
May 26 – City offices closed to observe Memorial Day
July 4 – City Offices closed to observe Independence Day
Aug 14 – 16 – FLC Annual Conference (Hollywood)
Sept. 1 – City offices closed to observe Labor Day

Board Openings:

Fire Pension Board – 1 vacancy (Commission appointee)
Tree Committee – 1 vacancy

Agenda Item

3a



CITY COMMISSION AGENDA ITEM

SUBJECT:

Adopt Resolution No. 2014-10-74 amending the FY 2013-14 Budget through 4/30/2014

SUMMARY:

The City budget is governed by Chapter 166.241 and 200.065, Florida Statutes. These Statutes provide that the total budget at the fund level, once approved, cannot be exceeded unless a supplemental budget appropriation is enacted by the City Commission.

The Finance Department is requesting the attached budget amendments due to on-going requests from department heads to shift money from one line to another and to correct certain lines related to the financing of the police cars and sanitation truck. A correction of debt expenditure lines in the Golf Course Fund as well as corrections to the University of Florida Master Plan expenditure lines in the Tax Increment Funds were included as well.

RECOMMENDED ACTION:

Staff recommends adoption of the Resolution amending the FY 2013-14 Budget for amendments through April 2014 in order to be in compliance with Florida Statutes.

ATTACHMENTS:

Description	Type
D Budget Amendment Resolution	Resolution

REVIEWERS:

Department	Reviewer	Action	Date
Finance	Reynolds, Matt	Approved	5/14/2014 - 2 05 PM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 3 42 PM
City Manager	Czymbor, Michael	Approved	5/14/2014 - 3 58 PM
Finance	Reynolds, Matt	Approved	5/14/2014 - 5 08 PM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 5 22 PM

RESOLUTION No. 2014-10-xx

**A RESOLUTION OF THE CITY OF PALATKA, FLORIDA,
AMENDING THE FY 2013-2014 BUDGET**

WHEREAS, the City of Palatka deems it reasonable and necessary to amend the FY 2013-2014 budget.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Palatka, Florida:

1. That the revenues of the City of Palatka General Fund Budget for the Fiscal Year 2013-2014 are amended as follows:

REVENUES:

<u>Revenue Number</u>	<u>Description</u>	<u>Last Approved</u>	<u>Recommended Amendments</u>	<u>As Amended</u>
001-00-331-2-5503	USDA POLICE VEHICLES	\$ 79,678	\$ (39,440)	\$ 40,238
001-00-366-0-5000	CONTRIBUTIONS FOR CANINE	\$ 13,000	\$ 9,225	\$ 22,225
001-00-384-0-1001	LOAN PROCEEDS-PD VEHICLES	\$ 525,568	\$ (4,868)	\$ 520,700
TOTAL REVENUES AMENDED:		\$ 618,246	\$ (35,083)	\$ 583,163

2. That the expenditures of the City of Palatka General Fund Budget for the Fiscal Year 2013-2014 are amended as follows:

EXPENDITURES:

<u>Expenditure Number</u>	<u>Description</u>	<u>Last Approved</u>	<u>Recommended Amendments</u>	<u>As Amended</u>
001-02-524-3-4610	BUILDING MAINTENANCE	\$ 5,000	\$ (2,500)	\$ 2,500
001-02-524-3-5280	OPERATING SUPPLIES	\$ 3,000	\$ 2,500	\$ 5,500
001-07-521-6-6400	CAPITAL OUTLAY	\$ 33,108	\$ 12,000	\$ 45,108
001-07-521-6-6401	VEHICLE PURCHASES	\$ 493,300	\$ 27,400	\$ 520,700
001-07-521-6-6402	VEHICLE PURCHASES (USDA GRANT)	\$ 71,708	\$ (71,708)	\$ -
001-83-581-9-9911	CANINE PURCHASE RESERVE	\$ 3,053	\$ (2,775)	\$ 278
TOTAL EXPENDITURES AMENDED:		\$ 609,169	\$ (35,083)	\$ 574,086

3. That the expenditures of the City of Palatka Tax Increment Fund Budget for the Fiscal Year 2013-2014 are amended as follows:

EXPENDITURES:

<u>Expenditure Number</u>	<u>Description</u>	<u>Last Approved</u>	<u>Recommended Amendments</u>	<u>As Amended</u>
030-30-580-3-3104	UNIVERSITY OF FL MASTER PLANNING	\$ -	\$ 2,142	\$ 2,142
030-30-580-3-3108	CHW MASTER PLAN	\$ 2,142	\$ (2,142)	\$ -
030-31-580-3-3101	UNIVERSITY OF FL MASTER PLANNING	\$ -	\$ 665	\$ 665
030-31-580-3-3103	CHW MASTER PLAN	\$ 665	\$ (665)	\$ -
TOTAL EXPENDITURES AMENDED:		\$ 2,807	\$ -	\$ 2,807

4. That the expenditures of the City of Palatka Water Fund Budget for the Fiscal Year 2013-2014 are amended as follows:

EXPENDITURES:		Last	Recommended	As
<u>Expenditure Number</u>	<u>Description</u>	<u>Approved</u>	<u>Amendments</u>	<u>Amended</u>
041-11-533-3-4620	EQUIPMENT MAINTENANCE	\$ 60,000	\$ 20,000	\$ 80,000
041-11-533-3-5270	CHEMICALS AND FERTILIZERS	\$ 300,000	\$ (20,000)	\$ 280,000
TOTAL EXPENDITURES AMENDED:		\$ 360,000	\$ -	\$ 360,000

5. That the expenditures of the City of Palatka Golf Course Fund Budget for the Fiscal Year 2013-2014 are amended as follows:

EXPENDITURES:		Last	Recommended	As
<u>Expenditure Number</u>	<u>Description</u>	<u>Approved</u>	<u>Amendments</u>	<u>Amended</u>
042-24-517-7-7104	2008 LOAN - PRINCIPAL	\$ 96,000	\$ (96,000)	\$ -
042-24-517-7-7105	SERIES 2013A - PRINCIPAL	\$ -	\$ 96,000	\$ 96,000
042-24-517-7-7204	2008 LOAN - INTEREST	\$ 56,355	\$ (56,355)	\$ -
042-24-517-7-7205	SERIES 2013A - INTEREST	\$ -	\$ 56,355	\$ 56,355
TOTAL EXPENDITURES AMENDED:		\$ 152,355	\$ -	\$ 152,355

6. That the revenues of the City of Palatka Sanitation Fund Budget for the Fiscal Year 2013-2014 are amended as follows:

REVENUES:		Last	Recommended	As
<u>Revenue Number</u>	<u>Description</u>	<u>Approved</u>	<u>Amendments</u>	<u>Amended</u>
043-00-384-1-0000	DEBT PROCEEDS	\$ -	\$ 257,100	\$ 257,100
TOTAL REVENUES AMENDED:		\$ -	\$ 257,100	\$ 257,100

7. That the expenditures of the City of Palatka Sanitation Fund Budget for the Fiscal Year 2013-2014 are amended as follows:

EXPENDITURES:		Last	Recommended	As
<u>Expenditure Number</u>	<u>Description</u>	<u>Approved</u>	<u>Amendments</u>	<u>Amended</u>
043-10-534-6-6400	CAPTIAL OUTLAY	\$ 201,980	\$ 59,111	\$ 261,091
043-10-534-9-9900	CONTINGENCY/RESERVE	\$ 31,815	\$ 197,989	\$ 229,804
TOTAL EXPENDITURES AMENDED:		\$ 233,795	\$ 257,100	\$ 490,895

PASSED AND ADOPTED by the City Commission of the City of Palatka, Florida this 22nd day of May, 2014.

CITY OF PALATKA

By: _____
Its MAYOR

ATTEST:

CITY CLERK

**APPROVED AS TO FORM
AND CORRECTNESS:**

CITY ATTORNEY

*Agenda
Item*

36



CITY COMMISSION AGENDA ITEM

SUBJECT:

Adopt Resolution No. 2014-10-75 supporting and endorsing the application of the Palatka Garden Club and Ravine State Gardens to obtain State Historic Preservation Grant funding for the renovation of the Historic Log Cabin Clubhouse Building.

SUMMARY:

The Historic Log Cabin which is currently used as the Palatka Garden Club's Clubhouse was built in 1934 and is part of a rare and honored collection of New Deal Era Works Progress Administration (WPA) projects erected across the nation. The building was the original administration building for the Ravine Gardens, which was once owned by the City. For decades the building has been leased by the State to the Palatka Garden Club. Lease terms squarely put the maintenance responsibility upon the Club, whose members have tried to "patch things together," but since there has been no major restoration to speak of, renovation needs now outweigh the capacity of the Club. The rustic log cabin has a remarkable level of historic integrity, with very few modifications to the local pecky cypress exterior log timbers, interior heart pine wood floors, and unique birdhouse exterior elements. The intent is to re-roof the building with its original cypress shake material. The Garden Club is applying for a state historic preservation matching grant, which provides up to \$50,000 in planning and restoration funds. It is likely this will be a multi-phased effort. No match is required as the City is in a state-designated Rural Area of Critical Concern (RACC).

RECOMMENDED ACTION:

Adopt the resolution supporting and endorsing the application of the Palatka Garden Club and Ravine State Gardens to obtain Historic Preservation Grant Funding to restore the Ravine Gardens Log Cabin.

ATTACHMENTS:

	Description	Type
D	Resolution	Resolution
D	Garden Club Request for Support	Backup Material
D	Photos	Backup Material

REVIEWERS:

Department	Reviewer	Action	Date
Planning	Crowe, Thad	Approved	5/12/2014 - 1:37 PM
City Clerk	Driggers, Betsy	Approved	5/13/2014 - 5:25 PM
City Manager	Czybor, Michael	Approved	5/13/2014 - 5:30 PM
Finance	Reynolds, Matt	Approved	5/14/2014 - 9:27 AM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 3:46 PM

RESOLUTION NO. 2014 –

A RESOLUTION OF THE CITY OF PALATKA, FLORIDA,
SUPPORTING STATE RESTORATION FUNDING FOR THE
HISTORIC LOG CABIN KNOWN AS THE PALATKA GARDEN
CLUB'S CLUBHOUSE AT RAVINES GARDENS STATE PARK

WHEREAS, the Log Cabin at the Ravines State Gardens is part of a rare and honored collection of New Deal Era Works Progress Administration projects, built in 1934; and

WHEREAS, the Log Cabin was historically the administrative building for the historic Ravine Gardens, now a State park; and
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Item Number: 6

Attachment Number: 1

WHEREAS, the Log Cabin was a duplicate of the cypress structure that stirred interest at the 1933 Chicago World's Fair, as part of the "Homes of Tomorrow" exhibition, a building that presented a mountain lodge atmosphere with fences, arbors, and bridges around it carved to suggest animal heads, reptiles, and fantasy creatures; and

WHEREAS, the Log Cabin has unique features such as interior pecky cypress paneling, heart pine floors, massive stone fireplace, and the building is virtually unchanged except for the replacement of the original cypress shakes roof; and

WHEREAS, the Log Cabin was built with donated local cypress wood from the Wilson Cypress Company; and

WHEREAS, the Log Cabin has for decades been leased to the Palatka Garden Club, which was delegated the responsibility of maintaining this building, but does not have the means to accomplish a complete renovation of the building; and

WHEREAS, the City Commission finds that the restoration of the Log Cabin is in the best interest of the City of Palatka and its citizens through the celebration of City, state, and national heritage and history.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF PALATKA, FLORIDA:

Section 1: That the City Commission fully supports the restoration of the Ravines State Gardens Log Cabin through public and other funding sources, particularly the state of Florida Small Matching Grants program.

PASSED AND ADOPTED by the City Commission of the City of Palatka, Florida, this 22nd day of May, 2014.

CITY OF PALATKA, FLORIDA

By: _____
Its Mayor

ATTEST:

CITY CLERK

APPROVED AS TO FORM AND LEGALITY:

CITY ATTORNEY

**THE GARDEN CLUB OF PALATKA
Ravine Gardens State Park
1600 Twigg St.
Palatka, Florida 32177**

April 25, 2014

The Garden Club of Palatka is requesting your help and asking that you write a letter in support for our efforts to restore the Log Cabin at Ravine Gardens State Park in Palatka, Florida.

This historic building was built in 1934 by the WPA and is listed on the National Register of Historic Buildings. It has been our home base for almost 60 years. Our garden club leases the Log Cabin from the State of Florida which obligates us to maintain it. As the building continues to age, this is becoming increasingly more expensive. Therefore, we are applying for a Historic Restoration Grant in order to restore damaged wood in several areas and replace the roof.

We are working with a restoration contractor and the City of Palatka as well as the Manager of the park in applying for the grant. Your letter of support will be invaluable to us as we endeavor to preserve this priceless asset for future generations to enjoy.

Please address your letter to Pat Brown, President, Garden Club of Palatka, 143 Pine Lake Drive, Satsuma, Fl. 32189-2727. May 25, is the deadline for receipt of this letter as the grant application period comes to a close. We sincerely appreciate your assistance in this endeavor. The enclosed list of some of our club activities is for your information.

Thank you,



Phyllis Geiger, Secretary
Garden Club of Palatka

Enclosure

THE GARDEN CLUB OF PALATKA:

.Coordinates and promotes Annual Arbor Day planting of trees throughout Putnam County

.Maintains two Blue Star Memorial Markers in Palatka and East Palatka and schedules annual dedication of floral wreaths on Veterans Day to honor all those who are serving and who have served our country

.Provides monthly educational programs at our meetings (which the public can attend) on topics such as conservation of natural resources, horticulture, floral design, and good gardening practices

.Provides the following website to promote awareness of the club and our parent organization, the Florida Federation of Garden Clubs:

www.gardenclubofpalatka.org

.Provides horticulture design services for the public which has included the main Post Office in Palatka, the Putnam County Courthouse, and the riverfront area in downtown Palatka

.Partners with the Ravine Garden State Park to provide Floral Design presentations when requested, and to participate in park sponsored events throughout every calendar year

.is responsible for planting and maintaining the Butterfly Garden at Ravine Gardens State Park

.Celebrates Palatka's Azalea Days festivities by opening the Log Cabin and providing a formal tea and bake sale, white elephant items, and offering affordable azaleas and other plants for sale to the public

.is responsive to requests from civic and health organizations to teach horticulture or floral design classes



Agenda Item

3c



CITY COMMISSION AGENDA ITEM

SUBJECT:

Adopt Resolution No. 2014-10-76 authorizing the execution of the renewal agreement for provisions of Supplemental Police Services between the Palatka Housing Authority and the Palatka Police Department

SUMMARY:

The Palatka Housing Authority (PHA) contracts with the City for additional police services each year to create a drug and crime free environment and to provide for the safety and protection of the residents in the public housing developments. The current contract expires on May 31, 2014. PHA has presented the renewal agreement providing for supplemental police services between PHA and the Palatka Police Department at a rate of \$23 per hour.

RECOMMENDED ACTION:

Adopt the resolution authorizing the execution of a renewal agreement providing for supplemental police services between the Palatka Housing Authority and the Palatka Police Department.

ATTACHMENTS:

Description	Type
D Resolution	Resolution
D Contract	Cover Memo

REVIEWERS:

Department	Reviewer	Action	Date
Police	Getchell, Gary	Approved	5/8/2014 - 5:16 PM
City Clerk	Driggers, Betsy	Approved	5/12/2014 - 5:41 PM
City Manager	Czymbor, Michael	Approved	5/13/2014 - 5:34 PM
Finance	Reynolds, Matt	Approved	5/14/2014 - 9:26 AM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 3:27 PM

RESOLUTION No. 2014-10-

A RESOLUTION OF THE CITY OF PALATKA, FLORIDA, AUTHORIZING THE EXECUTION OF THE RENEWAL AGREEMENT FOR PROVISION OF SUPPLEMENTAL POLICE SERVICES BETWEEN THE PALATKA HOUSING AUTHORITY AND THE CITY OF PALATKA POLICE DEPARTMENT AT A RATE OF \$23 PER HOUR, FOR A ONE-YEAR TERM EFFECTIVE JUNE 1, 2014.

WHEREAS, the City of Palatka Police Department and the Palatka Housing Authority have annually entered into a renewable agreement for the provision of supplemental police services in order to provide for the safety and protection of the residents of the Authority’s public housing developments; and

WHEREAS, the Palatka Housing Authority desires to renew this Agreement, which expires on May 31, 2014, and has presented a renewal agreement to continue to provide supplemental police services between the Palatka Housing Authority and the Palatka Police Department at the rate of \$23.00 per hour; and

WHEREAS, both parties are in agreement as to the terms of the renewal agreement; and

WHEREAS, the Palatka City commission has determined that entering into an Agreement with the Palatka Housing Authority for the provision of supplemental police services is in the best interest of the City of Palatka and its’ citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF PALATKA, FLORIDA, that the City Manager, Chief of Police and City Clerk are hereby authorized to execute, execute and attest the Agreement for the Provision of Supplemental Police between the Palatka Housing Authority and the Palatka Police Department, said Agreement to take effect June 1, 2014, and continuing through May 31, 2015.

PASSED AND ADOPTED by the City Commission of the City of Palatka, Florida this 22nd day of May, 2014.

CITY OF PALATKA

By: Its MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM AND CORRECTNESS:

**PALATKA HOUSING AUTHORITY – PALATKA POLICE DEPARTMENT
AGREEMENT FOR THE PROVISION OF
SUPPLEMENTAL POLICE SERVICES**

This Agreement, made and entered into this 1st day of June 2014 by and between the Palatka Housing Authority (hereinafter called the “Authority”) and the City of Palatka (hereinafter called the “City”) is for the provision of specific police services associated with the Authority’s crime reduction program.

WHEREAS, The Authority desires to contract with the City for additional police services to create a drug- and crime-free environment and to provide for the safety and protection of the residents in the public housing developments; and

WHEREAS, the City and the Palatka Police Department (hereinafter called the “Department”) desire to assist in the effort by providing effective police services at the Authority locations;

NOW, THEREFORE, the Authority and the City agree as follows:

ARTICLE I – SERVICES PROVIDED BY THE DEPARTMENT

1. The Department agrees that the services rendered by the Assigned Personnel (police) under this Contract are in addition to baseline police services. The City agrees that it will not reduce its current level of police services to the public housing development, particularly in the areas of community policing, patrol, criminal investigations, records, dispatch and special operations.

The manner and method of performance of services is specified in Article V, Plan of Operations.

The duties and extent of services of the Assigned Personnel shall include, but shall not be limited to:

A. The Department will provide the number of police officers necessary to perform specialized patrols to enforce all state and local laws and the Housing Authority Rules specified in this contract. Sworn officers shall at all times remain part of, subject to and in direct relationship with the Police Department’s chain of command and under police department rules, regulations and standard operating procedures.

B. The Department agrees to assign police officers to targeted area during specific periods of time as identified by the Authority and the Department as high crime or high workload periods to maintain a police patrol presence.

C. The Department will employ a community policing concept and the Department’s personnel whose primary responsibility is to develop and maintain

communications with residents will assist in developing or enhancing crime prevention programs in the public housing community.

D. The Department agrees to collect and provide workload data in the public housing development.

E. It is further agreed that to the extent necessary, the Assigned Personnel will appear as witness in the Authority's administrative grievance procedure, civil dispossession hearings, or other civil or court proceedings where the issue includes criminal or quasi-criminal conduct in or near public housing developments involving any resident, member of a resident's household, or any guest of a resident or household member.

F. Without limiting any of the foregoing, the Department agrees that with respect to the services to be performed by any police personnel in accordance with the Contract, the appropriate police department representative will meet with resident leadership and management representatives of the Authority for the purposes of reviewing the enforcement and prevention efforts and planning for the future changes or modifications anticipated by this contract. These meetings shall occur at least quarterly.

G. The Department agrees that a policy manual exists to regulate police officers' conduct and activities; all police officers have been provided a copy of the policy manual; the Department has a signed receipt from each officer that he/she has received and understands the contents of the manual; and personnel have been trained on the regulations and orders within the manual.

H. The Department agrees that it will provide the Assigned Personnel with such basic equipment as may be necessary and reasonable in order to allow the police officers to carry out the duties anticipated under this Agreement.

I. The Department will provide training on community relations and interpersonal communications skills to the extent possible.

J. The Department agrees to provide, criminal background checks of proposed applicants for public housing. This information will be provided in a manner consistent with all applicable National Crime Information Center or State laws and regulations.

K. The Department shall designate an officer as the Administrative Liaison Officer, who will work in concert with the Executive Director of the Authority, or the Director's designate.

The Administrative Liaison Officer will perform the following duties:

1. Coordinate the dissemination and processing of police and security reports, provide supervisory assistance, and coordinate in resolving problems or in carrying out the provisions of the Agreement;

2. Establish and maintain an ongoing line of communication with other police personnel;

3. Prepare progress reports and evaluations of services requested and provided under this agreement for review by the Executive Director and Police Chief.

4. Initiate and monitor ongoing lines of communication with resident leaders to effectively employ the community policing concept and to address in a timely manner concerns raised by community leaders.

5. Establish a clearly defined process for reporting non-emergency criminal activities.

L. The Department will at all times provide supervision, control and direction of work activities and assignments of police personnel, including disciplinary actions. It is expressly understood that the Department shall be responsible for the compensation of the officers and all employee benefits, as well as any injury to officers, their property, or the Department's property while on the Authority's property.

M. The Assigned Personnel shall possess maintain any State-mandated Certification.

N. The Department shall indemnify and hold harmless the Palatka Housing Authority and its employees from and against all claims for personal injury or property damage that may result from the performance or non-performance of Assigned Personnel.

ARTICLE II- SERVICES PROVIDED BY THE AUTHORITY

1. The Authority shall reserve the right to a reasonable request that the Department replace any assigned officer for the following conduct by the officer;

- A. Neglect or non-performance of duties;
- B. Disorderly conduct, use of abusive or offensive language, or fighting;
- C. Criminal action;
- D. Selling, consuming, possessing or being under the influence of intoxicants, including alcohol or illegal substances, while on assignment.
- E. Inadequate punctuality or attendance.
- F. Substantiated complaints from public housing residents or management.

2. The Authority will provide the Department with a Public Housing Activity Form for assigned officers to complete. These forms are not to replace police reports utilized by the Department, and are subject to approval by the Department.

3. The Authority will provide the Department with applicable Authority rules and regulations governing Authority residents.

ARTICLE III – ENFORCEMENT OF RULES REGULATIONS

1. The Department, through its police officers, is hereby empowered to enforce the following:

- A. Unauthorized visitors in unoccupied structures of the Authority shall be removed.
- B. Unauthorized visitors creating disturbance or otherwise interfering with the peaceful enjoyment of lessees on Authority property shall be removed.
- C. Unauthorized visitors destroying, defacing or removing Authority property shall be subject to criminal enforcement actions.

With regard to the foregoing rules and regulations, the Department’s officers are hereby authorized to give any criminal trespass warnings to any persons found in violation of said rules or regulations, i.e., to give notice to any violators that their entry on the property or premises is forbidden, and to arrest or cause the arrest and prosecution of any violators, when appropriate.

2. The Department, through its police officers, or in conjunction with the Department of Parking and Traffic, is hereby empowered to enforce the following Authority rule regulation:

“The tenant and any visitors to Authority property and premises shall refrain from, and shall cause their households to refrain from, parking vehicles in any area other than parking areas designated by Authority management.”

With regard to the foregoing rule or regulation, the Department’s officers are hereby authorized to have removed any and all vehicles found parked in violation of said rule or regulation, pursuant to established Department procedure for removing vehicles.

3. The Department, through its police officers, is hereby empowered to enforce such additional Authority rules and regulations and perform such other duties as shall be specified in any addenda agreed to by both parties in writing.

4. Nothing herein contained shall be constructed as permitting or authorizing police officers to use any method or to act in any manner in violation of law or of their sworn obligation as police officers.

ARTICLE IV – COMMUNICATIONS, REPORTING EVALUATION

1. Communications. The City agrees that the Authority will have unrestricted access to all public information which in any way deals with criminal activity in any of the Authority's communities. It is further agreed that the Department will provide to the Authority copies of incident reports, arrest reports or other public documents which document or substantiate actual or potential criminal activity in or connected with the public housing developments, so long as the information and or reports do not compromise ongoing investigations. The release of Department information shall be governed by the Florida Freedom of Information Act.

Existing procedures, if in effect, are included as an Addendum to this Agreement.

2. Reporting

A. Forms: The Department will require all Assigned Personnel (police officers) to complete a daily log provided by the Authority at the conclusion of each shift and forward the original report to the Authority's designee. This report will include, but not be limited to, data as follows:

1. Hours worked: foot, bicycle, motorized, other
2. Calls, requests to service
3. Referrals to City/ Housing Authority/ agencies
4. Suspicious persons – name and description
5. Vehicles abandoned/towed/stolen
6. Drug paraphernalia confiscated/found
7. Arrests/citations of both residents and outsiders to include, age, sex, and ethnicity
8. Property recovered/stolen
9. Counseling of residents and visitors
10. Broken lights/sidewalks
11. Graffiti
12. Conflict resolution; e.g., resolved apparent or actual conflict between two or more people
13. Vehicle license number of suspicious persons

14. Weapons violations/seized.

B. Media Coordination: The Department will relay to the Executive Director, or his/her designee, information related to any major crime or incident that occurs on Authority property, preferably before the media is informed, or as soon as possible.

C. Evaluation: The Department and the Authority agree that any evaluation shall include:

1. Hours worked by police officers for:
 - a. Foot patrol
 - b. Bicycle patrol
 - c. Motorized patrol
 - d. Other (tactical)
 2. Response times to targeted communities by Department-paid officers and Authority-paid officers by Priority I (emergency), and Priority II (non-emergency)
 3. Arrests (to include drug violations)
 4. Vehicles towed
 5. Positive contacts
 6. Referrals
 7. Trespassers removed
 8. All UCR or NIBRS Reports
 9. Calls for service
 10. Weapons seized
 11. Property stolen/recovered
 12. Community feedback
- D. It is further agreed that the Department will provide comparable crime

information for the City as a whole to facilitate the evaluation to include what proportion of activities city wide occur on Authority property.

ARTICLE V – PLAN OF OPERATIONS

1. The Department and the Authority shall specify the manner and method of performance by which each of the services identified is to be administered. The plan of operations will minimally specify the following:

- A. Service goals and minimum performance criteria (e.g., a definition of what is to be achieved and the expected benefits or outcomes that will be derived);
- B. Staffing levels: two patrol officers
- C. Hours of operation: not to exceed four (4) hours per day as determined by the Authority and Administrative Liaison Officer.
- D. Days of operations: Not to exceed four (4) days each week as agreed upon by the Authority and Administrative Liaison Officer.

2. The plan of operations will be prepared for review and acceptance within five (5) days from the date of execution of this Agreement by both parties. It is understood that the Authority may request reasonable modification to the initial plan of operations as it deems appropriate. The Authority must approve the plan in order for payment to begin.

3. If during the term of this Agreement either party desires to amend the scope of the Plan of Operations, either party may request such an amendment via written notification. The Executive Director of the Authority and/or the Chief of Police shall provide final determinations regarding the establishment of an amendment to the plan of operations.

ARTICLE VI – TERM OF AGREEMENT

The term of this Agreement shall be for twelve (12) months beginning on June 1, 2014 and ending on May 31, 2015 with the option to be renewed annually.

ARTICLE VII – COMPENSATION OF THE DEPARTMENT

1. All compensation to the city will be made on a cost approval basis. The Authority will reimburse the City for services specified in this Agreement at the average rate of \$23.00 per hour per officer in a total amount not to exceed \$15,000 in the term of this Agreement.

2. The Authority shall reimburse the City on a bi-weekly basis, upon receipt of performance of the proposed services and evidence of authorized expenditures.

3. The Department shall provide the following documentation in requesting reimbursement:

- A. Copies of payroll time reports certified to by the Department documenting names, employee identification, hours worked in public housing developments, and supervisory approval of the report.

4. All requests for payment are subject to the approval of the Executive Director, or his/her designee, and the Authority shall thereafter make payment of the approved amount within five (5) days of receipt of the request for payment.

ARTICLE VIII- TERMINATION

1. Either party may terminate this Agreement without cause upon the provision of thirty (30) days written notice to the other. Such notice shall be delivered by Certified Mail, Return Receipt Requested to the address specified in this Agreement.

2. The City shall be paid for all services provided prior to termination of this Agreement.

3. Any notices required pursuant to the terms of this Agreement shall be construed in accordance with the laws of the State of Florida.

Authority: Executive Director
 Palatka Housing Authority
 400 N. 15th
 P.O. Box 1277
 Palatka, FL 32178

City: Chief of Police
 Palatka Police Department
 110 11th St.
 Palatka, FL 32177

ARTICLE IX – CONSTRUCTION OF LAWS

This Agreement is made and entered into by the Palatka Housing Authority and the City of Palatka. Any and all questions of law arising hereunder shall be construed in accordance with the laws of the State of Florida.

ARTICLE X – ENTIRE CONTRACT

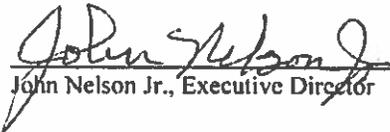
This Agreement sets forth the entire agreement between the parties and supersedes all other oral or written provisions. The Agreement may be modified only by a written agreement signed by the parties hereto.

ARTICLE XI – MISCELLANEOUS

1. The captions and headings of any of the various sections or paragraphs of this Agreement are for convenience only and not to be construed as confining or limiting in any way the scope or intent of a provision hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular, and the masculine, feminine, and neuter shall be freely interchangeable.

2. The enforceability or invalidity of any provision or provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

PALATKA HOUSING AUTHORITY



John Nelson Jr., Executive Director

CITY OF PALATKA

Mr. Michael Czymbor, City Manager

Gary Getchell, Chief of Police

Attest:

Betsy J. Driggers, City Clerk

Agenda Item

3d



CITY COMMISSION AGENDA ITEM

SUBJECT:

Adopt Resolution No. 2014-10-77 authorizing the execution of Passero Associates Work Order #14-46 not to exceed \$17,000 to prepare bid documents for Site Preparation and Fencing Relocation at the Palatka Municipal Airport.

SUMMARY:

In recent years the City has entertained multiple development inquiries at the Airport. Multiple preliminary plans have been considered for the South Airport and North Terminal Areas. As demand continues to grow it would be beneficial for the City to prepare the South General Aviation Area for aviation related development. This project involves the clearing, grubbing, grading and fencing of the South General Aviation Area (approximately 20 acres).

Passero Associates, Airport Engineers, has proposed to provide Bid documents for lump sum fee of \$17,000. The City would then advertise an Invitation to Bid and be responsible for the above stated work.

This project is funded at 80% Florida Department of Transportation and 20% City of Palatka participation.

RECOMMENDED ACTION:

Adopt the resolution authorizing the execution of Passero Associates Work Order #14-46 not to exceed \$17,000 to prepare bid documents for Site Preparation and Fencing Relocation at the Palatka Municipal Airport.

ATTACHMENTS:

Description	Type
Passero Wo 14-46 Resolution	Resolution
Passero 14-46 WQ	Backup Material

REVIEWERS:

Department	Reviewer	Action	Date
Grants & Projects	Griffith, Jonathan	Approved	5/14/2014 - 12:52 PM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 3:50 PM
City Manager	Czymbor, Michael	Approved	5/14/2014 - 3:56 PM
Finance	Reynolds, Matt	Approved	5/14/2014 - 5:07 PM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 5:23 PM

RESOLUTION No. 2014-10-__

**A RESOLUTION OF THE CITY OF PALATKA, FLORIDA,
AUTHORIZING THE EXECUTION OF PASSERO &
ASSOCIATES WORK ORDER # 14-46 FOR SOUTH GENERAL
AVIATION AREA - SITE PREPARATION AND FENCING
RELOCATION AT THE PALATKA MUNICIPAL AIRPORT**

WHEREAS, on 10/13/12 the Palatka City Commission (the **City**) adopted Resolution No. 9-29 entering into a Joint Participation Agreement with the Florida Department of Transportation in the amount of \$333,537, identified as F.P. Number 43474819413 to fund 80% of the design and construction of South Airport drainage, utilities, permitting, surveying, testing, project management and administration (the **Project**), and

WHEREAS, on 2/10/2011 the Palatka City Commission (the **City**) entered into a contract with Passero & Associates, for master consulting services for the Palatka Municipal Airport (Kay Larkin Field); and

WHEREAS, Passero Associates, the City's designated Airport Engineers, has proposed work order # 14-46 the **Project**; and

WHEREAS, the **City** deems it reasonable and necessary to enter into a Supplemental Agreement with Passero & Associates to prepare bid documents for site preparation and fencing relocation at the Palatka Municipal Airport for said **Project**.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Palatka, Florida:

1. That the City Manager and City Clerk are hereby authorized to execute and attest Passero & Associates supplemental agreement 14-46 in an amount not to exceed \$17,000 to prepare bid documents for site preparation and fencing relocation at the Palatka Municipal Airport.

PASSED AND ADOPTED by the City Commission of the City of Palatka, Florida this 22nd day of May, 2014.

CITY OF PALATKA

By: **Its MAYOR**

ATTEST:

ATTACHMENT A-1

Scope of Work

South General Aviation Area – Site Preparation and Fencing Relocation

Design and Bid Documents

Palatka, Florida

I. PROJECT DESCRIPTION

The project will involve the basic site preparation (clearing, grubbing, grading and restoration) of the South General Aviation Area (approximately 20 acres), including the relocation / replacement of the security fencing (approximately 2,500 LF), which will bring the parcel within the physical airport boundary and security fencing limits, making it readily visible, accessible and available for aviation-related development.

II. BASIC SERVICES

Passero Associates will provide the following services to assist the City of Palatka (Sponsor) with the South General Aviation Area improvements at Palatka Municipal Airport.

A. DESIGN and BID DOCUMENTS PHASE

1. Finalize the clearing-grubbing-grading plans.
2. Prepare final construction plan, supplemental documents such as access and phasing plans, etc.
3. Prepare final quantity takeoffs for the bid schedule. This will include items shown on the drawings and/or described in the technical specifications.
4. Prepare a final probable construction cost utilizing the quantity takeoff and bid items previously developed.
5. Prepare final bid / contract agreements and technical specifications. Note: This task will be an abbreviated version of the standard FDOT construction agreement and specifications, based on the nature of the work.
6. Submit advance final documents to the SPONSOR and FDOT for review and comment. The design team and the SPONSOR will conduct a final design review meeting to discuss contents, costs and other comments.
7. Reproduce copies of the bid documents which include plans, specifications, access and phasing plans, etc., as needed. These documents will be supplied directly to the SPONSOR for advertisement.

C. GRANTS ADMINISTRATION PHASE

1. Assist SPONSOR in compiling and submitting all necessary grant/project closeout documents required by the FDOT.

D. PERMITTING PHASE (with SJRWMD)

1. Review St. Johns River Water Management District Handbook: "Regulation of Stormwater Management Systems" for applicability to project. Note: It is expected that this project will not require a "Standard General Environmental Resource Stormwater Permit."

2. Meet with SJRWMD staff (as needed) to review project requirements.
3. Note: A SJRWMD permit is not expected to be required for this project.

III. SPECIAL SERVICES

E. BID PHASE

1. Two (2) bid packages will be prepared; One for the site preparation (clearing-grubbing-grading) component; One for the perimeter fencing component.
2. Prepare advertisement for bids and forward to the Sponsor for review and advertisement. Sponsor to manage bid-phase from that point further.
3. Questions from potential bidders will be directed to and answered by addendum (as needed).
4. A pre-bid conference is not planned, at this time.
5. Note: The SPONSOR will conduct the bid opening and prepare the bid tabulation, review and recommendation of award.
6. CONSULTANT will review the City's recommendation of award or rejection of bids, as needed.

F. Topographic Survey, Geotechnical Investigation, Other

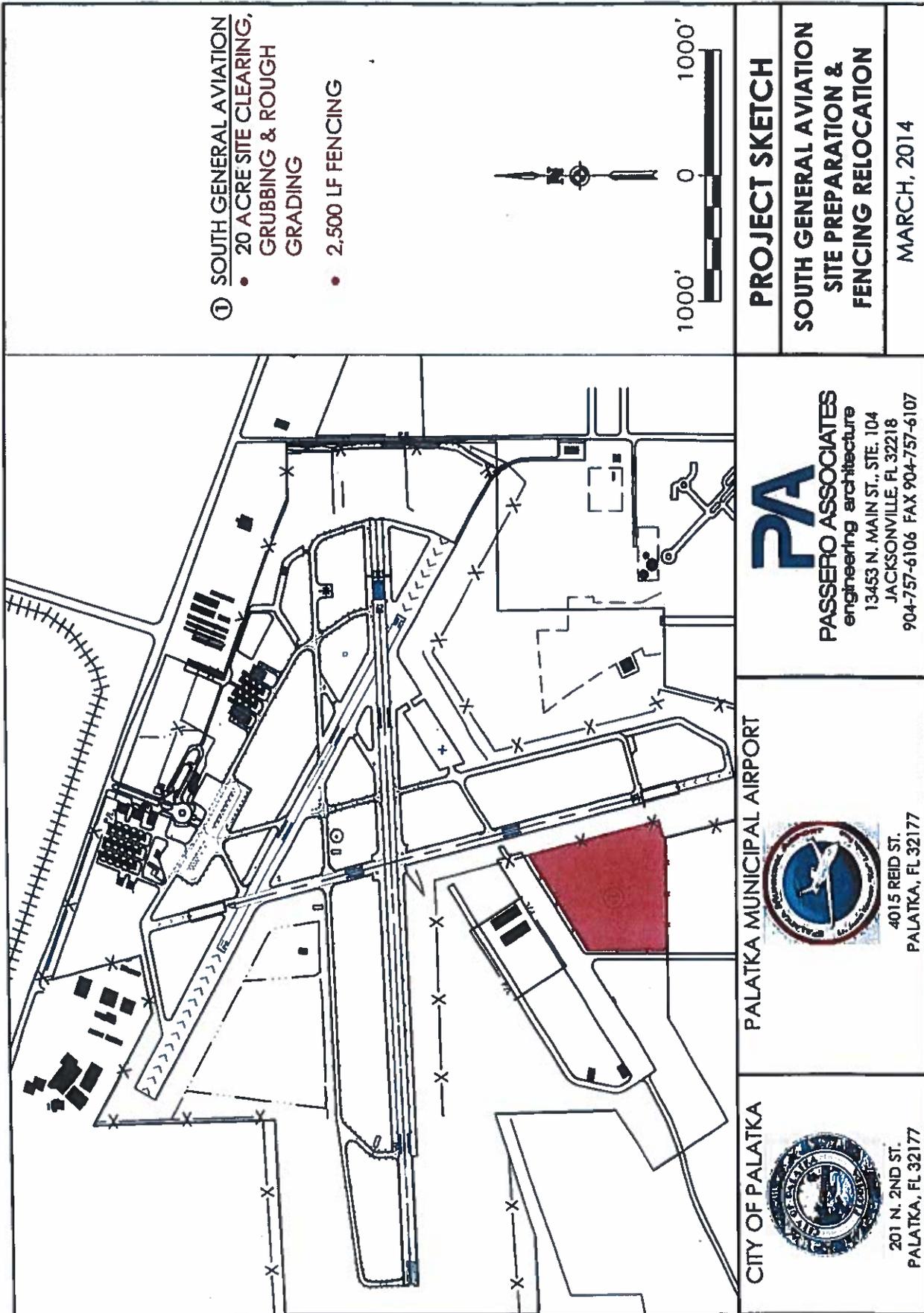
Not included in this agreement.

Other special services (such as environmental studies or other special studies, etc.) are services that often cannot be defined at the beginning of the project, but still may be required before the project is complete. If needed, other special services shall be performed as approved by the City in writing.

IV. OTHER CONSIDERATIONS

1. This project does not include any form of special services, (other than as specified above). For example, the project does not include the following:
 - Any Additional Permitting
 - Preparation of additional related Design, Construction Plans, and Specifications
 - Other special services (such as environmental studies, permitting, traffic study or other special studies, etc.) that may be desired or requested.
2. The City is responsible for providing complete and thorough data in a timely fashion as requested by Passero, including all necessary data from Airport / City archives. Passero is not responsible for data that is not provided for in the course of this Agreement.

END OF SCOPE OF SERVICES.



Agenda Item

3e



CITY COMMISSION AGENDA ITEM

SUBJECT:

Adopt Resolution No. 2014-10-78 authorizing the execution of FEMA 1785-43-R Grant Agreement Modification to amend the project budget from \$284,372.00 to \$408,494.00 (\$306,371.00 Federal share,\$102,123.00 City share)

SUMMARY:

Two (2) sealed competitive bids were received for the FEMA 1785-43-R St. Johns Avenue and Oak Street drainage project. The low bid came in at \$347,574.00. The cost for construction administration and inspection is \$22,820.00, bringing the total cost for construction to \$370,394.00. The current funding amount for phase II (construction) is \$246,272.00, leaving a funding shortage of \$124,122.00. The added cost to the City is \$31,030.50. See attached a Grant Agreement Modification to amend the budget from \$284,372.00 to \$408,494.00 (\$306,371.00 Federal share,\$102,123.00 City share).

RECOMMENDED ACTION:

Adopt the resolution authorizing the execution of FEMA 1785-43-R Grant Agreement Modification to amend the project budget from \$284,372.00 to \$408,494.00.

ATTACHMENTS:

	Description	Type
D	FEMA 1785 Agreement Mod Resolution	Resolution
D	Contract Modification	Backup Material
D	Approval Letter	Backup Material
D	Revised Budget	Backup Material

REVIEWERS:

Department	Reviewer	Action	Date
Grants & Projects	Griffith, Jonathan	Approved	5/14/2014 - 12:53 PM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 3:44 PM
City Manager	Czymbor, Michael	Approved	5/14/2014 - 3:56 PM
Finance	Reynolds, Matt	Approved	5/14/2014 - 5:04 PM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 5:23 PM

RESOLUTION No.

**A RESOLUTION OF THE CITY OF PALATKA, FLORIDA,
AUTHORIZING THE EXECUTION OF FEMA 1785-43-R
MODIFICATION TO SUBGRANT AGREEMENT RELATED TO
THE ST. JOHNS AVENUE AND OAK STREET DRAINAGE
IMPROVEMENTS PROJECT**

WHEREAS, on October 14, 2010 the City of Palatka (the City) entered into an agreement with the State of Florida Division of Emergency Management for drainage improvements along St. Johns Avenue from the intersection of 8th Street to 7th Street then South along 7th Street to Oak Street (the PROJECT); and

WHEREAS, the total PROJECT cost was estimated at \$284,372; and

WHEREAS, the actual total PROJECT cost is \$408,494; and

WHEREAS, the City deems it reasonable and necessary to execute a modification to the the FEMA 1785-43-R Subgrant Agreement for the St. Johns avenue and Oak Street drainage improvements project.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Palatka, Florida:

1. That the City Manager is hereby authorized to execute a modification to the the FEMA 1785-43-R Subgrant Agreement extending the project timeframe and amending the total project cost from \$284,372 to \$408,494 for the St. Johns avenue and Oak Street drainage improvements project.
2. That the revenues of the City of Palatka Better Place Plan Fund for the Fiscal Year 2013-2014 Budget is amended as follows:

REVENUES:		Last	Recommended	As
<u>Revenue Number</u>	<u>Description</u>	<u>Approved</u>	<u>Amendments</u>	<u>Amended</u>
101-00-334-1-3005	FEMA 1785-43-R	\$184,704	\$ 93,092	\$277,796
TOTAL REVENUES AMENDED:		\$184,704	\$ 93,092	\$277,796

3. That the expenditures of the City of Palatka Better Place Plan Fund for the Fiscal Year 2013-2014 Budget is amended as follows:

EXPENDITURES:		Last	Recommended	As
<u>Expenditure Number</u>	<u>Description</u>	<u>Approved</u>	<u>Amendments</u>	<u>Amended</u>
101-18-519-8122	FEMA 1785-43-R	\$ 246,272	\$ 124,122	\$ 370,394
101-18-519-8922	USDA LARIMER ROOF REPAIR, WEATHERIZATION	\$ 71,055	\$ (31,030)	\$ 40,025
TOTAL EXPENDITURES AMENDED:		\$ 317,327	\$ 93,092	\$410,419

PASSED AND ADOPTED by the City Commission of the City of Palatka, Florida this 22nd day of May, 2014.

CITY OF PALATKA

By: Its MAYOR

ATTEST:

CITY CLERK

**APPROVED AS TO FORM
AND CORRECTNESS:**

CITY ATTORNEY

Contract Number: 11HM-3E-04-64-02-015

Project Number: 1785-43-R

**MODIFICATION TO SUBGRANT AGREEMENT BETWEEN
THE DIVISION OF EMERGENCY MANAGEMENT AND
CITY OF PALATKA**

This Modification Number Three made and entered into by and between the State of Florida, Division of Emergency Management ("the Division"), and the City of Palatka ("the Recipient") to modify Contract Number 11HM-3E-06-64-02-015, dated November 10, 2010, ("the Agreement").

WHEREAS, the Division and the Recipient have entered into the Agreement, pursuant to which the Division has provided a subgrant to the Recipient under the Hazard Mitigation Grant Program of \$213,279.00, in Federal Funds; and

WHEREAS, the Division and the Recipient desire to modify the Agreement; and

WHEREAS, the Agreement expired on April 30, 2014; and

WHEREAS, the Division and the Recipient desire to reinstate and extend the terms of the Agreement; and

WHEREAS, the Division and the Recipient desire to increase the Federal Funding under the Agreement by \$93,092.00.

NOW, THEREFORE, in consideration of the mutual promises of the parties contained herein, the parties agree as follows:

1. The Agreement is hereby reinstated and extended as though it had never expired.
2. Paragraph 3 of the Agreement is hereby amended to read as follows:

(3) PERIOD OF PERFORMANCE

This Agreement shall begin on August 24, 2010, and shall end April 30, 2015, unless terminated earlier in accordance with the provisions of paragraph (12) of this Agreement.

3. The Agreement is amended to increase the Federal Funding by \$93,092.00, for the maximum amount payable under the Agreement to \$306,371.00 (Three Hundred Six Thousand, Three Hundred Seventy-One Dollars and No Cents).
4. This is a cost-reimbursement Agreement. The Recipient shall be reimbursed for costs incurred in the satisfactory performance of work hereunder in an amount not to exceed \$306,371.00, subject to the availability of funds

5. The Budget and Scope of Work, Attachment A to the Agreement, are hereby modified as set forth in 3rd Revised Attachment A to this Modification, a copy of which is attached hereto and incorporated herein by reference.
6. Paragraph 11 of the Agreement is hereby amended to read as follows:

(11) REMEDIES

If an Event of Default occurs, then the Division shall, after thirty calendar days written notice to the Recipient and upon the Recipient's failure to cure within those thirty days, exercise any one or more of the following remedies, either concurrently or consecutively:

- (a) Terminate this Agreement, provided that the Recipient is given at least thirty days prior written notice of the termination. The notice shall be effective when placed in the United States, first class mail, postage prepaid, by registered or certified mail-return receipt requested, to the address in Paragraph (13) herein;
- (b) Begin an appropriate legal or equitable action to enforce performance of this Agreement;
- (c) Withhold or suspend payment of all or any part of a request for payment;
- (d) Require that the Recipient refund to the Division any monies used for ineligible purposes under the laws, rules and regulations governing the use of these funds;
- (e) Exercise any corrective or remedial actions, to include but not limited to:
 - 1) Request additional information from the Recipient to determine the reasons for or the extent of non-compliance or lack of performance,
 - 2) Issue a written warning to advise that more serious measures may be taken if the situation is not corrected,
 - 3) Advise the Recipient to suspend, discontinue or refrain from incurring costs for any activities in question, or
 - 4) Require the Recipient to reimburse the Division for the amount of costs incurred for any items determined to be ineligible.
- (f) Exercise any other rights or remedies which may be available under law;
- (g) Pursuing any of the above remedies will not stop the Division from pursuing any other remedies in this Agreement or provided at law or in equity. If the Division waives any right or remedy in this Agreement or fails to insist on strict performance by the Recipient, it will not affect, extend or waive any other right or remedy of the Division, or affect the later exercise of the same right or remedy by the Division for any other default by the Recipient.

- 7. All provisions of the Agreement being modified and any attachments in conflict with this Modification shall be and are hereby changed to conform with this Modification, effective on the date of execution of this Modification by both parties.
- 8. All provisions not in conflict with this Modification remain in full force and effect, and are to be performed at the level specified in the Agreement.
- 9. Quarterly Reports are due to the Division no later than 15 days after the end of each quarter of the program year and shall be sent each quarter until submission of the administrative close-out report. The ending dates for each quarter of the program year are March 31, June 30, September 30 and December 31.

IN WITNESS WHEREOF, the parties hereto have executed this Modification as of the dates set out below.

RECIPIENT: CITY OF PALATKA

By: _____

Name and Title: _____

Date: _____

**STATE OF FLORIDA
DIVISION OF EMERGENCY MANAGEMENT**

By: _____

Name and Title: Bryan W. Koon, Director

Date: _____

Attachment A
(3rd Revision)

Budget and Scope of Work

Statement of Purpose:

The purpose of this Scope of Work (SOW) is to provide protection to Oak Street and St. Johns Avenue in the City of Palatka; funded through the Hazard Mitigation Grant Program (HMGP) DR-1785-43-R, as approved by the Division and the Federal Emergency Management Agency (FEMA). The project will protect the surrounding properties and infrastructure from future flooding, which historically experience frequent flooding.

The City of Palatka agrees to administer and complete the project per sealed engineering designs and construction plans as submitted by the recipient and subsequently approved by the Division and FEMA. The recipient will complete the work in accordance with all applicable Federal, State and Local Laws, Regulations, and Codes.

Project Overview:

As a Hazard Mitigation Grant Program project, the Recipient, the City of Palatka proposes to improve drainage and provide protection to Oaks Street and St. Johns Avenue, in Palatka, Florida 32177. Specific locations are at the intersection of Oak Street and 7th Street; the intersection of St John Avenue and 7th Street; and the intersection of 8th Street and St. Johns Avenue. Bound by the railroad to the West, Reid Street to the North, Sixth Street to the East and Laurel Street to the South; area is highly developed with mixed use and commercial properties.

The Phase I study will be conducted to determine modifications needed to improve and upgrade the existing drainage system. Phase I will provide funding for completion of design, permitting and geotechnical surveying process for this proposal.

Phase II – Construction will involve the installation of new drainage structures and pipes that have been sized to reduce the duration and elevation of the floodwaters. The completed project will minimize or eliminate future structural damage and will protect residents from harm's way during future flood events, and alleviate flooding for up to 10-year storm events.

Project Requirements and Conditions

A. Phase I Deliverables:

- 1) Have an engineer's plan that clearly shows the engineer's estimate of the pre and post-mitigation effects of the proposed project and the relationship of the damages to be mitigated (commensurate with the level of funding requested). This includes, but is not limited to, the existing and proposed hydrology and hydraulics for the level of event being mitigated.
- 2) Demonstrate mitigation effectiveness, in part, by showing the physical location(s) and elevation(s) of the infrastructure/structures that is being damaged and the Federal Emergency Management Agency (FEMA) Special Flood Hazard Areas on the same plan.
- 3) Meet all required environmental laws and policies. All environmental permits and approvals/concurrences must be obtained. A public notice must be published to notify interested parties of the proposed activity. Notices must be published in a manner that anyone that may be affected or interested in this project has access to the posting. The comment period expired and all comments addressed prior to initiating any construction activities.
- 4) Refine the cost estimate. A new Benefit Cost Analysis will be performed using the revised information.
- 5) Provide a set of Community Approved, State reviewed construction plans (sealed) for review and comment including milestones and timelines for completion of the final phase of the project and bid documents/award.

- 6) Phase I of this project is approved with the condition that the above list of deliverables will be submitted for review and approval by the Division and FEMA before Phase II is considered.
- 7) No construction work may begin until Phase II is approved.

Note: Phase I – Deliverables conditions have been met and Phase II – Construction is approved.

B. Phase II – Construction

- 1) If project activities involve street/road comprised of historic paving material, i.e.: brick, stone or stone curbs, the activities will have to be reviewed on a project-by-project basis. Careful removal and replacement of the brick around the intersections acceptable with no additional review; however, further review will be required if additional historic paving material is discovered.
- 2) The Recipient must follow all applicable state, local and federal laws regulations and requirements, and obtain (before starting project work) and comply with all required permits and approvals. Failure to obtain all appropriate federal, state, and local environmental permits and clearances may jeopardize federal funding. If project work is delayed for a year or more after the date of the Categorical Exclusion (CATEX), then coordination with and project review by regulatory agencies must be redone.
- 3) Any change, addition or supplement to the approved Scope of Work that alters the project (including other work not funded by Federal Emergency Management Agency (FEMA), but done substantially at the same time) will require re-submission of the application for re-evaluation and approval by, Florida Division of Emergency Management (FDEM) and FEMA, before starting project work for compliance with Section 106, National Environmental Policy Act (NEPA) and other Laws and Executive Orders.
- 4) If any human remains or archaeological material is discovered, work shall cease immediately and all reasonable measures to avoid or minimize harm to the finds shall be taken. The Recipient will ensure that archaeological discoveries are secured in place, that access to the sensitive area is restricted, and that all reasonable measures are taken to avoid further disturbance of the discoveries. The Recipient's contractor will provide immediate notice of such discoveries to the Recipient. The Recipient will contact the Florida Division of Historical Resources Review and Compliance Section within 24 hours of discovery. The Department of Homeland Security/FEMA Region IV Environmental Officer and the FDEM State Environmental Liaison Officer must also be notified by the Recipient for further guidance. Work in the vicinity of the discovery may not resume until FEMA and the FDEM have completed consultation with the State Historic Preservation Offices (SHPO), Tribes, and other consulting parties as necessary. Project activities shall not resume without verbal and/or written authorization. In the event that unmarked human remains are encountered during permitted activities, all work shall stop immediately and the proper authorities must be notified in accordance with *Florida Statutes, Section 827.05*.
- 5) Best management practices will be used during project work to minimize soil erosion, sediment migration and turbidity. A National Pollutant Discharge Elimination System (NPDES) stormwater permit must be obtained (if area of disturbance will be greater than one acre). The Recipient will need to prepare and implement a Storm Water Pollution Prevention Plan (SWPPP). A copy of the Notice of Intent (NOI) submitted to use the State of Florida Generic Permit for stormwater discharge from construction activities; response letter from Florida Department of Environmental Protection (FDEP) if provided; and a copy of the Notice of Termination (NOT) must be submitted at project closeout.
- 6) For projects involving groundwater dewatering activities at the construction site, provide documentation of coverage under the Florida Department of Environmental Protection (FDEP) "Generic Permit for the Discharge of Produced Ground Water from any Non-contaminated Site Activity."
- 7) If ground disturbing activities occur during construction, recipient will monitor ground disturbance and if any potential archeological resources are discovered, will immediately cease construction in that area and notify the FDEM and FEMA.

- 8) Construction vehicles and equipment used for this project shall be maintained in good working order to minimize pollutant emissions.
- 9) A change in the scope of work MUST be approved by the Division and FEMA in advance regardless of the budget implications.
- 10) The Recipient must notify the Division as soon as significant developments becomes known, such as delays or adverse conditions that might raise costs or delay completion, or favorable conditions allowing lower costs or earlier completion.
- 11) The Recipient must "obtain prior written approval for any budget revision which would result in a need for additional funds" [44 CFR 13(c)], from the Division and FEMA.
- 12) Any extension of the Period of Performance must be submitted to FEMA, 60 days prior to the expiration date. Therefore, any request for a Period of Performance Extension must be in writing and submitted along with substantiation of new expiration date, and a new schedule of work, to the Division a minimum of seventy (70) days prior to the expiration date, for Division processing to FEMA.
- 13) The Recipient must avoid duplication of benefits between the HMGP and any other form of assistance, as required by Section 312 of the Stafford Act, and further clarification in 44 CFR 206.191.
- 14) The Recipient will submit a final copy of the project's As-Built drawings and necessary supporting documentation, and will provide a summary of all contract scope of work changes, if any. Additional documentation will include:
 - a) Copy of the Notice of Commencement;
 - b) Local Building Official Inspection Report and Final Approval, if applicable;
 - c) Certified Letter of Completion from Engineer of Record: The recipient's Engineer of Record shall provide a formal certificate or letter affirming that the project has been completed in conformance with the approved project drawings, specifications, and codes; if any archeological resources or materials were discovered during project work; and the extent of ground disturbance;
 - d) Photographs (color) of completed project sites.

C. Financial Consequences:

- 1) If the City of Palatka fails to comply with any term of the award, the Division shall take one or more of the following actions, as appropriate in the circumstances:
 - a) Temporarily withhold cash payments pending correction of the deficiency by the recipient;
 - b) Disallow all or part of the cost of the activity or action not in compliance;
 - c) Wholly or partly suspend or terminate the current award for the recipient's program;
 - d) Withhold further awards for the program; or
 - e) Take other remedies that may be legally available.

This is FEMA Project Number **1785-43-R**, is funded under HMGP-1785-DR-FL.

The project began on **February 1, 2009**, for Pre-Award Costs awarded by FEMA on August 24, 2010; ; the Sub-grantee Agreement was executed on November 10, 2010, and the Period of Performance (POP) for this project shall end on **April 30, 2015**.

1785-43-R

Schedule of Work

<u>Phase I –</u>		
Design, Engineering, Permitting and Survey:	20	Months
<u>Phase II</u>		
State Contracting Process:	3	Months
Bidding and Contracting	3	Months
Construction	24	Months
Final Inspection:	3	Months
Weather Delays:	3	Months
Total Period of Performance:	56	Months

Budget

Line Item Budget*

<u>Phase I</u>	<u>Project Cost</u>	<u>Federal Share</u>	<u>Local Share</u>
Fees: Pre-Award** –			
Design, Permitting, Survey	\$38,100.00	\$28,575.00	\$9,525.00
<u>Phase II</u>			
Materials:	\$347,574.00	\$260,681.00	\$86,893.00
Labor:	\$22,820.00	\$17,115.00	\$5,705.00
Phase II Sub-total:	\$370,394.00	\$277,796.00	\$92,598.00
Total Project Cost:	\$408,494.00	\$306,371.00	\$102,123.00

**Any line item amount in this Budget may be increased or decreased 10% or less without an amendment to this Agreement being required, so long as the overall amount of the funds obligated under this Agreement is not increased.*

***Pre-Award cost in the amount of \$38,100 incurred by the sub-grantee with a commencement date of February 1, 2009.*

Funding Summary

Federal Share:	\$306,371.00	(75%)
Local Share:	\$102,123.00	(25%)
Total Project Cost:***	\$408,494.00	(100%)

****The project cost is inclusive of administrative cost.*



U.S. Department of Homeland Security
 FEMA Region IV
 3003 Chamblee Tucker Road
 Atlanta, GA 30341

FEMA

April 2, 2014

Mr. Bryan Koon, Director
 Florida Division of Emergency Management
 2555 Shumard Oak Boulevard
 Tallahassee, Florida 32399-2100

Attention: Mr. Miles Anderson

Reference: Hazard Mitigation Grant Program (HMGP) Project # 1785-43-R, City of Palatka, Oak Street and St. Johns Avenue, Drainage Improvements - Budget Increase and Period of Performance (POP) Extension Request

Dear Mr. Koon:

This is in response to your March 14, 2014, request for a budget modification and POP extension. Since, in accordance with 44 CFR 13.30, the request includes acceptable justification for the budget modification and the project remains feasible, cost effective and in compliance with all other eligibility criteria, this request is hereby approved.

Your request to extend the POP though April 30, 2015, to allow the subgrantee to complete the scope of work and closeout the project is also approved. In accordance with HMGP rules and policy, we will require the submittal of all closeout documentation within 90 days, no later than July 29, 2015.

This modification brings the total project cost to \$408,494 with a Federal Share of \$306,371. See table below for resulting funding amount:

	Total Project Cost	Federal Share (75%)	Local Match (25%)
Previous Obligation	\$ 284,372	\$ 213,279	\$ 71,093
Additional Funding	\$ 124,122	\$ 93,092	\$ 31,030
Total Project Cost	\$ 408,494	\$ 306,371	\$ 102,123

The obligation report is included for your records. The obligated funds are available for withdrawal from Smartlink on sub-account number 1785DRFLP00000005. If you have any questions, please contact Gabriela Vigo at (229) 225-4546.

Sincerely,

 Jacky Bell, Chief
 Hazard Mitigation Assistance Branch
 Mitigation Division

Enclosure

04/02/2014
11 21

FEDERAL EMERGENCY MANAGEMENT AGENCY
HAZARD MITIGATION GRANTS PROGRAM
Obligation Report w/ Signatures

Attachment Number: 3
HMGP-OB-02

Disaster No	FEMA Project No	Amendment No	State Application ID	Action No	Supplemental No	State	Grantee
1785	43-R	3	73	3	100	FL	Statewide

Subgrantee: Palatka Project Title : City of Palatka, Putnam County, Oak Street & Johns Ave, Drainage
Subgrantee FIPS Code: 107-53875

Total Amount Previously Allocated	Total Amount Previously Obligated	Total Amount Pending Obligation	Total Amount Available for New Obligation	Project Amount	Grantee Admin Est	Subgrantee Admin Est	Total Obligation	IFMIS Date	IFMIS Status	FY
\$308,371	\$308,371	\$0	\$0	\$93,092	\$0	\$0	\$93,092	04/02/2014	Accept	2014

Comments

Date: 04/02/2014 User Id: DVANDEW1

Comment: MA submits obligation to HMO for 1785-43R, City of Palatka, Oak St. and St. Johns Ave, Drainage project, for \$93,092 federal share Project budget amendment and POP extension. Cost increase still well under calculated and approved project benefits and justifiacal reasonable.

Date: 04/02/2014 User Id: DBURKETT

Comment: 1785-0043-R Apion: 73 Amendment 3 Action 3, City of Palatka, Oak Street and St. Johns Avenue: Drainage Approved budget amenc and POP extension. Allocation Nr. 55 \$93,092. not a spend plan disaster, approved for funding HMO

Authorization

Preparer Name: DAVID VANDEWATER

Preparation Date: 04/02/2014

HMO Authorization Name: DEBORAH BURKETT

HMO Authorization Date: 04/02/2014



Authorizing Official Signature

Chief, HMA Branch

Authorizing Official Title

4.3.14

Authorization Date

Authorizing Official Signature

Authorizing Official Title

Authorization Date

1785-43-R, Oak Street & Johns Avenue, Drainage Improvements

8/24/2010

Contract # 11HM-3E-04-64-02-015

Phase I & II - Budget Modification	
------------------------------------	--

		57.1028%	75.0%	25.0%
MOD		Total Project Costs	Federal Share	Local Share
	PHASE I			
1	Phase I – Fees: Eng, Modeling <i>Approved 8/24/10</i>	\$38,100.00	\$21,756.00	\$16,344.00
2	Phase I - Share Increase (57.1028% to 75%) <i>Approved 4-23-12</i>	\$0.00	\$6,819.00	(\$6,819.00)
	Phase I - Sub-Total	\$38,100.00	\$28,575.00	\$9,525.00
	PHASE II			
2	Phase II – Application Estimate (Allocated 8/24/10) <i>Approved 4-23-12</i>	\$172,240.00	\$98,354.00	\$73,886.00
2	Share Increase (57.1028% to 75%) <i>Approved 4-23-12</i>		\$30,826.00	(\$30,826.00)
2	Phase II - Updated Materials/Labor <i>Approved 4-23-12</i>	\$74,032.00	\$55,524.00	\$18,508.00
3	Materials/Labor Costs Increase <i>Approved 4-02-14</i>	\$124,122.00	\$93,092.00	\$31,030.00
	Phase II - Sub-Total	\$370,394.00	\$277,796.00	\$92,598.00
	Total Project Cost	\$408,494.00	\$306,371.00	\$102,123.00

Agenda Item

3f



CITY COMMISSION AGENDA ITEM

SUBJECT:

Adopt Resolution No. 2014-10-79 Awarding the bid to S.E. Cline Construction, Inc. in the amount of \$347,574.00 for FEMA 1785-43-R St. Johns Avenue & Oak Street drainage improvements project

SUMMARY:

The City of Palatka issued an Invitation to Bid for FEMA 1785-43-R St. Johns Avenue and Oak Street drainage improvements. On February 18, 2014 at 3:00 pm two(2) sealed competitive bids were received and the low bid was \$347,574 from S.E. Cline Construction, Inc. This project is funded through a FEMA Hazard Mitigation Grant (75% Federal /25% City cost share).

RECOMMENDED ACTION:

Adopt the resolution awarding the bid to S.E. Cline Construction, Inc. in the amount of \$347,574.00 for the St. Johns Avenue and Oak Street drainage improvements project.

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Bid Award Resolution Cline Construction	Resolution
<input type="checkbox"/> Bid Tabulation	Backup Material

REVIEWERS:

Department	Reviewer	Action	Date
Grants & Projects	Griffith, Jonathan	Approved	5/14/2014 - 12:52 PM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 3:41 PM
City Manager	Czymbor, Michael	Approved	5/14/2014 - 3:56 PM
Finance	Reynolds, Matt	Approved	5/14/2014 - 4:52 PM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 5:22 PM

RESOLUTION No.

**A RESOLUTION OF THE CITY OF PALATKA, FLORIDA,
AWARDING A BID TO S.E. CLINE CONSTRUCTION, INC IN THE
AMOUNT OF \$347,574.00 FOR THE ST. JOHNS AVENUE AND
OAK STREET DRAINAGE IMPROVEMENTS PROJECT**

WHEREAS, on October 14, 2010 the City of Palatka (the City) entered into and agreement with the State of Florida Division of Emergency Management for drainage improvements along St. Johns Avenue from the intersection of 18th Street to 16th Street then South along 16th Street to Oak Street and then East along Oak Street to the intersection of 15th Street (the Project); and

WHEREAS, on January 9, 2014 the City of Palatka (the City) advertised a request for bids for the Project, and

WHEREAS, on 2/18/2014 the City received and opened bids on at 3:00 PM and the apparent lowest and best bid was from S.E. Cline Construction, Inc. in the amount of \$347,574.00; and

WHEREAS, the City deems it reasonable and necessary to enter into a construction agreement with S.E. Cline Construction, Inc. for said Project.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Palatka, Florida:

1. That the Palatka City Commission awards the FEMA 1785-43-R St. Johns Avenue and Oak Street drainage improvements project to S.E. Cline Construction, Inc.
2. That the City Manager and City Clerk are hereby authorized to execute and attest the S.E. Cline Construction, Inc. Construction Agreement in an amount not to exceed \$347574.00 for St. Johns Avenue and Oak Street drainage improvements.
3. That the City Manager is hereby authorized to sign all contract and other documents as may be required in support of the Project, after review and approval by the City Attorney.

PASSED AND ADOPTED by the City Commission of the City of Palatka, Florida this 22nd day of May, 2014.

CITY OF PALATKA

By: Its MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM

AND CORRECTNESS:

CITY ATTORNEY

Date Feb. 18, 2014

City of Palatka
Bid Opening

Project Bid #14-001 - HMGP - Oak Street & St. Johns Avenue

Opened by: Betsy Duggan

Department Public Works - Engr Stone Engineering Group

Read by: Betsy Duggan

Bidder name	No Addenda	Base Bid Amount	Alternative Base Bid
1. <u>Art Walker Const. Lowell, FL</u>	<u>X</u>	<u>\$ 381,000.00</u>	<u>\$ 138,000.00</u>
2. <u>S.E. Cline Const. Palm Coast, FL</u>	<u>X</u>	<u>\$ 347,574.00</u>	<u>\$ 135,785.00</u>
3.		\$	\$
4.		\$	\$
5.		\$	\$
6.		\$	\$
7.		\$	\$

Witnesses: Michael A. Walker (Art Walker)

[Signature]
(S.E. Cline) (Reynold Peterson)

ORIGINAL

BID FORM

S.E. Cline Construction, Inc.
18 Utility Dr.
P.O. Box 354425
Palm Coast, FL 32137

PROJECT IDENTIFICATION: CITY OF PALATKA
HAZARD MITIGATION GRANT PROGRAM
OAK STREET AND ST. JOHNS AVENUE
BID NO.: 14 - 001

BID DEADLINE: **February 14, 2013 AT 3:00 p.m.**

THIS BID IS SUBMITTED TO: City of Palatka
201 North 2nd Street
Palatka, Florida 32177

- 1.01 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an agreement with Owner in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in this Bid and in accordance with the other terms and conditions of the Bidding Documents.
- 2.01 Bidder accepts all of the terms and conditions of the Advertisement or Invitation to Bid and Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. The Bid will remain subject to acceptance for 60 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of Owner.
- 3.01 In submitting this Bid, Bidder represents, as set forth in the Agreement, that:

A. Bidder has examined and carefully studied the Bidding Documents, the other related data identified in the Bidding Documents, and the following Addenda, receipt of all which is hereby acknowledged:

<u>Addendum No.</u>	<u>Addendum Date</u>
None	
_____	_____
_____	_____
_____	_____

- B. Bidder has visited the Site and become familiar with and is satisfied as to the general, local and Site conditions that may affect cost, progress, and performance of the Work.
- C. Bidder is familiar with and is satisfied as to all federal, state and local Laws and Regulations that may affect cost, progress and performance of the Work.
- D. Bidder has carefully studied all: (1) report of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) which have been identified in the Supplementary Conditions as provided in paragraph 4.02 of the General Condition, if any, which has been identified in the Supplementary Conditions as provided in paragraph 4.06 of the General Conditions.
- E. Bidder has obtained and carefully studied (or assumes responsibility for having done so) all additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface and Underground Facilities) at or contiguous to the Site which may affect costs, progress, or performance of the Work or which relate to any aspect

of the means, methods, techniques, sequences, and procedures of construction to be employed by

Bidder, including applying the specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents to be employed by Bidder, and safety precautions and programs incident thereto.

- F. Bidder does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price(s) bid and within the times and in accordance with the other terms and conditions of the Bidding Documents.
- G. Bidder is aware of the general nature of the work to be performed by Owner and others at the Site that relates to the Work as indicated in the Bidding Documents.
- H. Bidder has correlated the information known to Bidder, information and observations obtained from visits to the Site, reports and drawings identified in the Bidding Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Bidding Documents.
- I. Bidder has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and the written resolution thereof by Engineer is acceptable to Bidder.
- J. The Bidding Documents are generally sufficient to indicate and convey understating of all terms and conditions for the performance of the Work for which this Bid is submitted.
- K. All specific cash allowances are included in the prices(s) set forth above and have been computed in accordance with paragraph 11.02 of the General Conditions.
- L. Bidder agrees that City of Palatka has the right to award the base bid alone or the base bid plus additive alternate together to the lowest responsive bidder.
- M. Bidder agrees that the Work will be substantially complete within 150 calendar days after the date when the Contract Times commence to run as provided in paragraph 2.03 of the General Conditions, and completed and ready for final payment in accordance with paragraph 14.07.B of the General Conditions with 180 calendar days after the date when the Contract Times commence to run.

LUMP SUM
BASE BID ITEM:

**Drainage Structure and Piping Improvements at the Intersection of South 7th Street and Oak Street,
South 7th Street and St. Johns Avenue, South 8th Street and St. Johns Avenue and Construction of New
Drainage Piping along St. Johns Avenue between South 8th Street and South 7th Street**

\$ 347,574.00
Base Bid Price (Numerical)

Three hundred forty-seven thousand five hundred seventy-four and 00/100 Dollars
(Amount written or typed in words)

LUMP SUM
ADDITIVE ALTERNATE BID ITEM:

**Drainage Structure and Piping Improvements
along South 7th Street between Oak Street and Reid Street (S.R.100)**

\$ 135,785.00
Base Bid Price (Numerical)

One hundred thirty-five thousand seven hundred eighty-five and 00/100 Dollars
(Amount written or typed in words)

The following documents are attached to and made a condition of this Bid:

- A. Bid Bond
- B. Contact Sheet
- C. Florida Sworn Statement under F.S. SECTION 287.133(3)(A)
- D. Drug-Free Workplace Certificate
- E. E-Verify Statement
- F. Respondent's Certification
- G. Tabulation of Subcontractors & Suppliers
- H. Bidder's Qualification Statement
- I. Florida Trench Safety Act Certification
- J. Statement of Disputes, Litigation & Surety Completion

SUBMITTED on February 18th, 2014

State Contractor License No. CGC061947

Executed in 1 Counterpart

DAMAGES FORM

BID BOND

Any singular reference to Bidder, Surety, Owner, or other party shall be considered plural where applicable.

BIDDER (Name and Address):
S. E. Cline Construction, Inc.
18 Utility Drive
Palm Coast, FL 32137

SURETY (Name and Address of Principal Place of Business):
Fidelity and Deposit Company of Maryland
1400 American Lane, Tower I, 18th Flr
Schaumburg, IL 60196

OWNER (Name and Address):
City of Palatka
201 North 2nd Street
Palatka, FL 32177

BID
Bid Due Date: February 18, 2014
Project (Brief Description Including Location):
14-001, Hazard Mitigation Grant Program, Oak St. and St. Johns Ave.

BOND
Bond Number: N/A
Date (Not later than Bid due date): February 18, 2014
Penal Sum: Five Percent of Amount Bid

-----5%-----

(Words)

(Figures)

Surety and Bidder, intending to be legally bound hereby, subject to the terms printed on the reverse side hereof, do each cause this Bid Bond to be duly executed on its behalf by its authorized officer, agent, or representative.

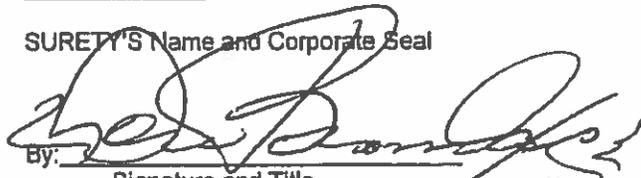
BIDDER

SURETY

S. E. Cline Construction, Inc. (Seal)
(Seal)
BIDDER'S Name and Corporate Seal

Fidelity and Deposit Company of Maryland
SURETY'S Name and Corporate Seal

By: 
Signature and Title

By: 
Signature and Title
(Attach Power of Attorney)
Don Bramlage, Attorney-In-Fact & FL Lic. Resident Agent

Attest: 
Signature and Title

Attest: 
Signature and Title Anita Navarra, Witness

Inquiries: 386-898-0507

Note: Above addresses are to be used for giving required notice.

**Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY**

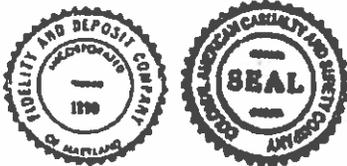
KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, and the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, corporations of the State of Maryland, by WILLIAM J. MILLS, Vice President, and ERIC D. BARNES, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint J. Gregory MACKENZIE, Leslie M. DONAHUE, Jeffrey W. REICH, Susan L. REICH, Patricia L. SLAUGHTER, Don BRAMLAGE, Teresa L. DURHAM, Gloria A. RICHARDS and Cheryl FOLEY, all of Maryland, Florida, EACH its true and lawful agent and Attorney-in-Fact, to make, execute (seal and deliver, for and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of J. Gregory MACKENZIE, Jeffrey W. REICH, Susan L. REICH, Patricia L. SLAUGHTER, Don BRAMLAGE, Teresa L. DURHAM, Gloria A. RICHARDS, Leslie M. DONAHUE, dated January 22, 2008.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seals of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, and the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, this 9th day of October, A.D. 2009.

ATTEST:

**FIDELITY AND DEPOSIT COMPANY OF MARYLAND
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY**



Eric D. Barnes

Eric D. Barnes Assistant Secretary

William J. Mills

By: William J. Mills Vice President

State of Maryland }
City of Baltimore } ss:

On this 9th day of October, A.D. 2009, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came WILLIAM J. MILLS, Vice President, and ERIC D. BARNES, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, and the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself deposeth and saith, that they are the said officers of the Companies aforesaid, and that the seals affixed to the preceding instrument is the Corporate Seals of said Companies, and that the said Corporate Seals and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Constance A. Dunn

Constance A. Dunn Notary Public
My Commission Expires: July 14, 2015



CONTACT SHEET

CITY OF PALATKA, FL

Name: S.E. Cline Construction, Inc.

-

Federal Taxpayer ID: 59-3370544

Mailing Address: P.O. Box 354425

City, State, & Zip Code: Palm Coast, FL 32137

Telephone: 386-446-6426 Fax: 386-446-6481

Cell Phone: _____

Email: paton@clineconstruction.net

Submitted By: Daniel Paton

Title: Vice President

Vendor Accepts Credit Cards*: Yes No (Please Circle)

Accounting Contact:

Name: Al Alcindor Title: Corporate Secretary

Email Address: alcindor@clineconstruction.net Phone: 386-446-6426

*See preferred method of payment under "Prompt Payment Act" section of the General Conditions



CITY OF PALATKA, FL

FLORIDA SWORN STATEMENT UNDER F.S. SECTION 287.133(3)(A), ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICER AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted with Bid, Qualifications, Proposal or Contract for _____
Oak St & St Johns Ave _____.
2. This sworn statement is submitted by (entity) S.E. Cline Construction, Inc. whose business address is 18 Utility Dr Palm Coast, FL 32137 and (if applicable) Federal Employer Identification Number (FEIN) is 59-3370544 (If a Sole Proprietor and you have no FEIN, include the last four (4) digits of your Social Security Number: _____.)
3. My name is Daniel Paton and my relationship to the entity named above is _____.
4. I understand that a "public entity crime" as defined in Paragraph 287.133(a)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including, but not limited to, any proposal or contract for goods or services to be provided to any public entity or any agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
5. I understand that "convicted" or "conviction" as defined in paragraph 287.133(a)(b), Florida Statutes, means finding of guilt or a conviction of a public entity crime with or without an adjudication of guilt, in any federal or state trial court of records relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.
6. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
 1. A predecessor or successor of a person convicted of a public entity crime; or

- 2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The City of Palatka, Florida ownership by one of shares constituting a controlling income among persons when not for fair interest in another person, or a pooling of equipment or income among persons when not for fair market value under a length agreement, shall be a prima facie case that one person controls another person. A person who was knowingly convicted of a public entity crime, in Florida during the preceding thirty six (36) months shall be considered an affiliate.
- 7. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of the state or of the United States with the legal power to enter into a binding contract for provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.
- 8. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. (Please indicate which statement applies)
 - Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, nor affiliate of the entity have been charged with and convicted of a public entity crime subsequent to July 1, 1989.
 - The entity submitting this sworn statement, or one or more of the officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. (Please attach a copy of the final order.)
 - The person or affiliate was placed on the convicted vendor list. There has been a subsequent proceeding before a hearing officer of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer determined that it was in public interest to remove the person or affiliate from the convicted vendor list. (Please attach a copy of the final order.)
 - The person or affiliate has not been placed on the convicted vendor list. (Please describe any action taken by, or pending with, the Department of General Services.)



 Signature Date: 2/18/14

STATE OF FLORIDA
 COUNTY OF Flagler

PERSONALLY APPEARED BEFORE ME, the undersigned authority, who after first being sworn by me, affixed his/her signature at the space provided above on this 18 day of February 2014, and is personally known to me, or has provided _____ as identification.



 Sarah Braser
 Notary Public, State of Florida
 My Comm. Expires Jul 10, 2015
 Commission expires: 7/10/15
 Banded through National Notary Assn



DRUG-FREE WORKPLACE CERTIFICATION

The below-signed Proposer certifies that it has implemented a drug-free workplace program. In order to have a drug-free workplace, a business shall:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violation of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or services a copy of the statement specified in paragraph 1.
4. In the statement in paragraph 1., notify the employees that, as a condition of working on the commodities or contractual services that are under proposal, the employee understands the terms of the statement and will notify the employer of any conviction of, or plea of nolo contendere to, any violation occurring in the workplace no later than five (5) working days after such conviction.
5. Impose a sanction on, or require fine satisfactory participation in drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign this statement, I Certify that this firm complies fully with the above drug-free workplace requirements.

COMPANY: S.E. Cline Construction, Inc.

CITY: Palm Coast STATE: FL ZIP CODE: 32164

TELEPHONE NUMBER(S): 386-446-6426

CELL PHONE: _____ EMAIL: paton@clineconstruction.net

SIGNATURE: _____

NAME (TYPED OR PRINTED): Daniel Paton TITLE: VP



E-VERIFY STATEMENT

Bid/Proposal/RFQ Number: 14-001

Project Description: Drainage Improvements

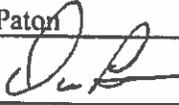
Vendor/Consultant acknowledges and agrees to the following:

Vendor/Consultant shall utilize the U.S. Department of Homeland Security's E-Verify system, in accordance with the terms governing use of the system, to confirm the employment eligibility of:

1. All persons employed by the Vendor/Consultant during the term of the Contract to perform employment duties within Florida; and
2. All persons, including subcontractors, assigned by the Vendor/Consultant to perform work pursuant to the contract with the Department.

Company/Firm: S.E. Cline Construction, Inc.

Contact Name (Print): Daniel Paton

Authorized Signature: 

Title: VP

Date: 2/18/14



RESPONDENT'S CERTIFICATION

I have carefully examined the Oak St & St Johns Ave, the other related documents identified in the request.

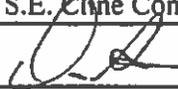
1. I hereby propose to furnish the goods or services specified in the proposal and statement of qualifications. I agree that my proposal will remain firm for a period of 365 days in order to allow the City adequate time to evaluate the qualifications.
2. I certify that all information contained in this proposal and statement of qualifications is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this qualification on behalf of the firm as its act and deed and that the firm is ready, willing and able to perform if awarded the contract.
3. The applicant certifies to the best of his/her knowledge and belief, that his/her principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;
 - b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, Local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or falsification or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, Local) with commission of any of the offenses enumerated in paragraph 1.b of this certification; and
 - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, Local) terminated for cause or default.
4. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall submit an explanation to the City of Palatka, City Manager.

TABULATION OF SUBCONTRACTORS & SUPPLIERS

The undersigned states that the following is a full and complete list of the proposed subcontractors and suppliers on this Project and the class of work to be performed by each, and that such list will not be added to nor altered without written consent to the Owner through the Engineer.

<u>SUBCONTRACTOR OR SUPPLIER AND ADDRESS</u>	<u>CLASS OR WORK OR MATERIAL</u>
1. <u>Standard Precast</u> <u>12300 Presidents Ct Jaxsonville, FL 32236</u>	<u>Precast Structures</u>
2. <u>CTS Paving</u> <u>700 Bennett Rd. Pierson, FL 32180</u>	<u>Asphalt</u>
3. <u>Stirling Electric</u> <u>899 Hibiscus Ave. Bunnell, FL 32110</u>	<u>Electrical</u>
4. <u>Greco's Concrete, Inc</u> <u>1160 Still Rd. Pierson, FL 32180</u>	<u>Concrete</u>
5. <u>Rinker Materials</u> <u>350 W Granada Blvd. Ormond Beach, FL 32174</u>	<u>Concrete Pipe</u>
6. _____ _____	_____
7. _____ _____	_____

BIDDER: S.E. Cline Construction, Inc.

BY: 

Name: Daniel Paton

Title: Vice President

Date: 2/18/14

STATEMENT OF BIDDERS QUALIFICATIONS

To: City of Palatka Project: Oak St & St Johns Ave

Date: 2/18/14

The following experience record, as of date shown, shall be submitted to the Owner with the Bid Form. All questions shall be answered fully. Bidders who have qualified to bid on other projects for this Owner within the last 12 months need not resubmit this form unless specifically requested by the Owner. The contents of this form will be considered confidential to the extent allowed by applicable laws and regulations.

Name of Bidder: S.E. Cline Construction, Inc.

Business Address: 18 Utility Dr
Palm Coast, FL 32137
City State Zip Code

1. Number of years in business as a Contractor under the present:
Business Name S.E. Cline Construction, Inc.
As Principal Contractor 18 As a Sub-Contractor 18
2. Class of work you are equipped to perform: Drainage, Flexible Paving, Grading, Minor Bridges
3. Class of work you usually sublet: Concrete
4. Have any members of your concern ever operated under any other business name? No
If so, give details: _____
5. Have you ever failed to qualify as a responsible bidder? No. If so, give details:

6. Have you ever refused to enter into a contract after the award is made to you? No
If so, give details: _____
7. Have you ever failed to complete any work? No. If so, give details:

8. Has any surety or financial institution ever experienced loss on your concern? No
If so, give details: _____

9. Give name and address of Owner, type of work, and the contract amount of at least three projects completed in the last three years:

	(1)	(2)	(3)
Name:	<u>St. Johns County BOCC</u>	<u>Flagler County BOCC</u>	<u>WPC Industrial Contractors</u>
Address:	<u>500 San Sebastian Way St Aug</u>	<u>1769 E Moody Blvd Bunnell</u>	<u>11651 Philips Highway Jacksonville</u>
Type of Work:	<u>Underground Utilities/Sitework</u>	<u>Underground Utilities/Sitework</u>	<u>Underground Utilities/Sitework</u>
Contract Amt:	<u>\$ 512,680.00</u>	<u>\$ 1,142,136.72</u>	<u>\$ 574,619.00</u>

10. Give name and address of Owner, type of work, and contract amount of projects now in process of construction:

	<u>Name</u>	<u>Address</u>	<u>Type of Work</u>	<u>Contract Amount</u>
A.	<u>St Johns County BOCC</u>	<u>500 San Sebastian View</u>	<u>Underground Utilities</u>	<u>\$2,156,154.53</u>
B.	<u>ML Carter Development</u>	<u>3333 S. Orange Ave</u>	<u>Sitework/Underground</u>	<u>\$400,510.73</u>
C.	<u>Flagler County BOCC</u>	<u>1769 E Moody Blvd</u>	<u>Sitework/Sidewalks</u>	<u>\$1,142,136.55</u>
D.	<u>H.J.High Construction</u>	<u>1015 West Amelia Street</u>	<u>Sitework/Underground</u>	<u>\$ 694,729.85</u>
E.	<u>Brookhaven, Inc.</u>	<u>CPG Construction, LLLP</u>	<u>Sitework/Underground</u>	<u>\$ 474,057.70</u>

11. Indicate your experience in the construction of work similar to this project (if not demonstrated by Questions 9 and 10, above):

N/A

12. Give construction experience of principal individuals of your organization:

	<u>Name</u>	<u>Position</u>	<u>Years of Experience</u>	<u>Size and Type of Work</u>
A.	<u>Scott Sowers</u>	<u>President</u>	<u>20+</u>	<u>Large Commercial /Residential</u>
B.	<u>Daniel Paton</u>	<u>Vice President</u>	<u>30+</u>	<u>Large Commercial /Residential</u>
C.	<u>Charles Cameron</u>	<u>Vice President</u>	<u>30+</u>	<u>Large Commercial /Residential</u>
D.	<u>Cyriacus Alcindor</u>	<u>Corp Secretary/Treasurer</u>	<u>10+</u>	<u>Large Commercial /Residential</u>
E.	<u></u>	<u></u>	<u></u>	<u></u>

13. Are there any judgments, suits, or claims pending against you? No If so, give details:

14. Does your organization operate as a corporation, partnership, or individual? Corporation

A. If a corporation, when incorporated: March 18, 1996

In which state incorporated: Florida

List name, title, and address of all officers:

	<u>Name</u>	<u>Title</u>	<u>Address</u>
(1)	<u>Scott Sowers</u>	<u>President</u>	<u>1093 CR 13 Bunnell, FL</u>
(2)	<u>Daniel Paton</u>	<u>Vice President</u>	<u>398 Trade Wind Lane St Aug, FL</u>
(3)	<u>Charles Cameron</u>	<u>Vice President</u>	<u>25 Westmayer Pl Flagler, FL</u>
(4)	<u>Cyriacus Alcindor</u>	<u>Corp Sec/Treasurer</u>	<u>14 Kabash Palm Coast, FL</u>
(5)	_____	_____	_____

B. If a partnership, date of organization: _____

C. General, Limited, or Associated: _____

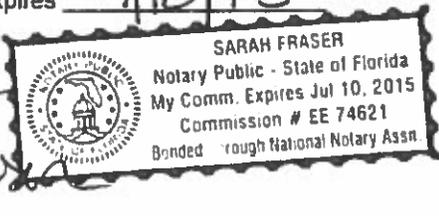
List name, address, and proportional interest of parties:

	<u>Name</u>	<u>Address</u>	<u>Proportional Interest</u>
(1)	_____	_____	_____
(2)	_____	_____	_____
(3)	_____	_____	_____
(4)	_____	_____	_____
(5)	_____	_____	_____

- 15 If requested prior to award of contract, provide to the Owner an accurate, up-to-date, condensed financial statement on a separate sheet attached to these qualification of the individual co-partnership, or corporation.

The undersigned hereby declares and certifies that the foregoing is a true statement of the experience and condition of the organization, therein first given and that any agency or individual herein named authorized to supply any information as may be deemed necessary to verify this statement.

Signed *[Signature]*
 Title V.P.
 Subscribed and sworn to before me this 18
 day of February, 2014
Flagler County, FL
 My Commission expires 7/10/15

Sarah Fraser


FLORIDA TRENCH SAFETY ACT CERTIFICATION

Bidder acknowledges that included in the various items of the proposal and in the Total Bid Price are costs for complying with the Florida Trench Safety Act (90-98, Laws of Florida), Latest Edition. The Bidder further identifies the costs to be summarized below:

	<u>Cost</u>
1. Trench Safety Act Compliance	\$ <u>1,000.00</u>
2. Special Shoring	\$ <u>0.00</u>

Identify method of compliance for Item #1: Training

Identify or attach a copy of Special Shoring requirements for Item #2: N/A

The undersigned certifies that he/she is the Contractor who will perform the trench excavation for this project, and hereby gives written assurance that Contractor will comply with the applicable trench safety standards specifically set forth in Florida's Trench Safety Act, Laws of Florida, 90-98.

BIDDER: S.E. Cline Construction, Inc.

By: [Signature]

Name: Daniel Paton

Title: Vice President

Sworn to and subscribed before me this 18 day of February, 2014.

Notary Public

My Commission Expires: 7/10/15



Attachment H

**Certification Regarding Debarment,
Suspension, Ineligibility And
Voluntary Exclusion**

Contractor Covered Transactions

- (1) The prospective contractor of the Recipient, Daniel Paton, certifies, by submission of this document, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the Recipient's contractor is unable to certify to the above statement, the prospective contractor shall attach an explanation to this form.

CONTRACTOR:

S.E. Cline Construction, Inc.

By: 
Signature

Daniel Paton Vice President
Name and Title

18 Utility Dr
Street Address

Palm Coast, FL 32137
City, State, Zip

2/18/14
Date

CITY OF PALATKA
Recipient's Name

Division Contract Number

**BIDDER'S STATEMENT OF DISPUTES, LITIGATION, ARBITRATION, AND SURETY COMPLETION
LAST THREE (3) YEARS**

<u>PROJECT</u>	<u>NAME AND ADDRESS OF OWNER OR ENGINEER</u>	<u>NAME AND PHONE NUMBER OF OWNER OR ENGINEER REPRESENTATIVE</u>	<u>DATE OF CONTRACT</u>	<u>AMOUNT</u>	<u>STATUS</u>
----------------	--	--	-----------------------------	---------------	---------------

N/A

(Signed)



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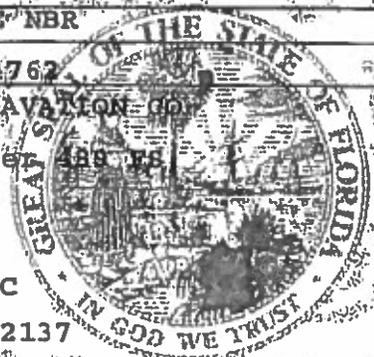
STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
CONSTRUCTION INDUSTRY LICENSING BOARD

SEQ# L12060601597

DATE	BATCH NUMBER	LICENSE NBR
06/06/2012	110415564	CUC1224762

The UNDERGROUND UTILITY & EXCAVATION CO
Named below IS CERTIFIED
Under the provisions of Chapter 489 FS
Expiration date: AUG 31, 2014



SAMPSELLE JACKSON BOMMER
S B CLINE CONSTRUCTION INC
18 UTILITY DRIVE
PALM COAST FL 32137

RICK SCOTT
GOVERNOR

KEN LAWSON
SECRETARY

DISPLAY AS REQUIRED BY LAW

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AC# 6154477

STATE OF FLORIDA

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
CONSTRUCTION INDUSTRY LICENSING BOARD

SEQ# L12060601399

DATE	BATCH NUMBER	LICENSE NBR
06/06/2012	110415567	CGC061947

The GENERAL CONTRACTOR
Named below IS CERTIFIED
Under the provisions of Chapter 489 FS
Expiration date: AUG 31, 2014



SOWERS, SCOTT DALE
S B CLINE CONSTRUCTION INC
18 UTILITY DRIVE
PALM COAST FL 32137

RICK SCOTT
GOVERNOR

KEN LAWSON
SECRETARY

DISPLAY AS REQUIRED BY LAW

Agenda Item

3g



CITY COMMISSION AGENDA ITEM

SUBJECT:

Grant permission to exceed allowable noise levels and waive the Class B Application Deadline for Special Events Permit No. 14-34 - Arts Council of Greater Palatka Summer Concert Series, June 7, 2014; June 14, 2014; July 4, 2014; August 9, 2014 from 5:00 a.m. - 9:30 a.m. - Arts Council of Greater Palatka/Denise Aiken, Applicant

SUMMARY:

Denise Aiken has made application for the June 7, 2014; June 14, 2014; July 4, 2014 August 9, 2014 Summer Concert Series event. Although Class B special events can be approved by the Special Events Coordinator, this application contains special request items that must go before the City Commission for approval.

RECOMMENDED ACTION:

Grant an exception from the Class B special events deadline and grant permission to exceed allowable noise levels during the 2014 Arts Council Summer Concert Series, June 7, June 14, July 4 and August 9, 2014.

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Special Events Permit No. 14-34	Backup Material

REVIEWERS:

Department	Reviewer	Action	Date
Special Events	Crowe, Thad	Approved	5/14/2014 - 9:57 AM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 3:37 PM
City Manager	Czymbor, Michael	Approved	5/14/2014 - 3:55 PM
Finance	Reynolds, Matt	Approved	5/14/2014 - 4:52 PM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 5:22 PM

APPLICATION # 14-34

(circle one below)

- CLASS A PERMIT - Filing Deadline: 60 days prior to event
- CLASS B PERMIT - Filing Deadline: 60 days prior to event
- CLASS C PERMIT - Filing Deadline: 30 days prior to event

**CITY OF PALATKA
APPLICATION FOR USE OF PARKS, RECREATIONAL AREAS,
RIVERFRONT PARK AND OTHER AREAS WITHIN THE CITY LIMITS**

1. NAME AND ADDRESS OF APPLICANT/ORGANIZER

- a. Arts Council of Greater Palatka 216 Reid St. Palatka FL Physical not mailing
- b. CONTACT PERSON Denise Aiken TELEPHONE 328-8998
- c. P.O. Box 936 Palatka, FL32178 FAX # _____

2. NAME AND ADDRESS OF PERSON, CORPORATION OR ASSOCIATION SPONSORING THE ACTIVITY, IF DIFFERENT FROM ABOVE

- a. CONTACT PERSON _____ TELEPHONE _____
- b. _____ FAX # _____

3. DESCRIPTION AND/OR NAME OF PROPOSED ACTIVITY Concert Series

4. _____

5. DATE & HOURS OF DESIRED USE: varied dates and times throughout the series

6. PORTION FOR WHICH PERMISSION IS DESIRED (City Dock, Amphitheater, Gazebo, etc.)
City Amphitheater

7. ROAD CLOSURES: no

8. REQUEST FOR NOISE VARIANCE(Dates and Times): no

9. REQUEST FOR ALCOHOL VARIANCE(Dates,Times,Location): no

10. ESTIMATE OF ANTICIPATED ATTENDANCE varies per concert

11. NUMBER AND TYPE OF AUXILIARY VEHICLES/EQUIPMENT band members and their instruments

12. ARTICLE IV SPECIAL EVENT ORDINANCE: FEES

- a. CLASS A: \$300.00- 1,001 to 80,000 in attendance per day
- b. CLASS B: \$100.00 per day Up to 1,000 persons per day
- c. CLASS C: \$50.00 per day (Limited impact on traffic, parking etc.) Events such as Weddings, Fishing tournaments with less than 40 boats. Etc.
- d. Any private entity/business(es) who are holding a function on private property that impacts neighboring businesses/residents within the City limits and, impacts City services will be assessed a fee amount accordingly. (7% Sales Tax)

13. OTHER COSTS : Fees will be determined at the pre-assessment meeting with the organizers and the City Department Heads.

14. Arrangements for police services are **REQUIRED** for fishing tournaments with 70 boats or more. Fishing Tournaments and other large event organizers are required to arrange for auxiliary vehicle/trailer parking per accompanying guidelines.

IMPORTANT INFORMATION

THIS FORM IS INTENDED FOR RESERVATION PURPOSES ONLY AND DOES NOT CONSTITUTE PERMISSION FOR USES DISALLOWED UNDER PALATKA'S MUNICIPAL CODE. PERMISSION GRANTED FOR USE OF PUBLIC PROPERTY COVERS MUNICIPAL PARK AREAS AND OTHER AREAS WITHIN THE CITY LIMITS. IT DOES NOT INCLUDE PERMISSION TO CLOSE PUBLIC STREETS OR HINDER PRIVATE PROPERTY. Organizers are required to contact the City of Palatka Building & Zoning Department office at 386-329-0103 for pre-planning purposes. ORGANIZERS/APPLICANTS WILL BE NOTIFIED WITHIN 30 DAYS OF ANY COMMENTS THEY MAY HAVE PERTAINING TO THIS EVENT'S ANTICIPATED IMPACT WITHIN THE CITY LIMITS. Acceptance of your application should in no way be construed as final approval or confirmation of your request.

Sec. 50-145. Any person or organization granted permission shall be bound by all park/city rules and regulations and all applicable ordinances as fully as though the same were inserted in this document, except for such rules and regulations as may be waived by such document or the City Commission.

Sec. 50-146. The person or persons to whom permission for use of city property is issued shall be liable for any loss, damage or injury sustained by any person whatsoever by reason of the negligence of the person or persons to whom such permission shall have been issued. Event liability insurance, naming the City of Palatka as an additional insured, is required prior to public events. Event liability insurance naming the City of Palatka as an additional insured is also required if a private event is taking place that will impact the City and the use of City Services.

The applicant(s) agrees to hold harmless and indemnify the City of Palatka, its officers, agents and employees against any loss, damage or expense (including all costs and reasonable attorney's fees) suffered by the City of Palatka for:

- 1.) Any breach of the terms of the permit or any inaccuracy in or breach of any representation, warranty or covenant made by the applicant(s) to the City of Palatka as an inducement to the granting of the permit.
- 2.) Any claims, suits, actions, damages or cause of actions for any personal injury, loss of life or damages to personal or real property sustained by reason of, result of, or by presence of the applicant(s) on public property by applicant's agents, employees, invitees and/or any other persons.

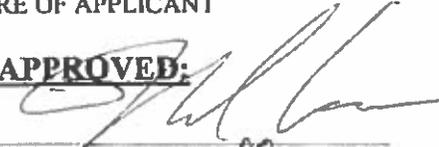
ARTICLE V NOISE CONTROL Sec. 30-101 – 30-109: Permission for use of city property does not grant an automatic exemption to exceed maximum allowable noise levels. Complaints of adverse effects upon the community or surrounding neighborhood may result in revoking permission for use of City property for this activity.

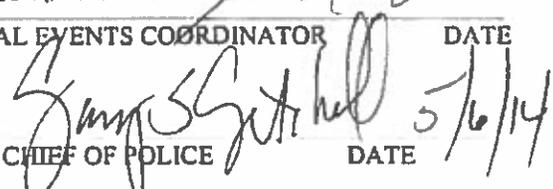
10. CERTIFICATION: I HAVE READ AND UNDERSTAND THE ABOVE CONDITIONS UNDER WHICH THE CITY OF PALATKA HAS GRANTED PERMISSION FOR USE OF THE AREA DEFINED ON PAGE ONE OF THIS APPLICATION FOR THE PURPOSE STATED HEREIN, AND AGREE TO BE BOUND BY SAME.

3/25/14
DATE

Denise Aiken
SIGNATURE OF APPLICANT

APPROVED:

Denise Aiken 
SPECIAL EVENTS COORDINATOR DATE

James S. Gutchell 
CHIEF OF POLICE DATE 5/6/14

RETURN TO:
THAD CROWE
SPECIAL EVENTS COORDINATOR
205 N. 2nd Street
Palatka, FL 32177

(FOR ADDITIONAL INFORMATION PLEASE CALL THE BUILDING & ZONING OFFICE AT 386-329-0103.)

Agenda Item

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CITY COMMISSION AGENDA ITEM

SUBJECT:

BUDGET SUMMARY REPORT - F/Y 2013-2014 through April 30 - Matt Reynolds, Finance Director

SUMMARY:

October 2013-April 2014

Overall:

This budget report covers the months of October 2013 through April 2014 which is seven months of the fiscal year (58.33%). We will continue to present a timely budget report to the commission in the future in order to keep the City Commission informed as to the status of the revenues and expenditures of the City.

General Fund:

Revenues (page 1)

Revenue Sources above 58.33%:

Total Property Taxes were at 96.06% primarily due to the timing of the receipts of property taxes. Property taxes are disbursed by the Putnam County Tax Collector beginning in November and continuing through June, however the vast majority of property taxes are received by the end of February. This causes a spike in the property taxes line early in the year which will level out as the year progresses.

Local option taxes are comprised of gas and fuel taxes, discretionary sales surtax and fire and police state premium money that are contributed to the police and fire pension funds. The total percent was 47.25%, however since the fire and police premium disbursements are not received until August or September, a more accurate percentage for the Local option taxes group would be 60.75%.

Communication Service Taxes were at 66.81% due to higher than anticipated monthly distributions beginning in December and continuing through April.

Franchise fees were at 59.88% due to the semi-annual payment of franchise fees in November by Clay Electric as well as FPL monthly disbursements exceeding anticipations. Miscellaneous Revenues were almost right on target at 58.37%. Transfers In were at 63.49% due to the annual contribution of \$300,000 being made in monthly installments of \$50,000. This began in January and will continue through June.

Shared Revenues for Local Units were at 83.02% due to the annual disbursement of \$5,000 for payment in lieu of taxes for the Crestwood Nursing Home property on Palm Ave being received. The other revenue line under this section is the shared revenues from county occupational business tax receipts and it was at 50.37% which is below budget for this period. The total budget for this section of revenues equals \$7,600, however we will continue to monitor these revenue lines as the year progresses.

Revenue Sources below 58.33%:

Utility Service Taxes were just below budget at 56.06% primarily due to utility taxes from gas sales being at 44.20%. This line appears to be trending well below budget and will continue to do so for the remainder of the fiscal year. It appears that this line will be approximately \$28,500 below budget for the year. We will continue to monitor this revenue line as the year progresses.

Licenses and Permits were at 43.53% primarily due to occupational business tax receipts being at 27.84%. This is due to the fact that the majority of the occupational business tax renewals are performed in August and September. Building permits and building and zoning revenues were slightly below budget as well. We will continue to monitor this revenue line as the year progresses.

State and Federal grants were well below budget at 45.29%, however since grant revenues received are based upon actual expenditures for grant projects, this line being below budget does not adversely affect the operations of the General Fund.

State Shared revenues were slightly below budget at 56.98%. This was primarily due to sales tax revenue being at 55.63%. The budget for sales tax revenue was based upon the estimates given by the Office of Economic and Demographic Research at the State of Florida. We will continue to monitor this revenue line as the year progresses.

Grants from Local Units were at 0.00% due to the only revenue line under this section being HIDTA, which is a type of Police Overtime reimbursement with a total budget of only \$6,547. We will continue to monitor this revenue line as the year progresses.

Charges for Services were at 48.57% due to Cemetery Services and Cemetery Vault sales being well below budget at 31.96% and 33.33%, respectively. Other large revenue streams that were under budget in this section were Police Department Administrative Tow Fees (50.55%), Fire Inspection Fees (45.73%) and Price Martin Community Center Rental fees (36.43%). The net effect of all of these revenues being under budget was \$27,583 for the seven month period. If this trend continues, the net effect for the year could be \$42,156, however we will continue to monitor these revenue lines as the year progresses.

Fines and Forfeits were at 38.07% which is 20.26% under budget. This was primarily due to Red Light Camera Fines being well below budget at 35.33%. This revenue stream will continue to be monitored and adjustments will be made if needed. Any adjustments to the revenue will not adversely affect the operations of the General Fund since all of the proceeds are budgeted as reserves. Other substantial revenue lines that were under budget in this section were False Alarm Fines (51.18%). We will continue to monitor these revenue lines as the year progresses and will make adjustments as needed.

Reimbursements were slightly below budget at 56.72% due to the annual reimbursement for costs associated to operating the three pension funds having not been made yet.

Debt Proceeds were 0.00% due to the purchase of police vehicles in FY2014 not occurring until later this fiscal year.

As previously stated, we will continue to monitor all revenue lines as the year progresses and will propose any budget amendments to the City Commission as needed.

Expenditures (page 2): The departments that were over the 58.33% mark included the City Commission (59.96%), City Manager's Office (58.71%), City Clerk's Office (63.32%), Finance Department (62.91%), Cemetery (67.90%) and Bronson House (83.33%). The City Commission, City Manager's Office, City Clerk's Office and Finance departments were budgeted separately this year. In the past, the expenses for all of the departments located at City Hall were combined under a single budget. Due to the fact that this was the first year this has been attempted, it was expected that several budget lines under each department may need adjustment. We will be adjusting these lines appropriately to accommodate for necessary expenses. Cemetery was over budget due to two part time employees being hired at the Cemetery. Bronson House was over budget due to Building Maintenance expenditures being over budget. All other departments within the General Fund were under the 58.33% mark.

Airport Fund:

Revenues (page 5): Total operating revenues were at 50.24%. This was primarily due 100 Low Lead fuel Sales being 42.31%. Other operating revenues below the 58.33% mark were Vending (42.34%), Aviation Lubricants (57.45%), Hangar Rentals (50.73%), Land Lease (41.67%) and Building Rentals (31.97%). The net effect of all of these revenues being under budget was -\$74,658. If this trend continues, the net effect for the year could be -\$128,038. However, expenditures related to 100 Low Lead fuel will be well under budget as well which would offset a portion of the negative revenues. We will continue to monitor these revenue lines as the year progresses.

Other Revenues were also below budget at 13.32% due to the revenues from the sale of surplus materials (millings, lime rock and clean fill sand) not coming in as expected. We are anticipating to receive approximately \$60,000 for the sale of lime rock and millings (currently \$5,000 budgeted) and an unknown amount for the sale of sand (currently \$25,000 budgeted). We are confident that the actual amount of revenues collected for this section will exceed the budgeted amount for the fiscal year.

Grants were also well below budget at .08%, however since the revenues are based upon the expenditures for grant projects this line being below budget does not adversely affect the operations of the Airport.

As with the General Fund, we will continue to monitor all revenue sources and prepare budget amendments throughout the year to ensure that the budgeted amounts are as accurate as possible.

Expenditures (page 6): Personnel services exceeded the 58.33% mark due to part time personnel being utilized slightly more than what was anticipated during the budget process. Operating expenses were well below 58.33% due to the purchase of fuel for resale being below budget. The total budgeted amount for the purchase of fuel is \$550,000 for the fiscal year, however if the current trend continues the total amount of fuel purchased is anticipated to be \$490,267, which results in a savings of \$59,733 and will partially offset the negative revenue of \$128,038.

Personnel, operating and debt service expenditures exceeded operating and other revenues through April by \$4,083.23.

Water Fund:

Revenues (page 9): Charges for service were at 55.74%, which is \$116,249 below budget primarily due to water and sewer impact fees being well below budget as anticipated construction along the riverfront has not taken place yet. Water and Sewer Sales were both below budget as well at 56.59% and 57.77%, respectively. If these revenues continue the current trend, the Charges for Services section (not including impact fees) will be approximately \$91,700 under budget. Grants were well above budget at 1,066.39% due to the receipt of \$151,138 in additional revenue from SJRWMD in regards to the Reuse Grant that was not anticipated. This additional revenue will help to offset the deficit in revenues.

Other Revenues were under budget at 57.82% due to the Communication Tower Lease line. This is due to the payment structure of two of the companies that lease space on the tower. This revenue line should level out as the year progresses.

Expenditures (page 10): Operating expenses for the water & sewer administration department were at 66.82% due to accounting and auditing fees as well as credit card fees, postage and freight, liability insurance and equipment maintenance all being above the 58.33% mark. All other expenses were under the 58.33% mark.

Revenues exceeded expenditures by \$453,416.

Golf Course Fund:

Revenues (page 11): Operating revenues for the golf course were ahead of budget at 69.11%. Other revenues were well below budget at .61% due to lease and utility reimbursement from Corky Bell's not occurring since the grant project has not taken place yet. Transfers In were slightly below budget at 57.95% due to a \$1,000 electricity reimbursement from the Water Fund for running the irrigation system to pump re-use water while the re-use line at St. Johns Ave and Highway 19 is disabled. We are continuing to monitor the revenues at the Golf Course very closely and will be adjusting the budgeted amounts as needed throughout the year to ensure that we present the Commission with the most accurate information available.

Expenditures (page 12): Operating expenses for both the course maintenance and club house departments exceeded the 58.33% mark and were at 63.13% and 72.59%, respectively. As previously stated, we are closely monitoring the Golf Course Fund and will be making adjustments as needed.

Expenditures exceeded revenues by \$32,830.

Sanitation Fund:

Revenues (page 13): Charges for service were .51% above the 58.33% mark.

Expenditures (page 14): Total expenditures for the sanitation fund were below the 58.33% mark.

Revenues exceeded expenditures by \$204,559.79.

TIF Fund:

Revenues (page 7): Revenues were well above the 58.33% mark due to the County's entire share of the annual property taxes being received in December. A portion of the City's share will be transferred every month throughout the fiscal year until the total amount of the City's share has been transferred. Due to the County increasing their millage rate this year, additional revenues for all three TIF funds of 3.77% more than what was anticipated during the budget process have been realized (\$4,700.02 for Downtown, \$1,460.58 for South Historic and \$752.15 for North Historic).

Expenditures (page 8): The total expenses for the Downtown, North and South Historic Districts were all under the 58.33% mark.

CDBG Fund:

Revenues (page 15): Other revenues were at 179.17% due to interest on the two CDBG bank accounts being ahead of budget.

Expenditures (page 16): Total expenditures were at 0.00% as there are no budgeted expenses for this fiscal year.

Better Place Fund:

Revenues (page 3): Local Option Taxes were slightly above budget at 58.42%.

Expenditures (page 4): Debt Service was over budget at 139.30% due to the majority of the total annual debt service payments being made along with the \$163,000 of sale proceeds from the Frank George property being paid to the bank as well. The budget will be adjusted for this section so that it will accurately reflect the total amount of expenditures for the year.

RECOMMENDED ACTION:
No action requested.

ATTACHMENTS:

Description	Type
D Budget Summary Report	Backup Material

REVIEWERS:

Department	Reviewer	Action	Date
Finance	Reynolds, Matt	Approved	5/14/2014 - 5:08 PM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 5:23 PM
City Manager	Cymbor, Michael	Approved	5/15/2014 - 7:58 AM
Finance	Reynolds, Matt	Approved	5/15/2014 - 8:29 AM
City Clerk	Driggers, Betsy	Approved	5/15/2014 - 1:59 PM

City of Palatka

GENERAL FUND REVENUES
BUDGET SUMMARY
58.33 % Yr Complete

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 REV YTD	2014 BUDGET	YTD REVENUES	UNCOLLECTED	PERCENT COLLECTED
	TOTAL PROPERTY TAXES	3,189,697	2,946,683.14	3,023,181	2,904,102.98	119,078.02	96.06%
	TOTAL LOCAL OPTION TAXES	1,292,063	633,094.81	552,082	260,846.32	291,235.68	47.25%
	TOTAL UTILITY SERVICE TAXES	841,724	527,170.14	1,027,844	576,256.79	451,587.21	56.06%
	TOTAL COMMUNICATION SERV TAXES	108,716	88,693.63	102,000	68,146.98	33,853.02	66.81%
	TOTAL LICENSES/PERMITS	185,422	59,371.77	229,000	99,680.00	129,320.00	43.53%
	TOTAL FRANCHISE FEES	611,541	581,955.09	778,262	466,046.33	312,215.67	59.88%
	TOTAL STATE/FEDERAL GRANTS	388,652	229,444.00	224,280	101,572.02	122,707.98	45.29%
	TOTAL STATE SHARED REVENUES	826,388	458,845.61	820,409	467,445.38	352,963.62	56.98%
	TOTAL GRANTS FRCH LOCAL UNITS	6,547	2,239.97	6,547	0.00	6,547.00	0.00%
	TOTAL SHARED REV LOCAL UNITS	28,500	1,573.25	7,600	6,309.69	1,290.31	83.02%
	TOTAL CHARGES FOR SERVICES	224,850	108,285.48	251,799	122,291.32	129,507.68	48.57%
	TOTAL FINES & FORFEITS	379,521	154,407.58	1,353,236	515,208.11	838,027.89	38.07%
	TOTAL MISCELLANEOUS REVENUES	235,088	105,070.59	254,529	148,558.23	105,970.77	58.37%
	TOTAL TRANSFERS IN	830,099	698,848.88	315,000	200,000.00	115,000.00	63.49%
	TOTAL REIMBURSEMENTS	379,787	222,181.00	381,080	216,147.21	164,932.79	56.72%
	TOTAL DEBT PROCEEDS	97,686	23,333.35	520,700	0.00	520,700.00	0.00%
	TOTAL OPERATING REVENUES	9,826,281	6,841,198.29	9,847,549	6,152,611.36	3,694,937.64	62.48%
	TOTAL CASH BALANCE FORWARD	1,117,429	0.00	997,883	0.00	997,883.00	0.00%
	TOTAL REVENUES	10,943,710	6,841,198.29	10,845,432	6,152,611.36	4,692,820.64	56.73%

City of Palatka

GENERAL FUND EXPENDITURES
BUDGET SUMMARY
58.33 % Yr Complete

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 EXP YTD	2014 BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	AVAILABLE BUDGET	PERCENT EXPENDED
	PERSONNEL & OPERATING EXPENSES							
	CITY COMMISSION	0	0.00	121,635	72,928.97	791.19	47,914.84	59.96%
	CITY MANAGER'S OFFICE	0	0.00	224,550	131,824.22	867.73	91,858.05	58.71%
	CITY CLERK'S OFFICE	0	0.00	148,537	94,050.55	1,976.03	52,510.42	63.32%
	FINANCE DEPARTMENT	0	0.00	289,883	182,376.88	1,010.47	106,495.65	62.91%
	FACILITIES MAINTENANCE	0	0.00	116,257	54,953.95	44.50	61,258.55	47.27%
	INFORMATION TECHNOLOGY	144,330	64,617.02	208,043	62,828.77	5,123.90	140,090.33	30.20%
	LEGAL COUNSEL	58,451	41,913.36	84,406	42,831.75	0.00	41,574.25	50.74%
	OTHER GOVT SERVICES	78,662	56,725.59	52,304	19,824.62	0.00	32,479.38	37.90%
	BUILDING & ZONING	364,137	193,065.16	405,269	207,575.11	27,030.83	170,663.06	51.22%
	POLICE DEPARTMENT	3,553,849	1,712,345.27	4,869,063	2,122,888.08	880,110.98	1,866,063.94	43.60%
	CODE ENFORCEMENT	33,178	7,413.70	61,193	26,110.20	297.00	34,785.80	42.67%
	FIRE DEPARTMENT	1,826,154	1,002,622.72	2,068,007	1,093,602.15	20,266.53	954,138.32	52.88%
	STREETS	505,389	262,604.33	512,662	298,851.10	11,986.59	201,824.31	58.29%
	CEMETERY	139,747	80,442.63	121,779	82,690.88	5,007.03	34,081.09	67.90%
	CULTURAL SERVICES	12,088	5,265.92	23,952	8,901.60	137.00	14,913.40	37.16%
	BRONSON HOUSE	68,289	35,672.32	45,058	37,546.40	428.52	7,083.08	83.33%
	PARKS AND RECREATION	365,145	213,038.19	229,283	123,319.57	7,834.45	98,128.98	53.78%
	PRICE MARTIN CENTER	22,355	13,439.52	21,409	9,720.35	37.02	11,651.63	45.46%
	OPERATING EXPENSES SUBTOTAL	7,171,774	3,689,165.73	9,603,290	4,672,825.15	962,949.77	3,967,515.88	48.66%
	TRANSFERS	337,499	220,494.26	0	654,183.09	0.00	-654,183.09	0.00%
	TRANSFERS & OPERATING SUBTOTAL	7,509,273	3,909,659.99	9,603,290	5,327,008.24	962,949.77	3,313,331.99	55.47%
	CONTINGENCIES	164,268	0.00	270,345	0.00	0.00	270,345.00	0.00%
	RESERVES	1,378,142	0.00	971,797	0.00	0.00	971,797.00	0.00%
	TOTAL EXPENDITURES	9,051,683	3,909,659.99	10,845,432	5,327,008.24	962,949.77	4,555,473.99	49.12%

City of Palatka

**AIRPORT REVENUES
BUDGET SUMMARY
58.33 % Yr Complete**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 REV YTD	2014 BUDGET	YTD REVENUES	UNCOLLECTED	PERCENT COLLECTED
	TOTAL GRANTS	1,503,422	402,818.53	480,000	399.00	479,601.00	0.08%
	TOTAL OPERATING REVENUES	889,905	550,204.65	923,000	463,729.13	459,273.87	50.24%
	TOTAL OTHER REVENUES	119,890	65,364.29	32,000	4,262.99	27,737.01	13.32%
	TOTAL TRANSFERS	0	0.00	0	0.00	0.00	0.00%
	TOTAL DEBT PROCEEDS	23,683	23,682.23	0	0.00	0.00	0.00%
	TOTAL CASH BALANCE FORWARD	-86,764	0.00	-209,374	0.00	-209,374.00	0.00%
	TOTAL REVENUES	2,450,136	1,042,069.70	1,225,629	468,391.12	757,237.88	38.22%

City of Palatka

REPORT EXPENDITURES
BUDGET SUMMARY
58.33 % Yr Complete

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 EXP YTD	2014 BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	AVAILABLE BUDGET	PERCENT EXPENDED
	TOTAL PERSONNEL EXPENSES	133,346	85,182.34	147,261	86,565.07	0.00	60,705.93	56.78%
	TOTAL OPERATING EXPENSES	662,405	416,261.29	716,031	296,262.02	85,777.04	333,991.94	41.38%
	TOTAL CAPITAL EXPENSES	1,567,869	1,012,272.62	500,000	104,278.29	117,501.21	278,220.50	20.86%
	TOTAL DEBT SERVICE	227,214	141,638.14	182,486	89,258.26	0.00	93,227.74	48.91%
	TOTAL TRANSFERS, CONTINGENCIES & RESERVES	-140,698	0.00	-320,149	0.00	0.00	-320,149.00	0.00%
	TOTAL EXPENDITURES	2,450,136	1,655,354.39	1,225,629	576,353.64	203,278.25	445,997.11	47.03%

City of Palatka

**WATER FUND REVENUES
BUDGET SUMMARY
88.33 % Yr Complete**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 REV YTD	2014 BUDGET	YTD REVENUES	UNCOLLECTED	PERCENT COLLECTED
	TOTAL GRANTS	0	12,103.02	14,173	151,138.88	-136,965.88	1066.39%
	TOTAL CHARGES FOR SERVICES	4,026,971	2,334,969.22	4,491,725	2,503,774.23	1,987,950.77	55.74%
	TOTAL OTHER REVENUES	88,822	63,818.80	91,533	52,924.20	38,608.80	57.82%
	TOTAL TRANSFERS IN	0	0.00	0	0.00	0.00	0.00%
	TOTAL CASH BALANCE FORWARD	262,735	0.00	160,379	0.00	160,379.00	0.00%
	TOTAL REVENUES	4,378,528	2,410,891.04	4,757,810	2,707,837.31	2,049,972.69	56.91%

City of Palatka

WATER FUND EXPENDITURES
BUDGET SUMMARY
58.33 % Yr Complete

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 EXP YTD	2014 BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	AVAILABLE BUDGET	PERCENT EXPENDED
	TOTAL PERSONNEL EXPENSES-WATER	467,436	282,917.68	477,068	269,492.14	0.00	207,595.86	56.49%
	TOTAL OPERATING EXPENSES-WATER	613,742	293,894.56	613,536	288,574.37	24,657.36	308,304.27	47.03%
	TOTAL CAPITAL EXPENSES-WATER	69,000	24,691.14	65,500	17,420.00	0.00	48,080.00	26.60%
	TOTAL PERSONNEL EXPENSES-SEWER	540,443	303,641.34	544,245	313,648.44	0.00	238,596.56	57.63%
	TOTAL OPERATING EXPENSES-SEWER	370,920	193,955.47	368,686	199,794.34	18,958.34	149,933.32	54.19%
	TOTAL CAPITAL EXPENSES-SEWER	0	46,551.39	195,690	69,507.00	48,733.00	85,450.00	35.52%
	TOTAL PERSONNEL EXPENSES-W&S	728,582	432,891.53	694,160	395,874.49	0.00	298,285.51	57.03%
	TOTAL OPERATING EXPENSES-W&S	114,492	72,800.86	103,955	45,922.68	9,495.85	48,536.47	44.18%
	TOTAL CAPITAL EXPENSES-W&S	85,500	44,397.58	117,050	26,735.02	54,459.00	35,895.98	22.84%
	TOTAL PERSONNEL EXPENSES-ADMIN	131,150	77,226.57	142,227	81,956.40	0.00	60,270.60	57.62%
	TOTAL OPERATING EXPENSES-ADMIN	103,531	85,573.24	95,897	64,080.92	1,582.99	38,233.09	66.82%
	TOTAL CAPITAL EXPENSES-ADMIN	0	0.00	77,340	0.00	0.00	77,340.00	0.00%
	TOTAL DEBT SERVICE	812,871	331,511.23	814,346	329,748.73	0.00	484,597.27	40.49%
	TOTAL TRANSFERS OUT	265,000	151,666.68	261,000	151,666.69	0.00	109,333.31	58.11%
	TOTAL CONTINGENCIES & RESERVES	75,861	0.00	187,090	0.00	0.00	187,090.00	0.00%
	TOTAL EXPENDITURES	4,378,528	2,341,719.27	4,757,810	2,254,421.22	149,886.54	2,353,502.24	47.38%

City of Palatka

GOLF COURSE REVENUES
 BUDGET SUMMARY
 58.33 % Yr Complete

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 REV YTD	2014 BUDGET	YTD REVENUES	UNCOLLECTED	PERCENT COLLECTED
	TOTAL OPERATING REVENUES	661,225	440,256.65	713,324	492,978.24	220,345.76	69.11%
	TOTAL OTHER REVENUES	6,000	4,087.59	23,250	141.06	23,108.94	0.61%
	TOTAL TRANSFERS IN	146,399	106,102.50	153,355	88,873.75	64,481.25	57.95%
	TOTAL DEBT PROCEEDS	21,840	21,839.86	0	0.00	0.00	0.00%
	TOTAL CASH BALANCE FORWARD	-1,413,684	0.00	-1,564,588	0.00	-1,564,588.00	0.00%
	TOTAL REVENUES	-578,220	572,286.60	-674,659	581,993.05	-1,256,652.05	86.26%

City of Palatka

GOLF COURSE EXPENDITURES
BUDGET SUMMARY
58.33 % Yr Complete

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 EXP YTD	2014 BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	AVAILABLE BUDGET	PERCENT EXPENDED
	TOTAL PERSONNEL EXPENSES-MAINT	4,450	2,488.35	0	0.00	0.00	0.00	0.00%
	TOTAL OPERATING EXPENSES-MAINT	243,364	153,380.18	283,275	171,975.99	6,848.86	104,450.15	63.13%
	TOTAL CAPITAL EXPENSES-MAINTEN	18,150	15,687.32	0	975.00	1,194.61	-2,169.61	0.00%
	TOTAL PERSONNEL-CLUB HOUSE	25,800	12,616.64	0	0.00	0.00	0.00	0.00%
	TOTAL OPERATING-CLUB HOUSE	503,139	301,432.02	533,370	367,188.89	19,967.38	146,213.73	72.59%
	TOTAL CAPITAL-CLUB HOUSE	0	0.00	221,465	0.00	0.00	221,465.00	0.00%
	TOTAL DEBT SERVICE	163,241.	115,901.07	152,355	74,683.25	0.00	77,671.75	49.02%
	TOTAL TRANSFERS, CONTINGENCIES & RESERVES	-1,536,364	0.00	-1,665,124	0.00	0.00	-1,665,124.00	0.00%
	TOTAL EXPENDITURES	-578,220	601,505.58	-474,659	614,823.13	28,010.85	-1,117,492.98	-135.43%

City of Palatka

**SANITATION FUND REVENUES
BUDGET SUMMARY
58.33 % Yr Complete**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 REV YTD	2014 BUDGET	YTD REVENUES	UNCOLLECTED	PERCENT COLLECTED
	TOTAL CHARGES FOR SERVICE	1,539,656	897,488.24	1,621,641	954,155.22	667,485.78	58.84%
	TOTAL OTHER REVENUES	0	67.17	450	1,750.15	-1,300.15	388.92%
	TOTAL CASH BALANCE FORWARD	6,495	0.00	81,428	0.00	81,428.00	0.00%
	TOTAL REVENUES	1,546,151	897,555.41	1,703,519	955,905.37	747,613.63	56.11%

City of Palatka

**SANITATION FUND EXPENDITURES
BUDGET SUMMARY
58.33 % Yr Complete**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 EXP YTD	2014 BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	AVAILABLE BUDGET	PERCENT EXPENDED
	TOTAL PERSONNEL SERVICES-MAINT	166,478	81,094.40	166,286	85,408.84	0.00	80,877.16	51.36%
	TOTAL OPERATING EXPENSES-MAINT	7,973	4,795.00	9,861	5,269.32	172.06	4,419.62	53.44%
	TOTAL CAPITAL EXPENSES-MAINT	0	0.00	10,000	0.00	8,000.00	2,000.00	0.00%
	TOTAL PERSONNEL-SANITATION	589,748	346,516.28	614,085	317,423.17	0.00	296,661.83	51.69%
	TOTAL OPERATING-SANITATION	570,200	290,555.51	574,492	287,827.56	45,081.06	241,583.38	50.10%
	TOTAL CAPITAL-SANITATION	0	0.00	261,091	0.00	261,090.63	0.37	0.00%
	TOTAL DEBT SERVICE	13,040	13,038.97	0	0.00	0.00	0.00	0.00%
	TOTAL TRANSFERS OUT	95,000	55,416.68	95,000	55,416.69	0.00	39,583.31	58.33%
	TOTAL CONTINGENCIES & RESERVES	103,712	0.00	229,804	0.00	0.00	229,804.00	0.00%
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	TOTAL EXPENDITURES	1,546,151	791,416.84	1,960,619	751,345.58	314,343.75	894,929.67	38.32%

City of Palatka

TIF REVENUES
BUDGET SUMMARY
58.33 % Yr Complete

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 REV YTD	2014 BUDGET	YTD REVENUES	UNCOLLECTED	PERCENT COLLECTED
	TOTAL PROPERTY TAXES	379,410	297,701.92	379,307	304,533.36	74,773.64	80.29%
	TOTAL OTHER REVENUES	19,864	10,768.25	20,000	0.00	20,000.00	0.00%
	TOTAL CASH BALANCE FORWARD	474,495	0.00	358,894	0.00	358,894.00	0.00%
	TOTAL REVENUES	873,869	308,470.17	758,201	304,533.36	453,667.64	40.17%

City of Palatka

TRE EXPENDITURES
BUDGET SUMMARY
58.33 % Yr Complete

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 EXP YTD	2014 BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	AVAILABLE BUDGET	PERCENT EXPENDED
	TOTAL EXPENSES-DOWNTOWN	198,494	73,912.53	290,988	115,331.49	37,021.54	138,634.97	39.63%
	TOTAL EXPENSES-SOUTH HISTORIC	147,083	14,356.00	314,014	18,790.00	10,465.00	284,759.00	5.98%
	TOTAL EXPENSES-NORTH HISTORIC	68,866	20,030.00	109,927	8,254.66	343.00	101,329.34	7.51%
	TOTAL TRANSFERS OUT	330,098	198,847.64	16,400	0.00	0.00	16,400.00	0.00%
	TOTAL CONTINGENCIES & RESERVES	129,328	0.00	26,872	0.00	0.00	26,872.00	0.00%
	TOTAL EXPENDITURES	873,869	307,146.17	758,201	142,376.15	47,829.54	567,995.31	18.78%

City of Palatka

**COBG REVENUES
BUDGET SUMMARY
58.33 % Yr Complete**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 REV YTD	2014 BUDGET	CURRENT YTD REVENUES	UNCOLLECTED	PERCENT COLLECTED
	TOTAL GRANTS	7,000	7,000.07	0	0.00	0.00	0.00%
	TOTAL OTHER REVENUES	2,134	2,123.48	6	10.75	-4.75	179.17%
	TOTAL CASH BALANCE FORWARD	45,314	0.00	38,107	0.00	38,107.00	0.00%
	TOTAL REVENUES	54,448	9,123.55	38,113	10.75	38,102.25	0.03%

City of Palatka

**COBG EXPENDITURES
BUDGET SUMMARY
58.33 % Yr Complete**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 EXP YTD	2014 BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	AVAILABLE BUDGET	PERCENT EXPENDED
	TOTAL OPERATING EXPENSES	16,334	16,333.39	0	0.00	0.00	0.00	0.00%
	TOTAL CAPITAL EXPENSES	0	0.00	0	0.00	0.00	0.00	0.00%
	TOTAL TRANSFERS OUT	0	0.00	0	0.00	0.00	0.00	0.00%
	TOTAL CONTINGENCIES & RESERVES	38,114	0.00	38,113	0.00	0.00	38,113.00	0.00%
	TOTAL EXPENDITURES	54,448	16,333.39	38,113	0.00	0.00	38,113.00	0.00%

City of Palatka

BETTER PLACE REVENUES
BUDGET SUMMARY
58.33 % Yr Complete

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 REV YTD	2014 BUDGET	YTD REVENUES	UNCOLLECTED	PERCENT COLLECTED
	TOTAL LOCAL OPTION TAXES	0	0.00	695,762	406,491.65	289,270.35	58.42%
	TOTAL STATE/FEDERAL GRANTS	0	0.00	2,625,650	25,250.00	2,600,400.00	0.96%
	TOTAL TRANSFERS IN	0	0.00	0	637,845.86	-637,845.86	0.00%
	TOTAL DEBT PROCEEDS	0	0.00	0	0.00	0.00	0.00%
	TOTAL OPERATING REVENUES	0	0.00	3,321,412	1,069,587.51	2,251,824.49	32.20%
	TOTAL CASH BALANCE FORWARD	0	0.00	634,343	0.00	634,343.00	0.00%
	TOTAL REVENUES	0	0.00	3,955,755	1,069,587.51	2,886,167.49	27.04%

City of Palatka

BETTER PLACE EXPENDITURES
BUDGET SUMMARY
58.33 % Yr Complete

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2013 BUDGET	2013 EXP YTD	2014 BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	AVAILABLE BUDGET	PERCENT EXPENDED
	TOTAL OPERATING EXPENSES	0	0.00	98,004	43,503.00	0.00	54,501.00	44.39%
	TOTAL CAPITAL OUTLAY	0	0.00	908,302	91,740.55	79,536.91	737,024.54	10.10%
	TOTAL DEBT SERVICE	0	0.00	366,854	511,018.59	0.00	144,164.59	139.30%
	TOTAL GRANT MATCHES	0	0.00	2,290,636	149,988.06	106,170.00	2,034,477.94	6.55%
	TOTAL TRANSFERS	0	0.00	152,355	88,873.75	0.00	63,481.25	58.33%
	TOTAL OPERATING EXPENDITURES	0	0.00	3,816,151	885,123.95	185,706.91	2,745,320.14	23.19%
	TOTAL RESERVES	0	0.00	139,604	0.00	0.00	139,604.00	0.00%
	TOTAL EXPENDITURES	0	0.00	3,955,755	885,123.95	185,706.91	2,884,924.14	22.38%

Agenda Item

5



CITY COMMISSION AGENDA ITEM

SUBJECT:

PRESENTATION and acceptance of FY 2012-13 Audit and Comprehensive Annual Financial Report (CAFR) - Tina Robinson & John Rowe; Carr, Riggs & Ingram, Auditors

SUMMARY:

The audit has been completed for FY2012-2013 and the Comprehensive Annual Financial Report (CAFR) has been compiled. Tina Robinson and John Rowe from our audit firm Carr, Riggs & Ingram will be presenting the CAFR to the City Commission. You will receive a separate booklet containing these documents. A complete copy is on file in the Finance Director's office and can be viewed and downloaded from the City's website.

RECOMMENDED ACTION:

Accept City of Palatka FY 2012-13 Audit and CAFR

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Communications Letter	Backup Material
<input type="checkbox"/> FY2012-2013 CAFR	Backup Material

REVIEWERS:

Department	Reviewer	Action	Date
Finance	Reynolds, Matt	Approved	5/12/2014 - 11:38 AM
City Clerk	Driggers, Betsy	Approved	5/12/2014 - 5:37 PM
City Manager	Czymbor, Michael	Approved	5/13/2014 - 5:32 PM
Finance	Reynolds, Matt	Approved	5/14/2014 - 9:26 AM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 3:46 PM



April 24, 2014

To the Honorable Mayor and City Commissioners
City of Palatka, Florida

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Palatka, Florida (the "City") for the year ended September 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have previously communicated such information to you. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. During the year, the City implemented GASB Statement No. 63, which thus far, primarily affects only terminology changes in equity items. No other new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are sometimes particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are the estimate of the carrying values of depreciable assets.

Certain financial statement disclosures are sometimes particularly sensitive because of their significance to financial statement users. There were no particularly sensitive disclosures affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear. The City's disclosures of changes in the values of pension investments, as well as actuarial disclosures relating to pensions and other postemployment benefits, and deficit balance disclosure may be particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our
audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

The management letter, which is included in the audit on pages 68 and 69, reports that the Golf Fund has continued to receive long-term funding advances (which have accumulated to approximately \$1.6 million thus far) from the General Fund and other Funds. The Golf Fund also continues to result in yearly losses and has a deficit cumulative net position (equity). In this year, the Airport Fund also experienced a deficit unrestricted net position. In addition, the unassigned General Fund balance is below GFOA (Government Finance Officers Association) recommended reserve balances. Your unassigned balance is sufficient to only cover about 1.1 months of operating expenditures, based on the level of past expenditures.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to the retention of the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion & Analysis and other items listed in the financial statements table of contents as required supplementary information (RSI), which supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the items listed as supplementary information, which accompany the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is

appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the information and use of the Honorable Mayor, City Commissioners and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Carr, Riggs & Ingram, LLC".

Carr, Riggs & Ingram, LLC

City of Palatka, Florida
Comprehensive Annual
Financial Report
For the Year Ended September 30, 2013

PREPARED BY:

MATTHEW D. REYNOLDS
FINANCE DIRECTOR

City of Palatka, Florida

Comprehensive Annual Financial Report
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September 30, 2013

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VERNON MYERS
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

ALLEGRA KITCHENS
COMMISSIONER

PHIL LEARY
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER



MICHAEL J. CZYMBOR
CITY MANAGER

BETSY JORDAN DRIGGERS
CITY CLERK

MATTHEW D. REYNOLDS
FINANCE DIRECTOR

GARY S. GETCHELL
CHIEF OF POLICE

MICHAEL LAMBERT
CHIEF FIRE DEPT

DONALD E. HOLMES
CITY ATTORNEY

Regular meeting 2nd and 3th Thursdays each month at 6:00 p.m.

April 24, 2014

Honorable Mayor and
Members of the City Commission
City of Palatka, Florida

Mayor and Commissioners:

We are pleased to present to you, the City Commission and the citizens of Palatka, the Comprehensive Annual Financial Report of the City of Palatka (the "City") for the fiscal year ended September 30, 2013.

This report was completed by the Finance Director and City Manager, with close cooperation of the external auditors, Carr, Riggs & Ingram, and represents the official report of the financial operations and condition of the City of Palatka to its citizens. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. This letter of transmittal should be read in conjunction with Management's Discussion and Analysis, which can be found beginning on page xv.

THE REPORTING ENTITY

The City of Palatka is a political subdivision of the state of Florida, which was incorporated January 8, 1853. Palatka is in the Northeast section of Florida in Putnam County (the "County") and is the County Seat. Palatka lies along the St. Johns River and is approximately 50 miles south of Jacksonville, 26 miles west of St. Augustine and 50 miles east of Gainesville.

The City operates under a Commission/Manager form of government. It has an elected Mayor-Commissioner and a Board of Commissioners (four members) and serves approximately 10,230 residents by providing a full range of municipal services including General Administration, Public Safety, Planning and Zoning and Community Enrichment and Development. In addition, the City operates a Municipal Golf Course; an Airport; Sanitation, Water and Wastewater utility systems. The Palatka Downtown Redevelopment Agency, and the Palatka Gas Authority are considered component units of the City, and the City is financially accountable for them.

Honorable Mayor and
Members of the City Commission
City of Palatka
Page 2

THE REPORTING ENTITY (Concluded)

Accordingly, these component units are included in the City's Comprehensive Annual Financial Report.

ECONOMIC CONDITION

Palatka's population is 10,230 persons according to the University of Florida, Bureau of Economic and Business Research, Florida Estimate of Population for 2013. Due to current economic conditions, the City of Palatka like many communities continues to experience serious budget constraints. During the budget planning for fiscal year 2013-14, the City proposed a General Fund operating budget that was 1.61% more than the previous year increasing from \$9.977 million to \$10.138 million. Many revenue sources such as utility taxes, telecommunication service taxes, charges for services and fines and forfeits increased from the prior year. Other categories such as local option, use and fuel taxes as well as state shared revenues continued to decline as they have in the past several years. As in the prior year, a one-time transfer from the Palatka Gas Authority was requested in the amount of \$300,000, which is a decrease from the prior year amount of \$500,000. Several capital expenditures were included in the budget; however they were small in nature and were primarily for equipment in the Information Technology and Fire Departments. Operating budgets were scrutinized again as in past years and several positions which were vacated by attrition or retirement were not filled. However, a new department was created within the General Fund which will be responsible for Facilities Maintenance. The creation of this department allowed for an additional position to be added to the General Fund.

Taxable value decreased by .57% which provided for a rollback rate of 9.2428; however the millage rate was maintained at 9.1749 mills. Even with the decrease in taxable value, the estimated ad valorem revenues increased slightly due to a higher estimated collection rate than had been used in past years. Overall, the City continues to face the challenge of maintaining the current level of service it provides its citizens without increasing the millage rate.

Although the General Fund total fund balance increased by approximately \$938,000, approximately fifty-one percent (51%) is non-spendable due to advances to other funds, therefore the City will not have this portion available for use in the immediate future. Restricted and committed fund balances comprise an additional twenty-five percent (25%) of the total fund balance. The remaining unassigned fund balance is 9.35% of the total general fund expenditures, which increased from 6.64% last fiscal year. This amount is still well below the minimum balance recommended by the GFOA of approximately 16.67% or two months worth of operating expenditures.

The net position of the sanitation and airport funds increased by approximately \$43,000 and \$835,000 respectively, while the net position of the water fund decreased by approximately \$803,000. The net position of the golf course fund also decreased by approximately \$143,000 resulting in a negative net position balance of approximately \$1,185,000. The City's golf course

Honorable Mayor and
Members of the City Commission
City of Palatka
Page 3

ECONOMIC CONDITION (Concluded)

continues to operate at a financial deficit with money from the general fund being held to offset this deficit. Attempts to minimize these losses have been made over the past several fiscal years, however the annual deficit continues to occur each year. However, the decrease in fiscal year 2012-2013 is much smaller than in previous years and the estimated deficit for fiscal year 2013-2014 is approximately \$77,000. The conditions at the course have continued to improve drastically in FY13-14 and the rounds of play have dramatically increased, therefore revenues have increased when compared to last fiscal year. The City is hopeful that the operations at the course will become self-sufficient in the near future.

MAJOR INITIATIVES

CURRENT PROJECTS

The City's Riverfront property redevelopment and revitalization efforts continue to be a critical and vital improvement project in order to reinvigorate the downtown and City. The City was successful in attracting two development partners to build a new hotel and to revitalize several historic buildings along the riverfront which will be a high quality mixed use development. The new hotel and mixed use development is expected to add over five million dollars (\$5,000,000) to the City's total taxable value and up to fifty new jobs. Construction is expected to commence in the summer of 2014 and be completed in 2015.

The City Commission adopted a Riverfront Conceptual Master Plan in March 2010 and has successfully completed over one million dollars of improvements to the Riverfront. The City is in the process of expending an additional three million dollars of improvements which include improvements to the road way, storm drainage, parking facilities, landscaping, dockage, boat ramps, concession stand, restroom and shower facilities, fuel farm, riverboats, and appurtenant facilities. The City is projected to expend an additional one point five million dollars on improvements on the Riverfront property and park within the next few years. The funding for these improvements has come from the downtown tax increment fund and infrastructure surtax revenues as well as significant grant dollars from various State and Federal sources. The City also previously issued a RFP for dock operations, concessions and park management and was successful in attracting a qualified vendor. The City will receive an enhanced level of service and maintenance at those facilities from the vendor and will share in a portion of the vendor's earned revenue.

Over the past two years the City has formed a partnership with the Georgia Pacific Corporation in order to assist the company in fulfilling its permit requirements with the Florida Department of Environmental Protection. Georgia Pacific has elected to construct an environmental center near the riverfront to educate students, residents, and guests about the importance of wetlands and the river to our ecosystem and community. The newly titled St. Johns River Center will be a tremendous resource for the community which will provide education, tourism, entertainment, and eco-tourism opportunities for guests of all ages. The center is projected to cost one point

Honorable Mayor and
Members of the City Commission
City of Palatka
Page 4

MAJOR INITIATIVES (Concluded)

CURRENT PROJECTS (continued)

two million dollars and will be financed completely by Georgia Pacific with the City assuming the operational costs once it is completed. The center is expected to be completed by mid-2015.

Infrastructure surtax revenues (Better Place Funds) are dedicated to capital improvements within the City. This year's improvements were primarily used for grant match, sidewalk replacement, drainage improvements, building renovations and repayment of capital-related loan obligations.

The City continues to upgrade the pavement and drainage systems and add new hangar facilities at the airport with the help of Federal Aviation Administration and Florida Department of Transportation grants. The City in cooperation with the funding partners will be expending over one and half million dollars to improve drainage at the airport, build new T-Hangars and corporate hangars to satisfy the demand for these amenities. These improvements will enhance the City's ability to sustain the airport and provide for further development and economic opportunities there.

FUTURE PROJECTS

Better Place Funds will continue to be used to improve the City's infrastructure, debt repayment and for major equipment purchases. This use of Better Place Funds will continue next fiscal year and thereafter until all streets, drainage and sidewalks in the City are addressed.

The City will be evaluating parts of the City's Waste Water Treatment process that produces bio-solids which currently are sent to the County's landfill for disposal. The City is reviewing equipment and processes which would produce a class A bio-solid which could be sold for fill and ground cover. The process if authorized is expected to cost two and a half million dollars with some of the funding expected to come from State and Federal sources. The City will also be considering building expansions at the City's police department and gun range to accommodate current and future special demands.

The City will dedicate significant resources to identify, plan and finance needed water system infrastructure system deficiencies. The City will continue to evaluate any appropriate water and sanitary sewer extensions to the present system to serve new areas and customers outside of the current service limits. The City will also be meeting with Putnam County to discuss annexation of enclaves around the City and potential utility boundary service areas which could spark and promote economic development in the region.

Honorable Mayor and
Members of the City Commission
City of Palatka
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FINANCIAL POLICIES

INTERNAL CONTROL STRUCTURE

The City's general governmental fund operations are accounted for by using the modified accrual basis of accounting, with revenues being recognized when they become measurable and available. Expenditures are recorded when goods or services are received and the related liability is incurred. The City's enterprise funds and government wide activities are reported on the accrual basis of accounting.

The City Manager serves as the chief administrative officer of the City. The Finance Director is the financial officer for the City and is responsible for financial accounting and reporting. The City Manager also serves as the budget officer and presents the preliminary budget, based on departmental requests, to the City Commission for approval. All budgeted amounts lapse at year's end.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance that (1) assets are safeguarded against loss from unauthorized use or disposition, that (2) transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The concept of reasonable assurance recognizes the cost of internal controls should not exceed the benefits likely to be derived.

The evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

BUDGETARY CONTROL

Budgetary control is maintained at the fund level. The City Manager may authorize budget transfers between major categories within the departments and between departments and divisions within the same fund. All interfund transfers require prior approval of the City Commission. Departmental expenditures are monitored on a monthly basis by the City Manager and Finance Director. The City Commission is provided with a monthly budget status report. Encumbrances lapse at year's end.

INDEPENDENT AUDIT

Florida Statutes require an audit of the financial statements of the City of Palatka by an independent certified public accountant selected by the City Commission. The City complied with this requirement, and the auditor's opinion is included in the financial section of this report.

Honorable Mayor and
Members of the City Commission
City of Palatka
Page 6

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Palatka for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This was the twenty-first year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report.

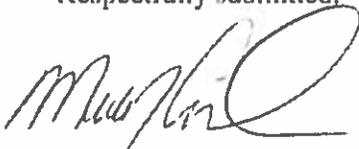
A certificate of achievement is valid for one year only. We believe this report satisfies the requirements of generally accepted accounting principles, applicable legal requirements, and certificate of achievement program requirements, and we are submitting it to the GFOA for consideration for an award.

ACKNOWLEDGMENTS

The preparation of this report was accomplished through the efforts and dedication of the City's financial staff.

We would also like to thank the members of the City Commission for their interest and support in planning and conducting the fiscal operations of the City of Palatka.

Respectfully submitted,



Michael J. Czymbor
City Manager



Matthew D. Reynolds
Finance Director

GFOA Certificate of Achievement

The City's Certificate of Achievement for Excellence in Financial Reporting for the year ended September 30, 2012 is presented on the following page.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Palatka
Florida**

**For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended**

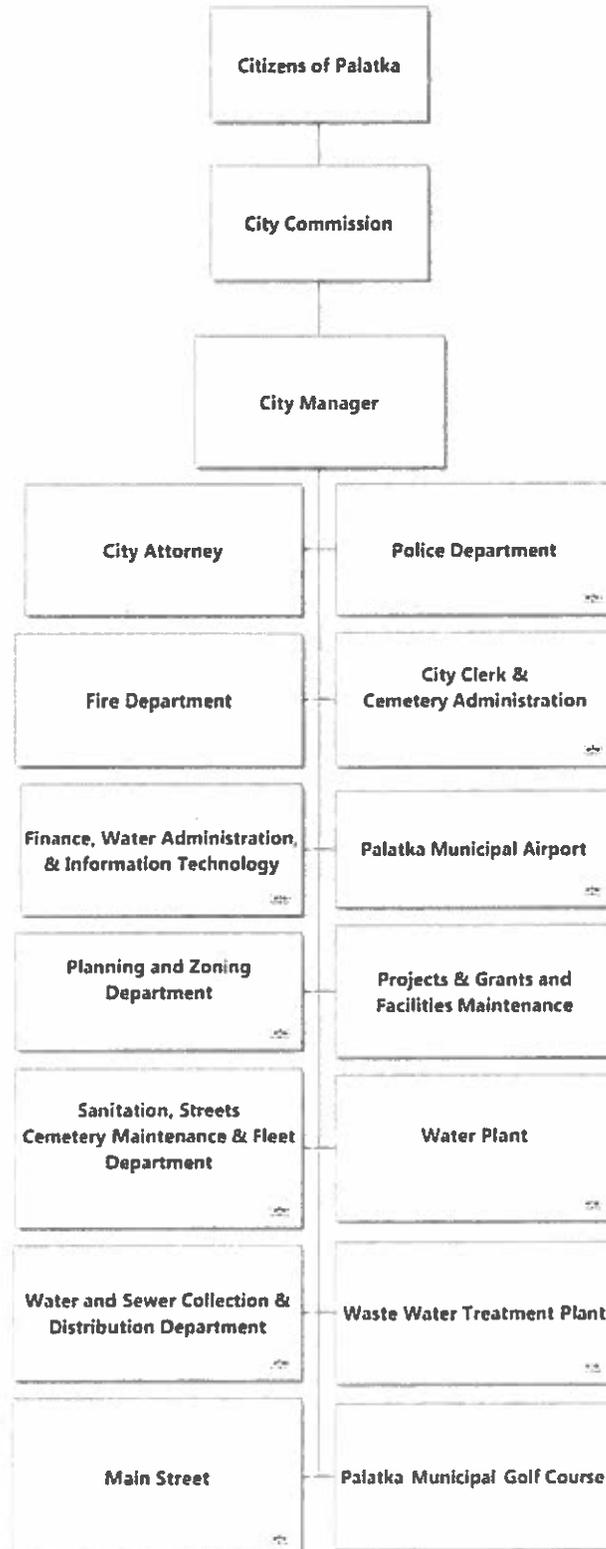
September 30, 2012

A handwritten signature in black ink, appearing to read "Jeffrey R. Egan". The signature is written in a cursive style.

Executive Director/CEO

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City of Palatka Organizational Chart



**City of Palatka, Florida
Elected Officials
Appointed Officials
Department Superintendents
Auditors**

ELECTED OFFICIALS

Mayor-Commissioner
Vice Mayor-Commissioner
Commissioner
Commissioner
Commissioner

Vernon H. Myers
Mary Lawson Brown
James Norwood, Jr.
Phil Leary
Allegra Kitchens

APPOINTED OFFICIALS

City Manager
City Clerk, Cemetery
Finance Director
City Attorney
Police Chief
Fire Chief

Michael J. Czymbor
Betsy Jordan Driggers
Matthew D. Reynolds
Donald E. Holmes
Gary Getchell
William M. Lambert

DEPARTMENT SUPERINTENDENTS

Airport
Planning Director
Golf
Sanitation, Streets and Grounds & Garage Maintenance
Water Treatment Plant
Wastewater Treatment Plant
Water/Sewer Distribution

John Youell
Thad Crowe
Andy Hartz
Ed Chandler
Melvin Register
Brian McCann
Rhett McCamey

AUDITORS

Carr, Riggs & Ingram, LLC

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
City Commissioners
City of Palatka, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Palatka, Florida (the "City"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the information listed in the table of contents as "required supplementary information" be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, information listed in the table of contents as "supplementary information", including the Schedule of Expenditures of Federal Awards, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cary Riggs & Ingram, L.L.C.

Palatka, Florida
April 24, 2014

**City of Palatka
Management's Discussion and Analysis
September 30, 2013**

As management of the City of Palatka, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page i of this report.

Financial Highlights

- The net position of the City at the close of the fiscal year was \$54,458,566. Of this amount, \$1,860,431 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$465,047 (.86%). Due to an increase in franchise fees and miscellaneous revenues from the prior year, governmental net position increased by \$533,705 (3.39%). The Enterprise funds net position decreased by \$68,658 (.18%) due to a decrease in the amount of capital grants and contributions from the prior year.
- The total net position of each Enterprise fund were: Water \$20,046,795, Sanitation \$752,035, Golf \$(1,184,797) and Airport \$18,579,270.
- As of September 30, 2013, the City's governmental funds reported combined ending fund balances of \$3,835,019, an increase of \$829,536 (27.60%).
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$834,968 or 9.35% of total General Fund expenditures. Downtown Redevelopment Agency fund balance was \$363,894.
- Net position of the General, Police Officers' and Firefighters' Pension Trust Funds increased by \$722,272, \$951,799 and \$653,314, respectively. These increases were the result of appreciation in the fair value of investments in each fund.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City of Palatka's assets and liabilities, with the difference between the two reported as net position. The City has no deferred outflows or deferred inflows. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave).

The *Government-wide Financial Statements* distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets and drainage, economic development and culture and recreation. The business type activities of the City include the utility (water and wastewater), the airport, the golf course, sanitation and the component unit, gas authority.

The government-wide financial statements include not only the City of Palatka, but also the Palatka Gas Authority, an independent component unit of the City. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 1 & 2 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Palatka can be divided into three categories: governmental funds, proprietary fund, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund and the Downtown Redevelopment Agency fund, which are considered major funds. Data from the non-major governmental fund is included in the Other Governmental fund column.

The City adopts an annual appropriated budget for its General fund and the Downtown Redevelopment special revenue fund. Budgetary comparison schedules have been provided for the General fund and Downtown Redevelopment special revenue fund in the required supplementary information section.

The basic governmental fund financial statements can be found on pages 3 - 6 of this report.

Proprietary Funds

The City maintains several enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Utility, Golf, Airport and Sanitation operations, as well as the independent Gas Authority.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the funds listed above, all of which are considered to be major funds of the City.

The proprietary fund financial statements can be found on pages 7 – 10 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those

funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 11 & 12 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 - 40 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning budgetary comparisons and the City's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees. Required supplementary information can be found on pages 41 – 46 of this report.

Combining fund statements can be found on pages 47 – 49 of this report immediately following the required supplementary information.

Government-wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Palatka, assets exceeded liabilities by \$54,458,566 at the close of the most recent fiscal year. There were no deferred outflows or deferred inflows.

The majority of the City's net position (95.24%) rests in its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire these assets that is still outstanding. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Palatka Summary of Net Position For the Year Ended September 30, 2013

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$4,180,647	\$3,427,293	\$2,297,664	\$2,588,901	\$6,478,311	\$6,016,194
Capital assets	\$15,662,293	\$15,943,732	\$52,715,044	\$52,865,620	\$68,377,337	\$68,809,352
Total assets	\$19,842,940	\$19,371,025	\$55,012,708	\$55,454,521	\$74,855,648	\$74,825,546
Long-term liabilities						
Outstanding	\$3,232,049	\$3,219,753	\$16,209,729	\$16,165,835	\$19,441,778	\$19,385,588
Other liabilities	\$345,628	\$419,714	\$609,676	\$1,026,725	\$955,304	\$1,446,439
Total liabilities	\$3,577,677	\$3,639,467	\$16,819,405	\$17,192,560	\$20,397,082	\$20,832,027
Net position:						
Net investment in capital assets	\$13,138,987	\$13,191,795	\$38,728,555	\$38,156,884	\$51,867,542	\$51,348,679
Restricted	\$401,999	\$510,476	\$328,594	\$327,972	\$730,593	\$838,448
Unrestricted	\$2,724,277	\$2,029,287	(\$863,846)	(\$222,895)	\$1,860,431	\$1,806,392
Total net position	\$16,265,263	\$15,731,558	\$38,193,303	\$38,261,961	\$54,458,566	\$53,993,519

An additional portion of the City's net position \$730,593 (1.38%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$1,860,431 (3.42%) may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for both the City as a

whole and the governmental activities of the City. However, unrestricted net position of the business-type activities of the City ended the fiscal year with a negative balance of \$(863,846) due to the large negative unrestricted balance of the Golf Course Fund and the negative unrestricted balance of the Airport Fund.

Change in Net Position

The City's total net position increased \$465,047 over the previous year with an increase of \$533,705 resulting from governmental activities and a decrease of \$68,658 from business activities.

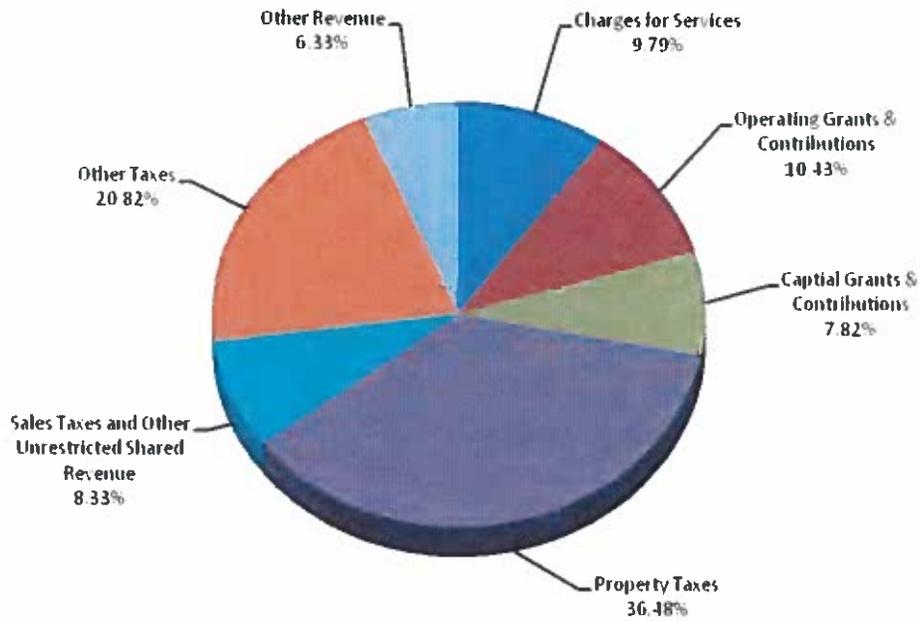
**City of Palatka
Changes in Net Position
For the year ended September 30, 2013**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services	\$921,471	\$556,197	\$7,254,850	\$6,963,980	\$8,176,321	\$7,520,177
Operating Grants & Contributions	\$981,676	\$877,019			\$981,676	\$877,019
Capital Grants & Contributions	\$736,090	\$1,677,074	\$1,521,529	\$6,615,111	\$2,257,619	\$8,292,185
General Revenues:						
Property Taxes	\$3,432,971	\$3,497,854			\$3,432,971	\$3,497,854
Sales Taxes and Other Unrestricted Shared Revenues	\$783,678	\$761,613			\$783,678	\$761,613
Other Taxes	\$1,958,853	\$1,697,522			\$1,958,853	\$1,697,522
Other Revenue	\$595,402	\$83,972	\$125,174	\$447,616	\$720,576	\$531,588
Total Revenues	\$9,410,141	\$9,151,251	\$8,901,553	\$14,026,707	\$18,311,694	\$23,177,958
Expenses:						
General Government	\$2,192,293	\$1,795,179			\$2,192,293	\$1,795,179
Public Safety	\$5,467,142	\$5,336,015			\$5,467,142	\$5,336,015
Transportation	\$511,114	\$577,407			\$511,114	\$577,407
Economic Environment	\$184,981	\$349,296			\$184,981	\$349,296
Human Services	\$151,906	\$150,327			\$151,906	\$150,327
Culture/Recreation	\$427,004	\$505,572			\$427,004	\$505,572
Interest on Long-Term Debt	\$155,598	\$148,904			\$155,598	\$148,904
Water			\$4,688,134	\$4,784,639	\$4,688,134	\$4,784,639
Sanitation			\$1,397,879	\$1,379,559	\$1,397,879	\$1,379,559
Golf Course			\$997,958	\$1,005,000	\$997,958	\$1,005,000
Airport			\$1,672,638	\$1,626,167	\$1,672,638	\$1,626,167
Total Expenses	\$9,090,038	\$8,862,700	\$8,756,609	\$8,795,365	\$17,846,647	\$17,658,065
Increase in Net Position before Transfers	\$320,103	\$288,551	\$144,944	\$5,231,342	\$465,047	\$5,519,893
Transfers	\$213,602	\$352,321	(\$213,602)	(\$352,321)	\$0	\$0
Increase in Net Position	\$533,705	\$640,872	(\$68,658)	\$4,879,021	\$465,047	\$5,519,893
Net Position-Beginning of Year	\$15,731,558	\$15,090,686	\$38,261,961	\$33,382,940	\$53,993,519	\$48,473,626
Net Position-End of Year	\$16,265,263	\$15,731,558	\$38,193,303	\$38,261,961	\$54,458,566	\$53,993,519

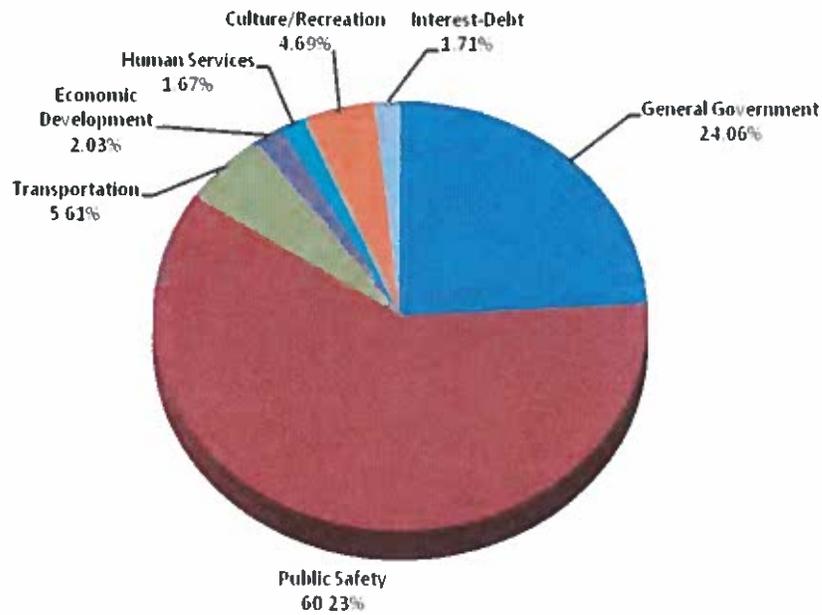
Governmental Activities

Governmental activities increased the City's net position by \$533,705 thereby accounting for 114.76% of the total growth in the net position of the City. A key element of this increase was the substantial increase in the charges for services of the public safety activity of the primary government as well as an increase in the total amount of franchise fee taxes collected. The City realized a substantial increase in the amount of red light camera revenue from the prior year. The timing of franchise fee tax disbursements also caused an increase over the prior year as well.

Revenue by Source - Governmental Activity



Expenses - Governmental Activities



Business-type Activities

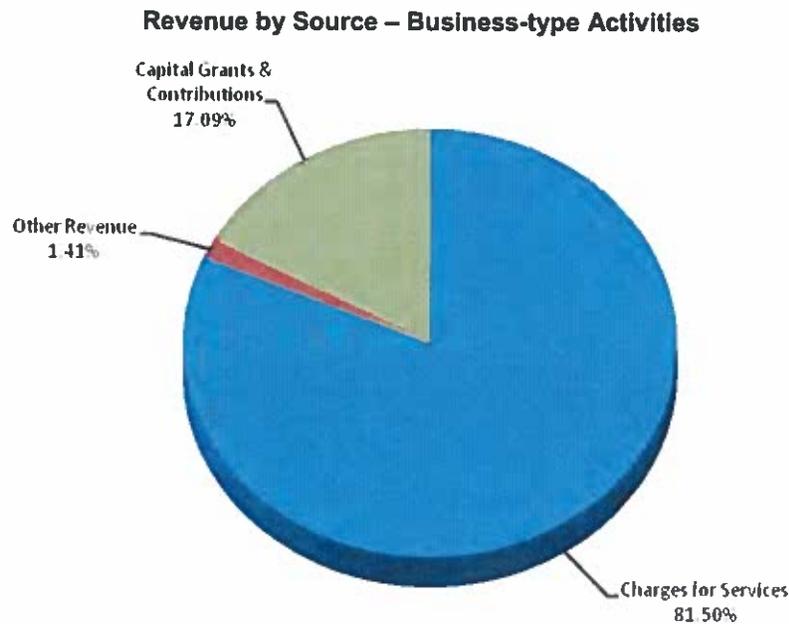
Business-type activities decreased the City's net position by \$68,658 accounting for -14.76% of the total growth in the City's net position. Key elements in this decrease are as follows:

The Water Revenue fund only received grant funds of \$12,103 from the Federal Emergency Management Agency. These funds were used for the repair of assets that were damaged during a storm event. Due to operating revenues being less than operating expenses, which included depreciation and amortization, the net position of the fund decreased by \$803,061. The net position at the end of the fiscal year in the Water fund totaled \$20,046,795.

The Sanitation fund net position increased by \$42,632 due to an increase in charges for services which resulted from a slight increase in sanitation rates. The net position at the end of the fiscal year in the Sanitation fund totaled \$752,035.

The Golf Course fund net position decreased by \$143,407 due to a continued shortfall in anticipated revenues versus expenses. The net position at the end of the fiscal year in the Golf Course fund was a negative balance of \$1,184,797.

The Airport fund received state and federal grants of \$1,503,426 during the fiscal year. These funds were used for several capital improvement projects that included rehabilitation of runway 9/27 and taxiway C, rehabilitation of the old terminal building, and the purchase of a fuel truck. These projects ultimately created an increase in net position in the Airport fund of \$835,178. The net position at the end of the fiscal year in the Airport fund totaled \$18,579,270.



Financial Analysis of the City’s Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular,

unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,835,019, an increase of \$829,536 (27.60%) in comparison to the prior year. This total includes a nonspendable fund balance of \$1,749,044, a restricted fund balance of \$1,228,351, a committed fund balance of \$22,656 and an unassigned fund balance of \$834,968 which is available for spending at the government's discretion.

General Fund

The general fund is the chief operating fund of the City. At the end of the current fiscal year General fund balance was \$3,433,020, an increase of \$938,013 (37.60%) from the prior year. This was due to a substantial increase in the amount of permits, fees and special assessments, fines and forfeitures and miscellaneous revenues collected coupled with a decrease in total expenditures.

Local tax revenues are the primary sources of the City's tax revenue and are a combination of property tax, franchise, utility, sales tax and local option gas taxes. Total taxes increased by \$42,439 from the prior year.

Ad valorem taxes, which were accounted for in the general and special revenue funds was 9.1749 mills and generated \$3,432,971, a decrease of \$64,883 from the prior year.

The General Fund had a decrease of \$222,681 in expenditures due to a substantial decrease in general government and transportation expenditures which was partially offset by a large increase in public safety expenditures.

Unassigned fund balance in the General Fund increased by \$226,714 from the prior year due to the substantial increase in total revenues and decrease in total expenditures within the General Fund.

Special Revenue Funds

The Downtown Redevelopment fund balance was \$363,894, a decrease of \$110,602 from the prior year. This decrease was caused by a large one-time transfer to the General Fund.

Other Governmental Funds fund balance was \$38,105, an increase of \$2,125 (5.91%) from the prior year. This was due to the final payment of an outstanding mortgage in relation to a Community Development Block Grant from prior years.

Proprietary Funds

Proprietary funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis is financed through user charges. The City operates four proprietary enterprise funds: the Water Revenue Fund, Municipal Golf Course Fund, Sanitation Fund, and Airport Fund.

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As of September 30, 2013, total proprietary fund net position amounted to \$38,193,303.

Water Revenue Fund

The Water Revenue Fund accounts for revenues of the City's water and sewer systems. Several of the City's major projects and initiatives are directly related to the Water Revenue Fund. Operating revenue decreased by \$135,019 or 3.16% from the prior year while expenses also decreased by a total of \$82,818. Unrestricted net position at the end of the fiscal year for the water revenue fund amounted to \$579,594.

Sanitation Fund

There was a decrease in operating revenue of \$13,215 or .85% from the prior year. Expenses increased slightly by a total of \$21,200 due to increased personnel and operating expenses. Unrestricted net position for the sanitation fund totaled \$252,228.

Golf Course Fund

Operating revenues increased significantly by \$108,435 or 18.26% from the prior year. Operating expenses decreased slightly by \$6,376 or .70%, exceeding operating revenues by \$198,911. Unrestricted net position decreased by \$129,321 to arrive at a negative unrestricted net asset balance of \$1,515,873 for the year. The city has made significant improvements to the condition of the course and as a result seen an increase the amount of play. This has resulted in a significant increase in revenues to the Golf Course Fund and will continue to improve into the next fiscal year as well.

Airport Fund

Operating revenue increased by \$41,600 from the prior year due to better than expected fuel sales. Unrestricted net position decreased by \$114,282 from the prior year. This resulted in a continued negative unrestricted net position balance of \$179,795 at fiscal year end.

Other factors concerning the finances of these four funds have already been addressed in the discussion of the City's business-type activities above.

General Fund Budgetary Highlights

The general fund budget was amended during the fiscal year by \$(151,105) (including transfers) which is a decrease of 2.49% over the original projections. This decrease was primarily attributed to red light camera fines not meeting the initial budget projections. The variance between original and final budget amounts for the year is composed of the following:

- A decrease in red light camera fines of \$273,467;
- A grant from the United States Department of Agriculture for the improvement of restroom facilities at the City's community center in the amount of \$32,000;
- A grant from Federal Emergency Management Agriculture in the amount of \$37,655 for upgrades to the breathing apparatus equipment at the fire department;
- A grant from the Florida Wildlife Commission for the improvements of the City's boat ramp facilities in the amount of \$37,979;
- A contribution from Georgia Pacific for the construction of an environmental center in the amount of \$21,110.

A comparison of actual revenues versus the final budget reflects that actual revenues, excluding transfers, were \$486,926 more than budgeted.

Significant variances in actual versus final budget expenditures were as follows:

- General government actual expenditures were \$45,143 less than final budget due to savings in the information technology department.
- Public safety actual expenditures were \$56,853 less than final budget due to savings in the personnel and operating sections of the planning and zoning and police departments.
- Additionally, \$164,268 reserved for contingencies was unspent.

Capital Asset and Debt Administration

**City of Palatka Capital Assets
(Net of Depreciation)
For the Year Ended September 30, 2013**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land and Improvements	\$6,746,180	\$6,746,180	\$10,129,294	\$4,245,409	\$16,875,474	\$10,991,589
Buildings and Improvements	\$3,465,080	\$3,651,553	\$12,056,154	\$12,655,453	\$15,521,234	\$16,307,006
Infrastructure	\$3,265,652	\$3,614,042	\$0	\$0	\$3,265,652	\$3,614,042
Equipment	\$1,414,787	\$1,186,165	\$1,897,358	\$2,061,433	\$3,312,145	\$3,247,598
Intangibles	\$170,500	\$195,122	\$0	\$0	\$170,500	\$195,122
Water/Sewer Distribution System	\$0	\$0	\$5,656,695	\$5,943,379	\$5,656,695	\$5,943,379
Plant Assets and Equipment	\$0	\$0	\$22,973,043	\$21,070,815	\$22,973,043	\$21,070,815
Construction in Progress	\$600,094	\$550,670	\$2,500	\$6,889,131	\$602,594	\$7,439,801
	\$15,662,293	\$15,943,732	\$52,715,044	\$52,865,620	\$68,377,337	\$68,809,352

Capital Assets

The capital assets of the governmental funds are those assets used in the performance of general governmental functions and exclude the assets of the Enterprise Funds. As of September 30, 2013, the governmental capital assets of the City amounted to \$15,662,293, net of depreciation. This was a decrease of \$281,439 over the prior year. Capital assets are recorded at historical cost or estimated historical cost, except for contributed assets, which are recorded at fair value at the date of contribution.

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2013, (net of accumulated depreciation) amounts to \$68,377,337. This investment in capital assets includes land, buildings, infrastructure, improvements, furniture, equipment, water and sewer distribution system and construction in progress. The total decrease in the City's net investment in capital assets was \$432,015.

Major capital asset events during the fiscal year were at the airport. The city received FAA and FDOT grants that paid 95% to 100% of the project costs at the airport. The capital asset expenditures of approximately \$2.4 million were for the following:

- Rehabilitation of the main access road, old terminal building, runway 9/27, and taxiway C.
- Purchase of a fuel truck at the airport.
- Purchase of a new fire engine and police vehicles.
- Purchase of maintenance equipment at the golf course.

Additional information on the City's capital assets is found in Note 4 in the notes to the financial statements.

Long-Term Debt

At September 30, 2013, the City had \$2,739,454 of revenue bonds, notes payable and capital leases from specific general fund revenue sources other than ad valorem taxes. Also outstanding were \$7,074,630 Florida Municipal Loan Council Revenue Bonds, Series 2010A, payable from communication service tax revenue, half-cent sales tax revenue and public service tax revenues; \$333,971 Water Reuse System Construction loan, payable from the net revenues of the Water and Sewer system; \$3,700,506 Drinking Water State Revolving Fund Loan payable from the net revenues of the water and sewer system including connection fees; \$1,349,000 Taxable Golf Course Revenue Note payable from the net revenues of the Golf Course and non-ad valorem

taxes; \$511,000 Airport Hangar Revenue notes and a \$840,000 Airport Terminal Revenue Note payable from the net revenues of the Airport and non-ad valorem taxes and a \$177,382 capital lease payable from the net revenues of the Golf Course Fund.

The City has no general obligation debt (debt secured by ad valorem taxes) outstanding.

At the end of the current fiscal year, the City had total debt outstanding of \$16,862,974. Of this amount, \$534,226 comprises debt backed by the full faith and credit of the City, \$492,610 capital leases, \$137,031 water/sewer agreements with other agencies and the remainder represents bonds and notes secured solely by specified revenue sources (i.e., revenue bonds).

**City of Palatka
Long-Term Debt Obligations**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue Bonds	\$1,890,000	\$2,133,333	\$7,074,630	\$7,213,044	\$8,964,630	\$9,346,377
Notes Payable	534,226	595,319	6,734,477	7,138,785	7,268,703	7,734,104
Capital Lease Obligations	315,228	23,285	177,382	20,260	492,610	43,545
Water/Sewer Agreements	0	0	137,031	139,691	137,031	139,691
Total	\$2,739,454	\$2,751,937	\$14,123,520	\$14,511,780	\$16,862,974	\$17,263,717

The City's total long-term debt decreased \$400,743 from the prior year, while the long-term liability for compensated absences decreased by \$18,503.

Governmental Activities:

- The City received proceeds of \$300,000 from a capital lease for the purchase of police department vehicles.
- The City amended the Infrastructure Surtax Revenue Bond in the amount of \$1,890,000 which resulted in a lower interest rate and future savings for the City.
- The City made the following principal payments during the year: revenue bonds - \$266,667; notes payable - \$1,927,759; and capital lease - \$8,057.
- Governmental obligations for compensated absences increased by 2.65% or \$10,000.

Business-type activities:

- The City received proceeds of \$161,590 from a capital lease for golf course maintenance equipment.
- The City received proceeds in the amount of \$2,769,000 to refinance the Airport terminal and T-hangar revenue notes as well as the Taxable Golf Course revenue note.
- The following principal payments were made during the year: revenue bonds - \$150,000, notes payable - \$3,173,308; and capital lease - \$4,468.
- Compensated absences decreased by 13.66% or \$28,503.

The City's current bond rating is A from Standard and Poor's Ratings Services. There are no limitations placed on the amount of debt the City may issue by either the City's charter, code of ordinances or Florida State Statutes.

Additional information on the City's long-term liabilities can be found in Note 5 in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The development of the FY 2013-14 budget document was challenging and difficult, but we developed a comprehensive and collective strategy to stabilize and enhance the fiscal health of the City. Our approach

included holding two (2) budget development workshops in which the Commissioners and staff worked together to discuss and understand all of the factors and building blocks which impact (positively and negatively) the development of our municipal budget. These building blocks include the City's taxable value, stability and enhancement of the budget revenue sources, employee salary and benefit costs, and the operational costs required to continue to provide public services to our residents. The workshops also produced candid and in depth discussions on the ongoing costs of maintaining current service and program levels, costs to retain quality public employees, and exploring various new revenue opportunities and sources. These fruitful discussions and debates ultimately produced consensus among the Commissioners in order to assist in the construction of the proposed budget

The FY 2013-14 Budget continues to evaluate, review and implement bold strategic measures to ensure the continued delivery of excellent public services and increase the financial solvency of the organization. These measures include:

- Selling underutilized municipal property;
- Developing and implementing a comprehensive annexation policy;
- Increasing user fees and charges to completely cover the cost of services received;
- Comprehensive review and competitive bidding of all goods and services purchased to lower overall cost;
- Adopting new appropriate user fees and revenues;
- Developing an urban service boundary to extend municipal utility systems to gain new customers and lower operating costs, in cooperation with Putnam County;
- Actively pursuing economic development and redevelopment within and near the City;
- Actively pursuing and obtaining grant funding for capital improvement projects.
- Sale of surplus equipment and materials
- Cultivating non-traditional partnerships to provide quality public services
- Actively promote all forms of tourism in our community

The City also has been implementing decisive cost cutting and revenue enhancing activities at the Palatka Municipal Golf Club and the Palatka Municipal Airport in order to move these community assets toward financial solvency. In the event that these measures do not prove to be successful, the City may consider more drastic actions including the lease, sale, or other measure for these assets.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all of those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Finance Director, 201 N. 2nd Street, Palatka, Florida 32177.

City of Palatka, Florida
Statement of Net Position

September 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Palatka Gas Authority
Assets				
Cash and equivalents	\$ 2,126,934	\$ 565,202	2,692,136	\$ 672,498
Investments	-		-	1,422,171
Accounts receivable	100,983	584,885	685,868	78,824
Internal balances	1,749,044	(1,749,044)	-	
Due from other governments	203,686	267,646	471,332	-
Inventory	-	212,547	212,547	91,982
Restricted cash and equivalents	-	87,505	87,505	-
Restricted investments	-	478,404	478,404	-
Capital assets:				
Non-depreciable	7,346,274	10,131,794	17,478,068	211,543
Depreciable, net	8,316,019	42,583,250	50,899,269	4,283,658
Total assets	19,842,940	53,162,189	73,005,129	6,760,676
Liabilities				
Accounts payable and accrued liabilities	341,136	206,570	547,706	91,022
Deposits	4,492	403,106	407,598	243,398
Noncurrent liabilities:				
Due within one year	459,392	719,782	1,179,174	-
Due in more than one year	2,772,657	13,639,428	16,412,085	7,200
Total liabilities	3,577,677	14,968,886	18,546,563	341,620
Net position				
Net investment in capital assets	13,138,987	38,728,555	51,867,542	4,495,201
Restricted for:				
Downtown redevelopment	363,894	-	363,894	-
Housing and community development	38,105	-	38,105	-
Capital projects	-	8,095	8,095	-
Bond reserve	-	320,499	320,499	-
Unrestricted	2,724,277	(863,846)	1,860,431	1,923,855
Total net position	\$ 16,265,263	\$ 38,193,303	\$ 54,458,566	\$ 6,419,056

See accompanying notes.

City of Palatka, Florida
Statement of Activities

Year ended September 30,

2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	Palatka Gas Authority
Primary government								
Governmental activities:								
General government	\$ 2,192,293	\$ 114,051	\$ -	\$ -	\$ (2,078,242)	\$ -	\$ (2,078,242)	\$ -
Public safety	5,487,142	808,594	475,877	-	(4,382,671)	-	(4,382,671)	-
Transportation	511,114	51,254	(84,314)	-	34,854	-	34,854	-
Economic environment	184,981	-	-	724,340	639,359	-	639,359	-
Human services	151,906	124,332	-	-	(27,574)	-	(27,574)	-
Culture and recreation	427,004	22,840	11,485	11,750	(380,929)	-	(380,929)	-
Interest on long-term debt	155,598	-	-	-	(155,598)	-	(155,598)	-
Total governmental activities	9,090,038	921,471	981,676	736,090	(6,450,801)	-	(6,450,801)	-
Business-type activities:								
Water	4,688,134	4,122,596	-	12,103	-	(553,435)	(553,435)	-
Sanitation	1,397,879	1,535,189	-	-	-	137,310	137,310	-
Golf course	997,958	701,468	-	6,000	-	(290,490)	(290,490)	-
Airport	1,672,638	895,597	-	1,503,426	-	726,385	726,385	-
Total business-type activities	8,756,609	7,254,850	-	1,521,529	-	19,770	19,770	-
Total primary government	\$ 17,846,647	\$ 8,176,321	\$ 981,676	\$ 2,257,619	(6,450,801)	19,770	(6,431,031)	-
Component unit								
Palatka gas authority	\$ 2,070,053	\$ 1,792,938	\$ -	\$ -	-	-	-	(277,115)
General revenues								
Property taxes					3,432,971		3,432,971	
Sales tax and intergovernmental unrestricted shared revenues					783,678		783,678	
Franchise taxes					904,958		904,958	
Utility taxes					922,911		922,911	
Communications service tax					130,984		130,984	
Investment earnings					220	255	475	9,084
Miscellaneous					596,182	124,919	720,101	5,836
Transfers					213,602	(213,602)	-	-
Total general revenues and transfers					6,994,506	(88,428)	6,896,078	14,770
Change in net position					533,705	(68,658)	465,047	(282,395)
Net position - beginning of year					15,731,558	38,281,981	53,993,519	6,681,451
Net position - end of year					\$ 16,265,263	\$ 38,193,303	\$ 54,458,566	\$ 6,419,056

See accompanying notes.

City of Palatka, Florida

Balance Sheet
Governmental Funds

<u>September 30,</u>	<u>2013</u>			
	General Fund	Downtown Redevelopment Agency Fund	Other Governmental Fund	Total Governmental Funds
Assets				
Cash and equivalents	\$ 1,727,477	\$ 361,352	\$ 38,105	\$ 2,126,934
Accounts receivable	100,983	-	-	100,983
Due from other governments	198,686	5,000	-	203,686
Advances to other funds	1,749,044	-	-	1,749,044
Total assets	\$ 3,776,190	\$ 366,352	\$ 38,105	\$ 4,180,647
Liabilities				
Accounts payable and accrued liabilities	\$ 338,678	\$ 2,458	\$ -	\$ 341,136
Deposits	4,492	-	-	4,492
Total liabilities	343,170	2,458	-	345,628
Fund balances				
Nonspendable	1,749,044	-	-	1,749,044
Restricted	826,352	363,894	38,105	1,228,351
Committed	22,656	-	-	22,656
Unassigned	834,968	-	-	834,968
Total fund balances	3,433,020	363,894	38,105	3,835,019
Total liabilities and fund balances	\$ 3,776,190	\$ 366,352	\$ 38,105	\$ 4,180,647

See accompanying notes.

City of Palatka, Florida

Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds

<u>September 30.</u>	<u>2013</u>
Fund balances – total governmental funds	\$ 3,835,019
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not reported in the governmental funds.	
Capital assets – net	15,662,293
Long-term liabilities are not reported in the governmental funds.	
Bonds and notes payable	(2,424,226)
Capital leases	(315,228)
Compensated absences	(387,000)
Net OPEB obligation	(105,595)
Net position of governmental activities	\$ 16,265,263

See accompanying notes.

City of Palatka, Florida

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year ended September 30,

2013

	General Fund	Downtown Redevelopment Agency Fund	Other Governmental Fund	Total Governmental Funds
Revenues				
Taxes	\$ 5,465,543	\$ 379,410	\$ -	\$ 5,844,953
Permits, fees and special assessments	990,001	-	-	990,001
Intergovernmental	1,173,395	5,000	7,000	1,185,395
Charges for services	245,095	-	-	245,095
Fines and forfeitures	427,324	-	-	427,324
Miscellaneous	704,277	13,067	2,125	719,469
Total revenues	9,005,635	397,477	9,125	9,412,237
Expenditures				
Current:				
General government	1,651,710	-	-	1,651,710
Public safety	5,713,322	-	-	5,713,322
Transportation	486,426	-	-	486,426
Economic environment	-	177,981	7,000	184,981
Human services	142,233	-	-	142,233
Culture and recreation	449,550	-	-	449,550
Debt service:				
Principal retirement	335,816	-	-	335,816
Interest and fiscal charges	155,598	-	-	155,598
Total expenditures	8,934,655	177,981	7,000	9,119,636
Excess of revenues over (under) expenditures	70,980	219,496	2,125	292,601
Other financing sources (uses)				
Transfers in	685,099	-	-	685,099
Transfers out	(141,399)	(330,098)	-	(471,497)
Capital lease	300,000	-	-	300,000
Payment to refunded bonds escrow agent	(1,866,667)	-	-	(1,866,667)
Issuance of refunding bonds	1,890,000	-	-	1,890,000
Total other financing sources (uses)	867,033	(330,098)	-	536,935
Net change in fund balances	938,013	(110,602)	2,125	829,536
Fund balances – beginning of year	2,495,007	474,496	35,980	3,005,483
Fund balances – end of year	\$ 3,433,020	\$ 363,894	\$ 38,105	\$ 3,835,019

See accompanying notes.

City of Palatka, Florida

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities Governmental Funds

<u>Year ended September 30,</u>	<u>2013</u>
Net change in fund balances – total governmental funds	\$ 829,536
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.	
Acquisitions of capital assets	545,613
Current year depreciation expense	(827,052)
The issuance of long-term debt provides current financial resources in governmental funds but does not effect net position of governmental activities.	
Capital lease	(300,000)
Issuance of refunding bonds	(1,890,000)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment does not effect net position of governmental activities.	
Principal retirement	335,816
Payment to refunded bonds escrow agent	1,866,667
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated absences	(10,000)
Net OPEB obligation	(14,779)
The timing of revenue recognition sometimes differs between governmental funds and governmental activities.	
Change in deferred revenue	(2,096)
<u>Change in net position of governmental activities</u>	<u>\$ 533,705</u>

See accompanying notes.

City of Palatka, Florida

Statement of Net Position
Proprietary Funds

September 30,

2013

	Business-type Activities – Enterprise Funds				Total Enterprise Funds
	Water Fund	Sanitation Fund	Golf Course Fund	Airport Fund	
Current assets					
Cash and equivalents	\$ 428,340	\$ 130,947	\$ 2,505	\$ 3,410	\$ 565,202
Restricted cash and equivalents	51,989	-	12,445	14,976	79,410
Accounts receivable	409,502	153,339	15,375	6,669	584,885
Due from other governments	177,138	-	-	90,508	267,646
Inventory	130,970	-	36,134	45,443	212,547
Total current assets	1,197,939	284,286	66,459	161,006	1,709,690
Noncurrent assets					
Restricted cash and equivalents	8,095	-	-	-	8,095
Restricted investments	478,404	-	-	-	478,404
Advance to other funds	20,505	80,970	-	-	101,475
Capital assets, net	30,247,814	499,807	1,857,458	20,109,965	52,715,044
Total noncurrent assets	30,754,818	580,777	1,857,458	20,109,965	53,303,018
Total assets	31,952,757	865,063	1,923,917	20,270,971	55,012,708
Current liabilities					
Accounts payable and accrued liabilities	122,718	56,005	15,056	12,791	206,570
Deposits	372,517	-	9,686	20,903	403,106
Current portion of long-term liabilities	425,420	15,508	132,608	146,246	719,782
Total current liabilities	920,655	71,513	157,350	179,940	1,329,458
Noncurrent liabilities					
Net OPEB obligation	37,112	15,482	-	2,949	55,543
Advances from other funds	-	-	1,557,591	292,928	1,850,519
Other long-term liabilities	10,948,195	26,033	1,393,773	1,215,884	13,583,885
Total noncurrent liabilities	10,985,307	41,515	2,951,364	1,511,761	15,489,947
Total liabilities	11,905,962	113,028	3,108,714	1,691,701	16,819,405
Net position					
Net investment in capital assets	19,138,707	499,807	331,076	18,758,965	38,728,555
Restricted for capital projects	8,095	-	-	-	8,095
Restricted for bond reserve	320,399	-	-	100	320,499
Unrestricted	579,594	252,228	(1,515,873)	(179,795)	(863,846)
Total net position	\$ 20,046,795	\$ 752,035	\$ (1,184,797)	\$ 18,579,270	\$ 38,193,303

See accompanying notes

City of Palatka, Florida

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds

<i>Year ended September 30,</i>	Business-type Activities – Enterprise Funds				2013
	Water Fund	Sanitation Fund	Golf Course Fund	Airport Fund	Total Enterprise Funds
Operating revenues					
User fees	\$ 4,122,596	\$1,535,189	\$ 701,468	\$ 895,597	\$ 7,254,850
Other operating revenues	10,704	322	685	11,809	23,520
Total operating revenues	4,133,300	1,535,511	702,153	907,406	7,278,370
Operating expenses					
Personal services	1,854,654	712,025	21,488	147,525	2,735,692
Operating expenses	1,272,161	632,559	808,345	709,163	3,422,228
Depreciation and amortization	1,131,369	53,246	71,231	734,176	1,990,022
Total operating expenses	4,258,184	1,397,830	901,064	1,590,864	8,147,942
Operating income (loss)	(124,884)	137,681	(198,911)	(683,458)	(869,572)
Nonoperating revenues (expenses)					
Investment earnings	255	-	-	-	255
Interest expense	(429,950)	(49)	(96,894)	(81,774)	(608,667)
Sale of surplus property	4,415	-	-	96,984	101,399
Total nonoperating revenues (expenses)	(425,280)	(49)	(96,894)	15,210	(507,013)
Income (loss) before capital contributions and transfers	(550,164)	137,632	(295,805)	(668,248)	(1,376,585)
Capital contributions	12,103	-	6,000	1,503,426	1,521,529
Transfers in	-	-	146,398	-	146,398
Transfers out	(265,000)	(95,000)	-	-	(360,000)
Change in net position	(803,061)	42,632	(143,407)	835,178	(68,658)
Net position – beginning of year	20,849,856	709,403	(1,041,390)	17,744,092	38,261,961
Net position – end of year	\$20,046,795	\$ 752,035	\$(1,184,797)	\$ 18,579,270	\$ 38,193,303

See accompanying notes.

City of Palatka, Florida

Statement of Cash Flows
Proprietary Funds

Year ended September 30,	Business-type Activities – Enterprise Funds				2013
	Water Fund	Sanitation Fund	Golf Course Fund	Airport Fund	Total Enterprise Funds
Operating activities					
Receipts from customers	\$ 4,385,922	\$ 1,544,530	\$ 891,960	\$ 1,058,485	7,680,897
Payments to suppliers	(1,406,843)	(617,392)	(655,130)	(731,886)	(3,411,251)
Payments to employees	(1,853,371)	(729,521)	(21,488)	(144,213)	(2,748,593)
Net cash provided by operating activities	1,125,708	197,617	15,342	182,386	1,521,053
Noncapital financing activities					
Transfers in	-	-	146,398	-	146,398
Transfers out	(265,000)	(95,000)	-	-	(360,000)
Net cash provided (used) by noncapital financing activities	(265,000)	(95,000)	146,398	-	(213,602)
Capital and related financing activities					
Debt issued	-	-	1,358,000	1,411,000	2,769,000
Capital contributions	12,103	-	6,000	1,503,426	1,521,529
Acquisitions of capital assets	(88,712)	-	(9,687)	(1,567,869)	(1,666,268)
Sale of surplus property	4,415	-	-	96,984	101,399
Principal paid on debt	(385,322)	(12,989)	(1,405,458)	(1,526,667)	(3,330,436)
Interest paid on debt	(429,950)	(49)	(96,895)	(81,774)	(608,668)
Net cash used by capital and financing activities	(887,466)	(13,038)	(148,040)	(164,900)	(1,213,444)
Investing activities					
Interest received	255	-	-	-	255
Purchase of investments	(648)	-	-	-	(648)
Net cash used by investing activities	(393)	-	-	-	(393)
Change in cash and equivalents	(27,151)	89,579	13,700	17,486	93,614
Cash and equivalents – beginning of year	515,575	41,368	1,250	900	559,093
Cash and equivalents – end of year	\$ 488,424	\$ 130,947	\$ 14,950	\$ 18,386	\$ 652,707

(continued)

City of Palatka, Florida
Statement of Cash Flows
Proprietary Funds

<u>Year ended September 30,</u>	<u>Business-type Activities – Enterprise Funds</u>				<u>2013</u>
	Water Fund	Sanitation Fund	Golf Course Fund	Airport Fund	Total Enterprise Funds
Operating income (loss)	\$ (124,884)	\$ 137,681	\$ (198,911)	\$ (683,458)	\$ (869,572)
Depreciation and amortization	1,131,369	53,246	71,231	734,176	1,990,022
Change in:					
Accounts receivable	(23,015)	9,019	(4,502)	385	(18,113)
Due from other governments	265,221	-	-	146,976	412,197
Inventory	(8,323)	-	(1,277)	1,018	(8,584)
Accounts payable and accrued liabilities	(120,725)	16,586	(5,338)	(282,018)	(391,495)
Due to other funds	-	-	-	(34,240)	(34,240)
Advance from other funds	-	-	159,830	292,928	452,758
Compensated absences	(9,575)	(21,081)	-	2,153	(28,503)
Net OPEB obligation	5,224	2,166	-	509	7,899
Customer deposits	10,416	-	(5,691)	3,959	8,684
Net cash provided by operating activities	\$ 1,125,708	\$ 197,617	\$ 15,342	\$ 182,386	\$ 1,521,053
 Noncash capital and related financing activities:					
Asset acquired via capital lease	\$ -	\$ -	\$ 161,590	\$ -	\$ 161,590

(Concluded)

See accompanying notes.

City of Palatka, Florida

Statement of Fiduciary Net Position
Pension Trust Funds

<u>September 30,</u>	<u>2013</u>
Assets	
Investments:	
Money market and other cash equivalents	\$ 553,516
Government bonds and notes	1,641,640
Corporate bonds and notes	9,652,718
Mutual funds - equities	16,383,371
Mutual funds (REIT)	381,628
Common stock/equities	4,643,336
Total investments	33,256,209
Accounts receivable	132,393
Total assets	33,388,602
Liabilities	4,080
Net position	
Held in trust for pension benefits	\$ 33,384,522

See accompanying notes.

City of Palatka, Florida

Statement of Changes in Fiduciary Net Position
Pension Trust Funds

<i>Year ended September 30,</i>	2013
ADDITIONS	
Contributions	
Employer	\$ 1,283,632
Member	311,111
State on behalf, through general fund	137,760
Total contributions	1,732,503
Investment income	
Net appreciation in fair value of investments	2,788,931
Interest	129,760
Dividends	758,750
	3,677,441
Less investment management fee	135,386
Net investment income	3,542,055
Total additions	5,274,558
DEDUCTIONS	
Member benefits	2,815,731
Withdrawals	75,818
Administrative expense	55,624
Total deductions	2,947,173
Change in net position	2,327,385
Net position held in trust for pension benefits, beginning of year	31,057,137
Net position held in trust for pension benefits, end of year	\$ 33,384,522

See accompanying notes.

City of Palatka, Florida
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***Reporting Entity***

The City of Palatka, Florida (the "City"), which is located in northeast Florida, was incorporated January 8, 1853 under the Laws of the State of Florida, Chapter 492. The City operates under an elected Mayor-Commissioner and a Board of Commissioners (four members) and provides human services, community enrichment and development, law enforcement, fire protection and rescue service.

As required by generally accepted accounting principles, the accompanying financial statements present the City as a primary government and its component units, entities for which the City is considered financially accountable, or entities that would be misleading to exclude. The component units are included in the reporting entity because of the significance of their operational relationship with the City. The City is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

Blended component units, although legally separate entities, are in substance part of the City's operations and, accordingly, data from these units are combined with the data of the City. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City.

Blended Component Unit

The Palatka Downtown Redevelopment Agency (the "Agency") is a legally separate entity created pursuant to Florida Statutes following the adoption of an approving Resolution (No. 4-12, dated November 10, 1983) by the City. The Agency is governed by a five-member board whose members are the same as the City Commission, and a financial benefit or burden relationship exists. The operations of the Agency are reported in a governmental fund.

Discretely Presented Component Unit

The Palatka Gas Authority (the "Gas Authority") was created by an Act of the Florida Legislature (Ch. 59-1679, Act 1959) and ratified by election on November 10, 1959. The members of the Gas Authority's governing board are appointed by the City Commission. Additionally, bond issues and operational and capital budgets must be approved by the City Commission. Annually, the Gas Authority provides a contribution to the City from its net income. The contribution is one-half of annual profits.

City of Palatka, Florida
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Complete financial statements of the Gas Authority can be obtained directly from:

The Palatka Gas Authority
518 Main Street
Palatka, Florida 32177

Related Organization

The Palatka Housing Authority (the "Housing Authority") was established by the City in 1962 pursuant to Chapter 421, Florida Statutes. The purpose of the Housing Authority is to provide affordable housing to the Palatka community and surrounding areas. The Housing Authority is considered a related organization because its Board members are appointed by the Mayor of the City of Palatka. The City is not financially accountable for the Housing Authority, nor does it meet other criteria of a component unit and, accordingly, the Housing Authority is not included in the accompanying financial statements.

Joint Ventures

The City did not participate in any joint ventures during the 2012-2013 fiscal year.

Basis of Presentation

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. The more significant of the City's accounting policies are hereafter described.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used, if any, are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include: charges for services that are directly related to a given function; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported instead as *general revenues*.

City of Palatka, Florida
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Fund Financial Statements***

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements, but all nonmajor funds are aggregated and displayed in a single column. The governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The City reports the following major governmental funds:

General Fund – the primary operating fund, used to account for and report all financial resources not accounted for and reported in another fund.

Downtown Redevelopment Agency Fund – to account for the collection and use of tax increment funds of the City's Downtown Redevelopment Agency.

The City reports the following major enterprise funds:

Water Fund – to account for the assets, operation and maintenance of the City-owned water and sewer system.

Sanitation Fund – to account for the assets, operation and maintenance of the City's solid waste department.

Golf Course Fund – to account for the assets, operation and maintenance of the City-owned golf course.

Airport Fund – to account for the assets, operation and maintenance of the City-owned airport.

The City has one nonmajor governmental fund.

Additionally, the City reports the following fiduciary funds:

Pension Trust Funds – to account for activities of the City's pension plans.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are

City of Palatka, Florida
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

recognized when they become measurable and available as net current assets. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Taxes and certain intergovernmental revenues constitute the most significant sources of revenue considered susceptible to accrual. In governmental funds, expenditures are generally recognized when the related liability is incurred. However, debt service expenditures, and expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Cash and Cash Equivalents

For purpose of the Statement of Cash Flows, the City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

Receivables are stated at net realizable value, reduced by an allowance for uncollectable accounts, where appropriate. Accounts receivable of the Enterprise Funds are net of a \$170,798 allowance. Accounts receivable of the Gas Authority are net of a \$50,774 allowance.

Investments

Investments are reported at fair value based on quoted market prices, except for money market investments, which are reported at cost, which approximates fair value.

Inventories

Inventories are stated at cost, based on the first-in, first-out method. Expense is charged as items are consumed.

Long-Term Receivables

Noncurrent portions of long-term receivables due to governmental funds are reported on the balance sheet, without regard to the fund's measurement focus. However, special reporting treatment is used to indicate that these receivables are not considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund revenues represented by noncurrent receivables is deferred until they become current receivables. Noncurrent portions of long-term loans and advances receivable are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Capital Assets

Capital assets are recorded at historical cost or estimated historical cost, except for contributed assets which are recorded at fair value at the date of contribution. The City generally uses a capitalization threshold of \$5,000 for all classes of capital assets, other than intangible assets and infrastructure. Intangible assets, such as computer software,

City of Palatka, Florida
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

have a capitalization threshold of \$10,000. General infrastructure assets, such as dirt to pavement roads, mill and resurface road projects and all sidewalk projects, have a capitalization threshold of \$100,000.

The City began prospective reporting of general infrastructure assets at the effective date of GASB Statement No. 34. Effective October 1, 2006, the City began retroactive reporting of all major general governmental infrastructure assets. The estimated cost of the initial reporting of these assets was obtained through backtrending (i.e. estimating the current replacement cost of the infrastructure and using appropriate indices to deflate the cost to the estimated acquisition year). The reported values exclude basic road resurfacing, or other normal maintenance and repairs that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Depreciation and amortization of capital assets is provided using the straight-line method over the estimated useful lives of the assets, which range as follows:

	Years
Buildings and improvements	30
Furniture, equipment and vehicles	3 – 10
Intangibles	10
Water and sewer distribution system	15 – 50
Plant assets and equipment	20 – 50
General infrastructure	35 – 50

For its business-type activities, the City's policy is to capitalize construction period interest costs on projects funded specifically through debt financing. Interest earnings are offset against construction costs for qualified projects financed with tax-exempt debt. No interest costs were capitalized during 2013.

Claims and Judgments

For governmental funds, a fund liability is reported to account for the portion of the liability that will be liquidated with expendable available financial resources. The liability is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

Compensated Absences

The City's policy is to allow limited vesting of employee vacation pay and accumulated sick leave. A liability for accrued compensated absences of employees of the governmental funds has been accrued. Since this liability will not be liquidated with expendable available financial resources, the liability has not been reported in the governmental funds. A liability for compensated absences is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. In prior years, compensated absence liabilities associated with governmental funds were liquidated by the General Fund and Downtown Redevelopment Agency Fund, the funds that incurred the liabilities.

City of Palatka, Florida
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

The Putnam County Tax Collector bills and collects property taxes for the City. At September 30, 2013, property taxes receivable were not material.

Details of the City's tax calendar are presented below:

Lien date	January 1
Levy date	October 1
Discount period	November - February
No discount period	March
Delinquent date	April 1

Operating Revenues and Expenses

The enterprise funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Restricted Net Position

In the accompanying government-wide and proprietary funds' statements of net position, *restricted net position* is subject to restrictions beyond the City's control. The restriction is either externally imposed (for instance, by creditors, grantors, contributors, or laws/regulations of other governments) or is imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City has no net position restricted by enabling legislation.

Fund Balance

The City follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

City of Palatka, Florida
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the City's highest level of decision-making authority, which is by ordinance approved by the City Commission. Committed amounts cannot be used for any other purpose unless the City removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the City Commission or (b) a body or official to which the Commission has delegated the authority to assign amounts to be used for specific purposes. At this point in time, only the Commission has the authority to assign fund balances.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The City's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued statements that will become effective in subsequent fiscal years. The statements address:

- Items previously reported as assets and liabilities;
- Accounting and financial reporting for pensions;
- Mergers, acquisitions and transfers of operations; and
- Financial guarantees.

The City is currently evaluating the effects that these statements will have on its financial statements for subsequent fiscal years.

City of Palatka, Florida
Notes to Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments are classified in the accompanying financial statements as follows:

	Primary Government	Component Unit
Statement of net position:		
Cash and equivalents	\$ 2,692,136	\$ 672,498
Investments	-	1,422,171
Restricted cash and equivalents	87,505	-
Restricted investments	478,404	-
Statement of fiduciary net position:		
Investments	33,256,209	-
Total deposits and investments	\$ 36,514,254	\$ 2,094,669

For purposes of risk disclosures, deposits and investments are comprised of the following:

	Primary Government	Component Unit
Deposits with financial institutions, including certificates of deposit	\$ 2,779,641	\$ 2,094,669
Investments - other than pension	478,404	-
Investments - pension	33,256,209	-
Total deposits and investments	\$ 36,514,254	\$ 2,094,669

Deposits

All of the City's and the Gas Authority's demand deposits, certificates of deposit, and money market accounts are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, and are entirely insured by Federal depository insurance or collateralized pursuant to the Florida Security for Public Deposits Act.

Investments

Section 218.415, Florida Statutes, authorizes the City to invest excess public funds in the following:

- ◆ Direct obligations of the U.S. Treasury;
- ◆ Savings accounts and certificates of deposit in qualified public depositories;
- ◆ The Local Government Surplus Funds Trust Fund;
- ◆ Securities and Exchange Commission registered money market funds with the highest credit quality rating.

City of Palatka, Florida
Notes to Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The City's investments at September 30, 2013 are summarized in the following table:

	Maturities			
		0-5 yrs	5-10 yrs	10+ yrs
Pension investments:				
Money market & other cash equivalents	\$ 553,516	\$ 553,516	\$ -	\$ -
Government bonds and notes	1,641,640	436,248	375,856	829,536
Corporate bonds and notes	9,652,718	8,050,386	1,585,572	18,759
Mutual funds (equities)	3,151,032	3,151,032	-	-
Mutual funds (REIT)	381,628	381,629	-	-
Mutual funds (ETF Equities)	9,187,458	9,187,458	-	-
Mutual funds (taxable-equity)	4,044,881	4,044,881	-	-
Common stock	4,643,336	4,643,336	-	-
Total pension investments	33,256,209	30,448,486	1,961,428	846,295
Other investments:				
Government bonds and notes	478,404	-	-	-
Total	\$33,734,613	\$30,448,486	\$ 1,961,428	\$ 846,295

The City's investments in debt securities are rated as follows:

Common Stock		Corporate Bonds and Notes		Government Bonds and Notes	
-	-	AA2	1%	AAA	52%
-	-	AA3	3%	-	-
-	-	A1	12%	-	-
-	-	A2	10%	-	-
-	-	A3	6%	-	-
-	-	BAA1	1%	-	-
-	-	BBB	67%	-	-
Not rated	100%	Not rated	-	Not rated	48%
Total	100%	Not rated	100%	Not rated	100%

City of Palatka, Florida
Notes to Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The City's investments in mutual funds, money markets and other debt securities are not rated for credit quality by a nationally recognized statistical rating organization.

The City is not exposed to foreign currency risk, but is exposed to the following investment risks:

Credit Risk – the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Interest Rate Risk – the risk that changes in interest rates will adversely affect the fair value of an investment.

Concentration of Credit Risk – the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The City does not have a formal investment policy relating to the aforementioned risks, other than Section 218.415, Florida Statutes, for investing public funds. That statute limits the City's exposure to credit risk and interest rate risk by limiting authorized investment options as previously described. However, the City's three pension plans have each adopted investment policies that address the risks described above and set other investing guidelines. Those policies require the investments to be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To the extent possible, an attempt must be made to match investment maturities with known cash needs and anticipated cash-flow requirements. Furthermore, the policies of the Police and Firefighter Plan require diversification to the extent practical to control the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instrument, dealer or bank in which the financial instruments are bought and sold. The policies of the General Pension Plan place restrictions on investments, including limits as to quality ratings of at least Standard & Poor's A1 or Moody's P-1 for cash instruments; Standard and Poor's BBB or Moody's Baa for bonds or other evidences of indebtedness; corporations listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market for equities; real estate investments (REITs) that trade on a major exchange; or obligations issued by the United States Government or guaranteed as to principal and interest by the United States Government or an agency of the United States Government.

City of Palatka, Florida
Notes to Financial Statements

NOTE 3 – INTERFUND BALANCES AND TRANSFERS

At September 30, 2013, interfund balances are as follows:

Fund Type/Fund	Interfund Receivable	Interfund Payable
General fund	\$ 1,749,044	\$ -
Major enterprise funds:		
Water	20,505	-
Sanitation	80,970	-
Golf course	-	1,557,591
Airport	-	292,928
Total	\$ 1,850,519	\$ 1,850,519

As summarized below, the interfund balances arose because two funds had overdrawn their share of the City's pooled cash account. All of the interfund balances are "advances," which are not expected to be repaid within one year.

	Cash and Equivalents As Reported	Adjustment for Overdraft	True Balance
General fund	\$ 1,727,477	\$ 1,749,044	\$ 3,476,521
Major enterprise fund:			
Water	488,424	20,505	508,929
Sanitation	130,947	80,970	211,917
Golf course	14,950	(1,557,591)	(1,542,641)
Airport	18,386	(292,928)	(274,542)
Total	\$ 2,380,184	\$ -	\$ 2,380,184

City of Palatka, Florida
Notes to Financial Statements

NOTE 3 – INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Interfund transfers for the year ended September 30, 2013 consisted of the following:

Fund Type/Fund	Transfers In	Transfers Out
General fund	\$ 685,099	\$ 141,399
Downtown redevelopment agency fund	-	330,098
Major enterprise funds:		
Water	-	265,000
Sanitation	-	95,000
Golf course	146,398	-
Total	\$ 831,497	\$ 831,497

The interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

NOTE 4 – CAPITAL ASSET ACTIVITY

During the year ended September 30, 2013, the following changes in capital assets occurred:

Primary Government	Balance October 1, 2012	Increases	Decreases	Balance September 30, 2013
Governmental activities				
Capital assets not being depreciated:				
Land and improvements	\$ 6,746,180	\$ -	\$ -	\$ 6,746,180
Construction in progress	550,670	49,424	-	600,094
Total capital assets not being depreciated	7,296,850	49,424	-	7,346,274
Capital assets being depreciated:				
Buildings and improvements	6,845,248	64,997	-	6,910,245
Infrastructure	10,052,543	15,000	-	10,067,543
Furniture and equipment	3,283,339	416,192	-	3,699,531
Intangibles	234,827	-	-	234,827
Total capital assets being depreciated	20,415,957	496,189	-	20,912,146
Less accumulated depreciation for:				
Buildings and improvements	3,193,695	251,470	-	3,445,165
Infrastructure	6,438,501	363,390	-	6,801,891
Furniture and equipment	2,097,174	187,570	-	2,284,744
Intangibles	39,705	24,622	-	64,327
Total accumulated depreciation	11,769,075	827,052	-	12,596,127
Total capital assets being depreciated, net	8,646,882	(330,863)	-	8,316,019
Governmental activities capital assets, net	\$ 15,943,732	\$ (281,439)	\$ -	\$ 15,662,293

City of Palatka, Florida
Notes to Financial Statements

NOTE 4 – CAPITAL ASSET ACTIVITY (CONTINUED)

Primary Government	Balance October 1, 2012	Increases	Decreases	Balance September 30, 2013
Business-type activities				
Capital assets not being depreciated:				
Land and improvements	\$ 4,245,409	\$ 5,883,885	\$ -	\$ 10,129,294
Construction in progress	6,889,131	2,500	6,889,131	2,500
Total capital assets not being depreciated	11,134,540	5,886,385	6,889,131	10,131,794
Capital assets being depreciated:				
Buildings and improvements	21,209,483	180,579	12,182	21,377,880
Furniture and equipment	4,027,929	238,581	229,258	4,037,252
Water and sewer distribution system	9,827,457	-	-	9,827,457
Plant assets and equipment	32,333,130	2,411,445	-	34,744,575
Total capital assets being depreciated	67,397,999	2,830,605	241,440	69,987,164
Less accumulated depreciation for:				
Building and improvements	8,554,030	779,878	12,182	9,321,728
Furniture and equipment	1,966,496	402,656	229,258	2,139,894
Water and sewer distribution system	3,884,078	286,684	-	4,170,762
Plant assets and equipment	11,262,315	509,217	-	11,771,532
Total accumulated depreciation	25,666,919	1,978,435	241,440	27,403,914
Total capital assets being depreciated, net	41,731,080	852,170	-	42,583,250
Business-type activities capital assets, net	\$ 52,865,820	\$ 6,738,555	\$ 6,889,131	\$ 52,715,044

City of Palatka, Florida
Notes to Financial Statements

NOTE 4 – CAPITAL ASSET ACTIVITY (CONTINUED)

Depreciation expense was charged to the functions of the primary government as follows:

Governmental activities:	
General government	\$ 591,694
Public safety	160,711
Transportation	23,669
Human services	9,418
Culture and recreation	41,560
<hr/>	
Total depreciation expense - governmental activities	<u>\$ 827,052</u>
Business-type activities:	
Water and sewer	\$ 1,119,783
Sanitation	53,245
Golf course	734,176
Airport	71,231
<hr/>	
Total depreciation expense - business-type activities	<u>\$ 1,978,435</u>

Discretely Presented Component Unit

Capital assets activity for the Gas Authority for the year ended September 30, 2013 follows:

	Balance October 1, 2012	Increases	Decreases	Balance September 30, 2013
<hr/>				
Capital assets not being depreciated:				
Land	\$ 211,543	\$ -	\$ -	\$ 211,543
<hr/>				
Capital assets being depreciated:				
Buildings and improvements	1,413,600	-	-	1,413,600
Furniture and equipment	657,001	61,247	-	718,248
Plant assets and equipment	4,207,271	723,830	-	4,931,101
Total capital assets being depreciated	<u>6,277,872</u>	<u>785,077</u>	<u>-</u>	<u>7,062,949</u>
<hr/>				
Less accumulated depreciation for:				
Buildings and improvements	180,572	35,394	-	215,966
Furniture and equipment	343,998	84,986	-	428,984
Plant assets and equipment	2,071,561	62,780	-	2,134,341
Total accumulated depreciation	<u>2,596,131</u>	<u>183,160</u>	<u>-</u>	<u>2,779,291</u>
<hr/>				
Total capital assets being depreciated, net	3,681,741	601,917	-	4,283,658
<hr/>				
Gas Authority capital assets, net	<u>\$3,893,284</u>	<u>\$ 601,917</u>	<u>\$ -</u>	<u>\$ 4,495,201</u>

City of Palatka, Florida
Notes to Financial Statements

NOTE 5 – LONG-TERM OBLIGATIONS

Long-term debt is described below:

Governmental Activities

\$850,000 Fire truck loan, payable in quarterly installments through 10/1/2021, plus interest at 3.85%, revenue source - non-ad valorem revenues. \$ 534,226

\$1,890,000 Infrastructure Surtax Revenue Bonds, amended Series 2008, payable in annual installments ranging from \$124,000 to 141,000 through April 2020, plus interest at 2.35%, payable semiannually, secured by the One-Cent Infrastructure Surtax and non-ad valorem revenues. The approximate amount of the pledge is equal to the remaining principal and interest of \$2,276,550. During the current year, the City recognized infrastructure surtax revenues of \$699,302 and made \$377,387 principal and interest payments. 1,890,000

Total \$ 2,424,226

Business-Type Activities

\$7,665,000 Florida Municipal Loan Council Revenue Bonds, Series 2010A, payable in varying installments through October 1, 2040, bearing interest from 2.0% to 4.625%, secured by a pledge of Half-Cent Sales Tax Revenues, Public Service Tax Revenues, and Communications Service Tax Revenues. The approximate amount of the pledge is equal to the remaining principal and interest of \$12,804,000. During the current year, the City recognized pledged revenues of \$1,425,585, and made \$466,028 principal and interest payments. \$ 7,260,000

\$714,914 Water Reuse System State Revolving Loan; interest rate of 1.34%. Repayment began in September 2005 in 30 semiannual payments. Secured by a pledge of the net revenues of the water and sewer system after satisfaction of senior obligations. The approximate amount of the pledge is equal to the remaining principal and interest of \$349,753. During the current year, the City recognized net revenues of \$898,889, and made \$53,822 principal and interest payments. 333,971

\$4,268,622 Drinking Water State Revolving Fund Loan, plus capitalized interest of \$15,953, payable in semiannual installments of \$142,476, including interest at 2.61%, through January 2029, from net revenues of the water and sewer system. The proceeds were used to repay the portion of interim loan for construction of the drinking water treatment/distribution project, that was not covered by a DEP grant. The approximate amount of the pledge is equal to the remaining principal and interest of \$4,545,845. During the current year, the City recognized net revenues of \$898,889 and paid principal and interest payments in the amount of \$284,953. 3,700,506

City of Palatka, Florida
Notes to Financial Statements

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

<p>\$528,000 Airport T-Hangar Revenue Refunding Note Series 2013B, plus interest at 3.75% paid semiannually through September 2023, from net revenues of the airport and non-ad valorem revenues. The approximate amount of the pledge is equal to the remaining principal and interest of \$611,613. During the current year, the City recognized net revenues of \$147,703 and made \$45,331 principal and interest payments.</p>	511,000
<p>\$883,000 Airport Terminal Revenue Refunding Note Series 2013C, plus interest at 2.541%, paid semiannually through September 2023, from net revenues of the airport and non-ad valorem revenues. The approximate amount of the pledge is equal to the remaining principal and interest of \$952,655. During the current year, the City recognized net revenues of \$147,703 and made \$74,954 principal and interest payments.</p>	840,000
<p>\$1,358,000 Taxable Golf Course Revenue Refunding Note, Series 2013A, payable in annual installments, plus interest at 4.25% payable semiannually through September 2023, from the net revenues of the Golf Course Facilities and non-ad valorem taxes. The approximate amount of the pledge is equal to the remaining principal and interest of \$1,673,250. During the current year, the City had net revenues of \$(115,106) and made \$83,795 principal and interest payments.</p>	1,349,000
<p>Less unamortized costs</p>	<u>(185,370)</u>
<p>Total</p>	<p><u>\$ 13,809,107</u></p>

City of Palatka, Florida
Notes to Financial Statements

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

Aggregate maturities of revenue bonds and notes payable are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 304,127	\$ 116,649	\$ 633,163	\$ 509,798
2015	320,320	100,617	652,811	492,093
2016	329,576	83,520	661,599	473,175
2017	337,983	68,273	680,530	452,614
2018	346,424	51,387	694,608	430,655
2019-2023	785,796	57,477	3,648,424	1,801,144
2024-2028	-	-	2,495,266	1,293,477
2029-2033	-	-	1,768,076	884,391
2034-2038	-	-	1,880,000	445,156
2039-2040	-	-	880,000	160,141
Totals	\$ 2,424,226	\$ 477,923	\$ 13,994,477	\$ 6,942,644

Governmental Activities

	Balance October 1,			Balance September 30,		Due Within One Year
	2012	Additions	Deductions	2013		
Revenue bonds and notes	\$ 2,728,652	\$1,890,000	\$2,194,428	\$ 2,424,226	\$ 304,127	
Capital leases	23,285	300,000	8,057	315,228	67,765	
Compensated absences	377,000	234,000	224,000	387,000	87,500	
Net OPEB obligation	90,816	14,779	-	105,595	-	
Total	\$ 3,219,753	\$2,438,779	\$2,426,483	\$ 3,232,049	\$ 459,392	

Capital Leases

The City has a \$26,009, 8.9% capital lease for computer equipment due in monthly installments of \$826 and a \$300,000, 1.68% for police vehicles due in monthly installments of \$5,304. Both leases are payable from the General Fund and reported in governmental activities. The aggregate historical cost of purchased vehicles under this lease is \$83,852; \$216,148 is held in escrow for future vehicles acquisitions.

The City also has a \$21,144, 4.8% capital lease for greens equipment due in monthly installments of \$485 and a \$161,590, 3.3% capital lease for greens equipment due in monthly installments of \$3,026. Both leases are payable from the Golf Fund and reported in business-type activities.

City of Palatka, Florida
Notes to Financial Statements

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

Future lease payments, together with the present value of the minimum lease payments, are summarized in the following tabulation:

Year Ending September 30,	Governmental Activities	Business-type Activities
2014	\$ 73,553	\$ 42,140
2015	70,250	42,050
2016	63,644	41,248
2017	63,644	36,315
2018	58,310	30,263
Less: amount representing interest	(14,173)	(14,634)
Present value of net minimum lease payments	\$ 315,228	\$ 177,382

Business-type Activities

	Balance October 1, 2012		Balance September 30, 2013		Due Within One Year
	Additions	Deductions	Additions	Deductions	
Florida Municipal Loan Council revenue					
bonds series 2010A	\$ 7,410,000	\$ -	\$ 150,000	\$ 7,260,000	\$ 155,000
Less: unamortized issuance costs	(196,956)	-	(11,586)	(185,370)	-
Drinking water state revolving fund loan	3,884,313	-	183,807	3,700,506	189,651
Sanitation equipment	12,989	-	12,989	-	-
Water reuse loan	382,826	-	48,855	333,971	49,512
Golf revenue note	1,391,989	-	1,391,989	-	-
Golf revenue note series 2013A	-	1,358,000	9,000	1,349,000	96,000
Airport terminal revenue note	916,668	-	916,668	-	-
Airport revenue note series 2013B	-	528,000	17,000	511,000	53,000
Airport T-hangars revenue note	550,000	-	550,000	-	-
Airport revenue note series 2013C	-	883,000	43,000	840,000	90,000
Total revenue bonds and notes	14,351,829	2,769,000	3,311,722	13,809,107	633,163
Capital lease	20,280	161,590	4,468	177,382	38,608
County water/sewer agreement	128,398	-	2,660	125,738	-
SJRWMD water/sewer agreement	11,293	-	-	11,293	-
Compensated absences	208,650	118,687	147,190	180,147	50,011
Net OPEB obligation	47,644	7,899	-	55,543	-
Total	\$ 14,768,074	\$ 3,057,176	\$ 3,466,040	\$ 14,359,210	\$ 719,782

The City has long-term water/sewer agreements with the St. Johns River Water Management District and Putnam County, which are liquidated when permit costs are incurred or new business hook-ups are made in the Highway 19 corridor.

City of Palatka, Florida
Notes to Financial Statements

NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)

Current Refunding

The City amended the Infrastructure Surtax Revenue Bonds, Series 2008 for a current refunding. The refunding was undertaken to repay the previous balance of the infrastructure Surtax Revenue Bonds, Series 2008 and to reduce total future debt service payments. The transaction resulted in an economic gain of approximately \$175,700 and reduction of approximately \$194,600 in future debt service payments.

The City issued \$2,769,000 of revenue notes, Series 2013 A, B and C, for a current refunding of \$2,858,656 of Airport and Golf revenue notes, Series 2008. The refunding was undertaken to repay the Series 2008 bonds, the Sanitation equipment note and to reduce total future debt service payments. The transaction resulted in an economic gain of approximately \$283,600 and reduction of approximately \$353,300 in future debt service payments.

NOTE 6 – RESTRICTED NET POSITION – BUSINESS-TYPE ACTIVITIES

The following schedule displays restricted assets, liabilities payable from those assets, and restricted net position of the City's business-type activities:

	Business-type Activities
Restricted assets:	
Cash and equivalents	\$ 87,505
Investments	478,404
Total	565,909
Liabilities payable from restricted assets:	
Current portion of debt service:	
Principal	35,516
Interest	201,799
Total	237,315
Restricted net position	\$ 328,594

City of Palatka, Florida
Notes to Financial Statements

NOTE 6 – RESTRICTED NET POSITION – BUSINESS-TYPE ACTIVITIES (CONTINUED)

Restricted net position of the business-type activities are further classified as follows:

Capital projects	\$ 8,095
Bond reserve	320,499
Total	\$ 328,594

NOTE 7 – FUND BALANCE CLASSIFICATIONS

	General Fund	Downtown Redevelopment Agency Fund	Other Governmental Fund	Total Governmental Funds
Nonspendable:				
Advances	\$1,749,044	\$ -	\$ -	\$ 1,749,044
Restricted for:				
Debt service	146,610	-	-	146,610
Capital improvements	484,344	-	-	484,344
Special needs recreation	5,000	-	-	5,000
Law enforcement	77,438	-	-	77,438
Fire safety education	10,254	-	-	10,254
Fire protection	5,841	-	-	5,841
Land development	5,000	-	-	5,000
Cemetery improvements	91,865	-	-	91,865
Downtown redevelopment	-	363,894	-	363,894
Housing and community development	-	-	38,105	38,105
Total restricted	826,352	363,894	38,105	1,228,351
Committed for:				
Law enforcement	4,196	-	-	4,196
Demolition and lot cleanup	18,460	-	-	18,460
Total committed	22,656	-	-	22,656
Unassigned	834,968	-	-	834,968
Total fund balances	\$3,433,020	\$ 363,894	\$ 38,105	\$ 3,835,019

City of Palatka, Florida
Notes to Financial Statements

NOTE 8 – PENSION PLANS

Defined Benefit Plan

Plan Description. The City sponsors a single-employer public employee retirement system (the "System") administered by the City of Palatka, Pension Boards of Trustees. The System administers the City Employees Retirement Plan (the "Plan") which provides three employee contributory defined benefit pension plans. Members of the Plan include employees of the City and the Palatka Gas Authority. Nonemployer contributions are made by the State of Florida on behalf of Police Officers and Firefighters who participate in the System. For the year ended September 30, 2013 the City recognized \$59,256 and \$78,504 in the General Fund for State contributions to the Police Officers' and Firefighters' Retirement Funds, respectively. The City accounts for the Plan in three Pension Trust Funds, corresponding to three benefit groups as follows:

General – all members not included in Police Officers and Firefighters

Police Officers – all state-certified police officers

Firefighters – all state-certified firefighters

The Plan provides for vesting of benefits after 7 years of creditable service. All members are eligible for normal retirement after 7 years of service and attaining age 55 or after 30 years of service regardless of age. Additionally, police and fire employees are also eligible after age 55 and attaining 10 years of service, or after age 52 and attaining 25 years of service. The Plan also provides for disability, retirement and death benefits with eligibility and benefit provisions as described in the authorizing ordinance. For general, police officer and firefighter members, annual benefits for the plan year beginning October 1, 2010, are equal to total years of service times 2.5%, 2.5% and 3.25%, respectively, of final average compensation (highest 3 consecutive years of the last 5). No other changes in benefit provisions have been made for the plan year beginning October 1, 2010. The minimum benefit for duty disability is 45% of final average compensation for general, police officer and firefighter members. The minimum benefit for non-duty disability for all members is 25% of final average compensation.

The Boards of Trustees establish and may amend provisions of the plan related to participant eligibility, contribution requirements, vesting, and benefit provisions. However, these plan provisions are subject to minimum requirements established in Chapters 112, 175, and 185, Florida Statutes. The Plan does not issue a stand-alone financial report.

Current membership in the Plan as of September 30, 2013 is as follows:

	General	Police	Fire	Total
Active employees	88	32	20	140
Service retirees and beneficiaries	87	17	10	114
Disability retirees	-	2	-	2
Terminated vested	10	8	2	20
DROP	10	-	2	12
Total	195	59	34	288

City of Palatka, Florida
Notes to Financial Statements

NOTE 8 – PENSION PLANS (CONTINUED)

Funded Status and Funding Progress. The funded status of each plan as of September 30, 2013, the most recent actuarial valuation date, is as follows:

	Actuarial Value of Assets (000's)	Actuarial Liability (AAL) Entry Age (000's)	Unfunded AAL (UAAL) (000's)	Funded Ratio	Covered Payroll (000's)	UAAL As a Percent of Covered Payroll
General plan	\$ 16,500	\$ 21,365	\$ 4,865	77%	\$ 2,959	164%
Police officers' plan	9,090	9,757	668	93%	1,485	45%
Firefighters' plan	6,451	8,543	2,092	76%	778	269%

The required schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Funding Policy and Annual Pension Cost. Administrative costs of the Plan are financed through investment earnings. The City's annual pension cost for the current year and Related information for each plan is as follows:

	General	Police Officers	Firefighters
Contribution rates:			
City	26.6%	16.3%	45.0%
Plan members	6.0%	6.0%	6.0%
Annual pension cost	788,781	302,303	335,333
Contributions made	788,781	302,303	335,333
Actuarial valuation date	10/1/2011	10/1/2011	10/1/2011
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level % of payroll- closed	Level % of payroll- closed	Level % of payroll- closed
Remaining amortization period	26 years	29 years	27 years
Asset valuation method	4 year smooth	4 year smooth	4 year smooth
Actuarial assumptions:			
Investment rate of return	8.0%	8.0%	8.0%
Projected salary increases*	5.5%	5.5%	5.0%
* Includes inflation at	3.0%	3.0%	3.0%

City of Palatka, Florida
Notes to Financial Statements

NOTE 8 – PENSION PLANS (CONTINUED)

Three Year Trend Information

	Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
General	9/30/2013	\$ 788,781	100%	\$ -
	9/30/2012	630,233	100%	-
	9/30/2011	409,832	100%	-
Police Officers	9/30/2013	\$ 302,303	100%	\$ -
	9/30/2012	300,180	100%	-
	9/30/2011	307,461	100%	-
Firefighters	9/30/2013	\$ 335,333	100%	\$ -
	9/30/2012	263,440	100%	-
	9/30/2011	261,476	100%	-

Combining Statement of Fiduciary Net Position

	General Retirement Fund	Police Officers' Retirement Fund	Firefighters' Retirement Fund	Total
Assets				
Investments:				
Money market and other cash equivalents	\$ 199,531	\$ 216,112	\$ 137,873	\$ 553,516
Government bonds and notes	-	948,952	692,688	1,641,640
Corporate bonds and notes	4,965,772	2,770,873	1,916,073	9,652,718
Mutual funds (REIT)	-	223,073	158,555	381,628
Mutual funds - equities	7,298,179	5,259,350	3,825,842	16,383,371
Common stock/equities	4,643,336	-	-	4,643,336
Total investments	17,106,818	9,418,360	6,731,031	33,256,209
Receivables	71,309	27,480	33,604	132,393
Total assets	17,178,127	9,445,840	6,764,635	33,388,602
Liabilities	4,080	-	-	4,080
Net position:				
Held in trust for pension benefits	\$ 17,174,047	\$ 9,445,840	\$ 6,764,635	\$ 33,384,522

City of Palatka, Florida
Notes to Financial Statements

NOTE 8 -- PENSION PLANS (CONTINUED)**Combining Statement of Changes in Fiduciary Net Position**

	General Retirement Fund	Police Officers' Retirement Fund	Firefighters' Retirement Fund	Total
Additions:				
Contributions:				
Employer	\$ 790,325	\$ 240,401	\$ 252,906	\$ 1,283,632
Member	177,921	88,479	44,711	311,111
State on behalf, through general fund	-	59,256	78,504	137,760
Total contributions	968,246	388,136	376,121	1,732,503
Investment income:				
Net appreciation in fair value of investments	1,311,607	853,174	624,150	2,788,931
Interest	-	79,234	50,526	129,760
Dividends	478,532	160,684	119,534	758,750
	1,790,139	1,093,092	794,210	3,677,441
Less investment management fee	48,617	50,201	36,568	135,386
Net investment income	1,741,522	1,042,891	757,642	3,542,055
Total additions	2,709,768	1,431,027	1,133,763	5,274,558
Deductions:				
Member benefits	1,939,409	423,597	452,725	2,815,731
Withdrawals	26,182	37,319	12,317	75,818
Administrative expense	21,905	18,312	15,407	55,624
Total deductions	1,987,496	479,228	480,449	2,947,173
Change in net position	722,272	951,799	653,314	2,327,385
Net position held in trust for pension benefits, beginning of year	16,451,775	8,494,041	6,111,321	31,057,137
Net position held in trust for pension benefits, end of year	\$17,174,047	\$ 9,445,840	\$ 6,764,635	\$33,384,522

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City has complied with the requirements of subsection (g) of IRC Section 457 and, accordingly, all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Consequently, the plan is not reported in the City's financial statements.

City of Palatka, Florida
Notes to Financial Statements

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City administers a single-employer defined benefit plan for postemployment benefits other than pension benefits (OPEB Plan).

The City's health care plan includes certain health care benefits for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. The premiums for the retirees are deducted from their pension account, and are entirely paid by those participants. The City pays no portion of the premiums attributable to the retirees, but does contribute any remaining amount necessary for payment of claims. In future years, contributions are assumed to increase at the same rate as premiums.

The OPEB Plan does not issue a stand-alone financial report.

At September 30, 2013, participants consisted of:

Active employees	140
Retirees participants	19
Covered spouses	8
Total	167

Annual OPEB Cost and Net OPEB Obligation

The City had an actuarial valuation performed for the OPEB Plan as of October 1, 2012 to determine the annual required contribution (ARC) for the fiscal year ended September 30, 2013. The City's annual OPEB cost and changes in the net OPEB obligation are summarized below:

Annual required contribution	\$ 46,795
Interest on net OPEB obligation	6,923
Adjustments to ARC	(6,553)
Annual OPEB cost (expense)	47,165
Contributions made	(24,486)
Increase in net OPEB obligation	22,679
Net OPEB obligation - beginning of year	138,459
Net OPEB obligation - end of year	\$ 161,138

City of Palatka, Florida
Notes to Financial Statements

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Trend Information

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2013	\$ 47,165	\$ 24,486	51.9%	\$ 161,138
September 30, 2012	54,997	20,043	36.4%	138,459
September 30, 2011	57,188	24,273	42.4%	103,505

Funded Status

The funded status of the OPEB Plan as of September 30, 2013 was as follows:

Actuarial Accrued Liability (AAL) Entry Age	Actuarial Value of Plan Assets	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
\$ 433,544	\$ -	\$ 433,544	0.0%	\$ 5,109,582	8.5%

Funding Policy

Funding for the OPEB Plan is from the City's general resources. The General Fund has been used in prior years to liquidate the net OPEB. There is no separate trust through which benefits for retirees are funded. No resources are currently accumulated or earmarked for this purpose.

Actuarial Methods and Assumptions

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer (ARC) are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

City of Palatka, Florida
Notes to Financial Statements

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following actuarial methods and assumptions were used:

Actuarial cost method	Entry age normal
Amortization method	Level % of payroll-closed
Amortization period	30 Years
Remaining amortization period	27 Years
Asset valuation method	Unfunded
Actuarial assumptions:	
Funding interest rate	5%
Payroll growth/inflation	3%
Healthcare inflation	8.5%; grading down to 4.5% in 2017

NOTE 10 – RISK MANAGEMENT

The City is exposed to various risks of loss related to general liability, workers' compensation, public liability, law enforcement liability, health benefits, property damage, and errors and omissions. To manage its risks, the City participates in the Florida League of Cities Self Insurance Fund (the "Fund") a public entity risk pool currently operating as a common risk management and insurance program for member cities. The City pays an annual premium to the Fund for its coverage. The premiums are designed to fund the liability risks assumed by the Fund and are based on certain actual exposures of each member. The City's settled claims have not exceeded coverage in any of the past three fiscal years.

NOTE 11 – DEFICIT BALANCE

At September 30, 2013, the Golf Course Fund had a deficit net position of \$1,184,797. The deficit balance resulted from a continued shortfall in revenues versus expenses. The condition of the course improved dramatically during the fiscal year and the total deficit for the year was much smaller than in previous years. Rehabilitation of the course is continuing and the City is hopeful that the operations of the course will become self-sufficient in the near future.

City of Palatka, Florida
Notes to Financial Statements

NOTE 12 – COMMITMENTS

The City leases some of its police vehicles and golf carts under operating leases. Lease payments for the year ended September 30, 2013 were \$252,170. Future lease payments are as follows:

	Governmental Activities	Business-type Activities
2014	\$ 155,924	\$ 38,051
2015	38,851	28,538
Total	\$ 194,775	\$ 66,589

NOTE 13 – CONTINGENCIES

The City is sometimes a party to lawsuits and claims arising out of the normal conduct of its activities. While the results of lawsuits or other proceedings against the City cannot be predicted with certainty, management does not expect that these matters will have a material adverse effect on the financial condition of the City.

Required Supplementary Information

City of Palatka, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund

	2013			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<i>Year ended September 30.</i>				
Revenues				
Taxes	\$ 5,520,200	\$ 5,520,200	\$ 5,465,543	\$ (54,657)
Permits, fees & special assessments	908,963	908,963	990,001	81,038
Intergovernmental	1,113,395	1,250,087	1,173,395	(76,692)
Charges for services	323,150	311,340	245,095	(66,245)
Fines and forfeitures	652,988	379,521	427,324	47,803
Miscellaneous	145,058	148,598	704,277	555,679
Total revenues	8,663,754	8,518,709	9,005,635	486,926
Expenditures				
Current:				
General government	1,531,741	1,696,853	1,651,710	45,143
Public safety	5,671,466	5,770,175	5,713,322	56,853
Transportation	537,564	505,389	486,426	18,963
Human services	141,197	139,747	142,233	(2,486)
Culture and recreation	449,874	467,877	449,550	18,327
Reserve for contingencies	324,090	164,268	-	164,268
Debt service:				
Principal retirement	327,760	327,760	335,816	(8,056)
Interest and fiscal charges	132,666	156,000	155,598	402
Total expenditures	9,116,358	9,228,069	8,934,655	293,414
Excess of revenues over (under) expenditures	(452,604)	(709,360)	70,980	780,340
Other financing sources (uses)				
Transfers in	1,313,632	1,209,886	685,099	(524,787)
Transfers out	(380,160)	(337,499)	(141,399)	196,100
Capital lease	-	-	300,000	300,000
Payment to refunded bonds escrow agent	-	-	(1,866,667)	(1,866,667)
Issuance of refunding bonds	-	97,686	1,890,000	1,792,314
Total other financing sources (uses)	933,472	970,073	867,033	(103,040)
Net change in fund balances	480,868	260,713	938,013	677,300
Fund balances – beginning of year	757,598	1,117,429	2,495,007	1,377,578
Fund balances – end of year	\$ 1,238,466	\$ 1,378,142	\$ 3,433,020	\$ 2,054,878

City of Palatka, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Downtown Redevelopment Agency Fund

Year ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 383,610	\$ 379,410	\$ 379,410	\$ -
Intergovernmental	-	-	5,000	5,000
Miscellaneous	-	19,963	13,067	(6,896)
Total revenues	383,610	399,373	397,477	(1,896)
Expenditures				
Economic environment	280,281	414,443	177,981	236,462
Reserve for contingencies	195,487	129,328	-	129,328
Total expenditures	475,768	543,771	177,981	365,790
Excess of revenues over (under) expenditures	(92,158)	(144,398)	219,496	363,894
Other financing uses				
Transfers out	(374,476)	(330,098)	(330,098)	-
Net change in fund balances	(466,634)	(474,498)	(110,602)	363,894
Fund balances – beginning of year	466,634	474,496	474,496	-
Fund balances – end of year	\$ -	\$ -	\$ 363,894	\$ 363,894

City of Palatka, Florida

Notes to Required Supplementary Information

Notes to Budgetary Comparison Schedules

Budgets are prepared and adopted on the modified accrual basis of accounting.

On or before the first day in August of each year, the City Manager submits to the City Commission a budget for the ensuing fiscal year, along with an accompanying budget message. The general summary of the budget and notice of public hearing is published in the local newspaper. Prior to the last day of September, the budget is legally enacted. All appropriations lapse at the end of the fiscal year.

Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. The City Manager can approve budget transfers within and between operating departments and divisions of the same fund. All interfund transfers require prior approval of the City Commission. Therefore, the fund level is the legal level of control for budget considerations.

Annual budgets are adopted for all governmental funds except the non-major CDBG Special Revenue Fund, which adopts a project-length budget.

City of Palatka, Florida

Schedules of Funding Progress – Pension Plans

September 30, 2013

General Plan

Actuarial Valuation Date	Actuarial Value Of Assets (000's)	Actuarial Accrued Liability (AAL) Entry Age (000's)	Unfunded AAL (UAAL) (000's)	Funded Ratio	Covered Payroll (000's)	UAAL As A Percent Of Covered Payroll
9/30/2013	\$ 16,500	\$ 21,365	\$ 4,865	77%	\$ 2,959	164%
9/30/2012	16,035	21,950	5,915	73%	2,823	210%
9/30/2011	14,741	20,124	5,383	73%	2,851	189%
9/30/2010	15,717	19,810	4,093	79%	2,858	143%
9/30/2009	16,053	19,084	3,031	84%	3,493	87%
9/30/2008	16,024	16,624	600	96%	3,512	17%

Police Officers' Plan

Actuarial Valuation Date	Actuarial Value Of Assets (000's)	Actuarial Accrued Liability (AAL) Entry Age (000's)	Unfunded AAL (UAAL) (000's)	Funded Ratio	Covered Payroll (000's)	UAAL As A Percent Of Covered Payroll
9/30/2013	\$ 9,090	\$ 9,757	\$ 668	93%	\$ 1,485	45%
9/30/2012	8,466	9,433	966	90%	1,505	64%
9/30/2011	8,094	9,178	1,084	88%	1,451	79%
9/30/2010	8,370	9,401	1,032	89%	1,630	63%
9/30/2009	8,240	9,126	886	90%	1,750	51%
9/30/2008	8,203	8,103	(100)	101%	1,708	(6)%

Firefighters' Plan

Actuarial Valuation Date	Actuarial Value Of Assets (000's)	Actuarial Accrued Liability (AAL) Entry Age (000's)	100% AAL (UAAL) (000's)	Funded Ratio	Covered Payroll (000's)	UAAL As A Percent Of Covered Payroll
9/30/2013	\$ 6,451	\$ 8,543	\$ 2,092	76%	\$ 778	269%
9/30/2012	5,995	8,360	2,365	72%	757	312%
9/30/2011	5,739	7,820	2,081	73%	713	292%
9/30/2010	6,018	7,376	1,358	82%	794	171%
9/30/2009	6,130	7,412	1,282	83%	834	154%
9/30/2008	6,269	7,235	966	87%	718	135%

City of Palatka, Florida

Schedules of Contributions From Employer and Other Contributing Entities
Pension Plans

Year ended September 30, 2013

General Plan

Year Ended	Annual Required Contribution	Employer Contribution	Percentage Contributed
9/30/2013	\$ 788,781	\$ 788,781	100.00%
9/30/2012	630,230	630,230	100.00%
9/30/2011	409,832	409,832	100.00%
9/30/2010	480,493	480,493	100.00%
9/30/2009	641,357	641,357	100.00%
9/30/2008	559,533	559,533	100.00%

Police Officers' Plan

Year Ended	<u>Employer Contributions</u>			<u>State Contributions</u>		
	Annual Required Contribution	Employer Contribution	Percentage Contributed	Annual Required Contribution	Employer Contribution	Percentage Contributed
9/30/2013	\$ 243,047	\$ 243,047	100.00%	\$ 59,256	\$ 59,256	100.00%
9/30/2012	237,217	237,217	100.00%	62,952	62,952	100.00%
9/30/2011	246,011	246,011	100.00%	61,450	61,450	100.00%
9/30/2010	303,235	303,235	100.00%	62,976	62,976	100.00%
9/30/2009	236,148	236,148	100.00%	66,457	66,457	100.00%
9/30/2008	297,845	297,845	100.00%	74,734	74,734	100.00%

Firefighters' Plan

Year Ended	<u>Employer Contributions</u>			<u>State Contributions</u>		
	Annual Required Contribution	Employer Contribution	Percentage Contributed	Annual Required Contribution	Employer Contribution	Percentage Contributed
9/30/2013	\$ 256,829	\$ 256,829	100.00%	\$ 78,504	\$ 78,504	100.00%
9/30/2012	202,933	202,933	100.00%	60,507	60,507	100.00%
9/30/2011	172,199	172,199	100.00%	89,277	89,277	100.00%
9/30/2010	172,163	172,163	100.00%	80,405	80,405	100.00%
9/30/2009	146,114	146,114	100.00%	71,776	71,776	100.00%
9/30/2008	124,076	124,076	100.00%	61,091	61,091	100.00%

City of Palatka, Florida

Other Postemployment Benefits Plan

Year ended September 30,

2013

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
10/1/2012	\$ -	\$ 433,544	\$ 433,544	0.0%	\$ 5,109,582	8.5%
10/1/2010	-	454,493	454,493	0.0%	5,354,492	8.5%
10/1/2008	-	483,795	483,795	0.0%	8,830,792	5.5%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
9/30/2013	\$ 47,165	51.9%
9/30/2012	54,997	36.4%
9/30/2011	57,188	42.4%

Notes:

- 1) See Note 9 to the financial statements for detailed information on the City's OPEB Plan.

Supplementary Information

FIDUCIARY FUNDS

PENSION TRUST FUNDS

Pension Trust Funds are used to account for public employee retirement systems.

General Retirement Fund – To account for the accumulation of resources to be used for pension payments to retired City employees.

Police Officers' Retirement Fund – To account for the accumulation of resources to be used for pension payments to participants of the City's Police Officers' Retirement Plan.

Firefighters' Retirement Fund – To account for the accumulation of resources to be used for pension payments to participants of the City's Firefighters' Retirement Plan.

City of Palatka, Florida

Combining Statement of Fiduciary Net Position
Pension Trust Funds

September 30,

2013

	General Retirement Fund	Police Officers' Retirement Fund	Firefighters' Retirement Fund	Total
Assets				
Investments:				
Money market and other cash equivalents	\$ 199,531	\$ 216,112	\$ 137,873	\$ 553,516
Government bonds and notes	-	948,952	692,688	1,641,640
Corporate bonds and notes	4,965,772	2,770,873	1,916,073	9,652,718
Mutual funds - equities	7,298,179	5,259,350	3,825,842	16,383,371
Mutual funds (REIT)	-	223,073	158,555	381,628
Common stock/equities	4,643,336	-	-	4,643,336
Receivables	71,309	27,480	33,604	132,393
Total assets	17,178,127	9,445,840	6,764,635	33,388,602
Liabilities	4,080	-	-	4,080
Net position				
Held in trust for pension benefits	\$ 17,174,047	\$ 9,445,840	\$ 6,764,635	\$ 33,384,522

City of Palatka

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds

Year ended September 30,	2013			
	General Retirement Fund	Police Officers' Retirement Fund	Firefighters' Retirement Fund	Total
ADDITIONS				
Contributions				
Employer	\$ 790,325	\$ 240,401	\$ 252,906	\$ 1,283,632
Member	177,921	88,479	44,711	311,111
State on behalf, through general fund	-	59,256	78,504	137,760
Total contributions	968,246	388,136	376,121	1,732,503
Investment income				
Net appreciation in fair value of investments	1,311,607	853,174	624,150	2,788,931
Interest	-	79,234	50,526	129,760
Dividends	478,532	160,684	119,534	758,750
Less investment management fee	48,617	50,201	36,568	135,386
Net investment income	1,741,522	1,042,891	757,642	3,542,055
Total additions	2,709,768	1,431,027	1,133,763	5,274,558
DEDUCTIONS				
Member benefits	1,939,409	423,597	452,725	2,815,731
Withdrawals	26,182	37,319	12,317	75,818
Administrative expense	21,905	18,312	15,407	55,624
Total deductions	1,987,496	479,228	480,449	2,947,173
Change in net position	722,272	951,799	653,314	2,327,385
Net position held in trust for pension benefits, beginning of year	16,451,775	8,494,041	6,111,321	31,057,137
Net position held in trust for pension benefits, end of year	\$ 17,174,047	\$ 9,445,840	\$ 6,764,635	\$ 33,384,522

Statistical Section
(unaudited)

Statistical Section

This part of the City of Palatka comprehensive annual financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	50
<p style="padding-left: 40px;">These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.</p>	
Revenue Capacity	54
<p style="padding-left: 40px;">These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.</p>	
Debt Capacity	58
<p style="padding-left: 40px;">These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	63
<p style="padding-left: 40px;">These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.</p>	
Operating Information	65
<p style="padding-left: 40px;">These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.</p>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1
City of Palatka, Florida

Net Position by Component - Last Ten Fiscal Years

	Fiscal Years Ending September 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Net Investment in Capital Assets	\$5,146,607	\$5,387,086	\$5,506,649	\$10,466,693	\$10,614,552	\$11,281,907	\$11,915,772	\$12,545,081	\$13,191,795	\$13,138,987
Restricted	\$335,292	\$416,950	\$598,837	\$1,042,741	\$1,437,259	\$1,592,936	\$1,128,395	\$578,702	\$510,476	\$401,999
Unrestricted	\$1,731,832	\$1,460,887	\$1,486,520	\$1,328,481	\$1,693,797	\$1,303,783	\$1,301,177	\$1,968,903	\$2,029,287	\$2,724,277
Total Governmental Activities Net Position	\$7,213,731	\$7,264,923	\$7,602,006	\$12,837,915	\$13,745,608	\$14,178,626	\$14,345,344	\$15,089,686	\$15,731,558	\$16,265,263
Business-Type Activities										
Net Investment in Capital Assets	\$15,138,704	\$15,725,084	\$17,072,755	\$18,066,125	\$16,278,203	\$23,384,736	\$31,509,858	\$32,510,103	\$38,156,884	\$38,728,555
Restricted	\$806,035	\$830,601	\$779,907	\$773,851	\$792,708	\$810,484	\$519,204	\$386,787	\$327,972	\$328,594
Unrestricted	\$943,368	\$655,193	-\$17,020	\$602,248	\$8,627,626	\$7,441,249	\$969,128	\$488,050	-\$222,895	-\$863,846
Total Business-Type Activities Net Position	\$16,888,105	\$17,210,858	\$17,835,642	\$19,642,224	\$24,898,537	\$31,636,489	\$32,998,190	\$33,382,940	\$38,261,961	\$38,193,303
Primary Government										
Net Investment in Capital Assets	\$20,285,311	\$21,112,150	\$22,579,404	\$28,532,818	\$25,890,755	\$34,666,643	\$43,425,630	\$45,055,184	\$51,348,679	\$51,867,542
Restricted	\$1,141,327	\$1,247,551	\$1,378,744	\$1,816,592	\$2,229,987	\$2,403,420	\$1,647,599	\$983,489	\$838,448	\$730,593
Unrestricted	\$2,675,188	\$2,116,080	\$1,479,500	\$2,130,728	\$10,521,423	\$8,745,032	\$2,270,305	\$2,454,953	\$1,806,392	\$1,860,431
Total Primary Government Net Position	\$24,101,836	\$24,475,781	\$25,437,648	\$32,480,139	\$38,642,145	\$45,815,099	\$47,343,534	\$48,473,826	\$53,893,519	\$54,458,586

Table 2
City of Panama, Florida
Changes in Net Position - Last Ten Fiscal Years

Expenses	Fiscal Years Ending September 30 --									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
General Government	\$878,252	\$857,828	\$882,002	\$877,251	\$832,908	\$768,862	\$1,472,488	\$1,830,295	\$1,793,179	\$2,192,283
Public Safety	\$4,814,844	\$4,873,908	\$5,611,844	\$6,203,873	\$6,210,801	\$6,005,490	\$5,008,153	\$5,611,820	\$5,338,015	\$5,487,142
Physical Environment	\$10,181	\$14,028	\$14,028	\$481,343	\$295,324					
Transportation	\$631,365	\$1,142,443	\$1,382,910	\$1,382,350	\$973,566	\$1,129,853	\$697,212	\$681,807	\$577,407	\$511,114
Economic Environment	\$68,878	\$63,715	\$134,348	\$102,229	\$148,148	\$679,681	\$816,722	\$741,467	\$349,256	\$164,581
Human Services	\$188,242	\$178,399	\$212,185	\$227,525	\$232,008	\$286,804	\$289,332	\$177,851	\$150,337	\$181,908
Culture and Recreation	\$540,808	\$443,796	\$505,841	\$661,238	\$422,828	\$1,044,580	\$538,180	\$430,662	\$929,372	\$472,004
Interest on Long-Term Debt	\$30,625	\$27,577	\$23,787	\$37,188	\$49,937	\$203,715	\$182,860	\$188,174	\$143,804	\$155,598
Total Governmental Activities Expenses	\$6,950,105	\$7,707,847	\$8,767,035	\$9,573,034	\$9,865,312	\$10,002,775	\$9,886,034	\$9,438,276	\$8,662,700	\$9,090,038
Business-type Activities										
Airport	\$654,581	\$659,324	\$854,457	\$974,352	\$1,127,150	\$1,273,478	\$1,585,744	\$1,627,231	\$1,626,167	\$1,872,638
Water	\$3,259,058	\$3,401,247	\$3,665,108	\$3,809,775	\$4,342,447	\$4,550,364	\$4,978,295	\$4,750,830	\$4,784,639	\$4,888,134
Golf	\$773,144	\$803,434	\$932,787	\$1,004,607	\$1,014,105	\$908,683	\$862,882	\$1,017,307	\$1,009,000	\$997,958
Sanitation	\$1,273,168	\$1,481,355	\$1,391,125	\$1,436,788	\$1,473,888	\$1,395,113	\$1,537,455	\$1,219,544	\$1,379,568	\$1,397,870
Total Business-type Activities Expenses	\$5,979,951	\$6,345,360	\$6,871,492	\$7,219,531	\$7,957,581	\$8,128,438	\$8,964,376	\$8,754,812	\$8,799,285	\$8,756,609
Total Primary Government Expenses	\$12,930,056	\$14,107,357	\$15,638,527	\$16,792,565	\$17,822,893	\$18,131,213	\$18,787,350	\$18,194,188	\$17,462,066	\$17,846,647
Program Revenues										
Governmental Activities										
Charges for Services	\$115,773	\$108,424	\$102,418	\$100,431	\$116,431	\$102,782	\$115,351	\$106,448	\$92,185	\$114,091
General Government	\$318,470	\$279,718	\$322,191	\$234,747	\$235,178	\$298,167	\$248,491	\$296,395	\$285,578	\$608,594
Public Safety	\$182,087	\$179,865	\$187,965	\$198,885	\$182,337	\$188,217	\$229,300	\$210,218	\$178,434	\$198,628
Other	\$777,845	\$673,211	\$832,508	\$912,870	\$768,287	\$1,183,584	\$1,341,212	\$1,390,657	\$877,019	\$981,076
Operating Grants and Contributions	\$1,816,727	\$1,915,183	\$874,350	\$1,483,943	\$1,660,723	\$1,288,672	\$2,016,875	\$1,299,827	\$1,677,074	\$736,090
Capital Grants and Contributions	\$2,170,773	\$1,906,368	\$2,269,468	\$2,910,768	\$2,329,954	\$2,018,522	\$3,941,134	\$3,802,841	\$3,110,290	\$2,636,237
Total Governmental Activities Program Revenue	\$5,170,773	\$4,906,368	\$5,269,468	\$6,210,768	\$5,329,954	\$4,286,522	\$8,941,134	\$7,802,841	\$6,110,290	\$4,272,237
Business-type Activities										
Charges for Services	\$328,496	\$380,038	\$507,909	\$508,285	\$709,468	\$579,564	\$704,750	\$895,300	\$851,813	\$880,597
Airport	\$318,470	\$3,134,799	\$2,113,887	\$3,459,388	\$3,816,813	\$3,828,381	\$3,780,815	\$3,878,298	\$3,978,734	\$4,122,596
Water	\$631,170	\$711,672	\$762,061	\$751,503	\$754,328	\$726,113	\$820,584	\$613,207	\$583,578	\$701,488
Golf	\$1,379,226	\$1,426,784	\$1,430,572	\$1,516,191	\$1,580,141	\$1,533,827	\$1,522,581	\$1,497,307	\$1,542,053	\$1,535,189
Sanitation	\$81,500	\$139,118	\$7,000							
Operating Grants and Contributions	\$929,654	\$681,178	\$1,423,874	\$2,451,568	\$6,301,095	\$8,742,870	\$2,413,721	\$2,281,781	\$6,815,111	\$1,521,529
Capital Grants and Contributions	\$6,748,464	\$6,779,585	\$7,298,313	\$8,604,855	\$12,881,813	\$14,703,585	\$9,642,281	\$9,185,886	\$13,879,091	\$8,778,374
Total Business-type Activities Program Revenue	\$8,428,237	\$8,685,884	\$9,287,881	\$11,605,838	\$19,211,787	\$17,220,387	\$12,893,385	\$12,488,797	\$18,888,181	\$11,415,818
Net (Expense)/Revenue										
Governmental Activities	(\$3,779,332)	(\$5,795,578)	(\$8,467,567)	(\$8,682,248)	(\$7,258,458)	(\$8,965,753)	(\$5,543,900)	(\$6,138,435)	(\$5,752,410)	(\$8,450,801)
Business-type Activities	\$3,068,533	\$3,744,225	\$4,298,938	\$4,415,622	\$4,924,422	\$6,577,429	\$3,949,506	\$4,106,954	\$4,783,728	\$3,917,770
Total Primary Government Net Expense	(\$710,799)	(\$2,051,353)	(\$4,168,629)	(\$4,266,626)	(\$2,334,036)	(\$2,388,324)	(\$1,594,394)	(\$2,031,481)	(\$1,968,682)	(\$4,533,031)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes	\$2,440,143	\$2,785,692	\$3,334,384	\$3,809,051	\$3,942,201	\$3,838,583	\$3,774,281	\$3,743,535	\$3,497,854	\$3,432,971
Property Taxes	\$784,003	\$848,681	\$888,738	\$949,912	\$983,428	\$983,775	\$785,219	\$737,811	\$781,615	\$783,678
Sales Tax and Other State Shared Revenue	\$811,540	\$861,870	\$911,188	\$919,347	\$998,638	\$931,955	\$879,660	\$868,166	\$862,190	\$904,958
Franchise Fees	\$1,282,812	\$1,307,119	\$1,504,315	\$1,743,259	\$2,114,828	\$1,822,411	\$1,409,045	\$1,189,845	\$1,055,332	\$1,053,895
Other Taxes	\$30,041	\$50,319	\$64,000	\$62,775	\$88,319	\$150,730	\$5,649	\$1,384	\$181	\$220
Investment Earnings	\$57,250	\$54,804	\$79,721	\$85,774	\$50,031	\$31,830	\$80,837	\$149,038	\$83,791	\$56,187
Miscellaneous	\$869,282	\$155,297	\$22,214	\$142,873	\$212,910	\$128,527	\$803,886	\$175,040	\$38,221	\$213,602
Transfers	\$4,680,207	\$5,646,770	\$6,604,650	\$7,850,381	\$8,163,151	\$7,318,771	\$8,111,618	\$8,881,727	\$8,393,282	\$8,984,208
Total Governmental Activities	\$10,467,971	\$11,637,965	\$13,823,776	\$15,550,677	\$16,204,797	\$16,085,077	\$16,000,126	\$16,072,000	\$15,838,290	\$15,618,073
Business-type Activities										
Investment Earnings	\$6,748	\$11,071	\$19,859	\$17,786	\$421,634	\$26,140	\$188,945	\$448	\$450	\$255
Gain on Sale of Assets	\$174,522	\$72,754	\$200,203	\$455,747	\$121,167	\$210,716	\$228,979	\$148,350	\$447,198	\$1,491,919
Miscellaneous	\$569,282	(\$139,297)	(\$22,141)	(\$142,873)	(\$212,910)	(\$128,527)	\$803,886	(\$15,040)	(\$38,221)	(\$213,602)
Transfers	\$750,253	(\$51,472)	\$197,848	\$330,060	\$329,891	\$162,243	\$1,271,818	(\$26,294)	\$89,295	(\$88,428)
Total Business-type Activities	\$1,494,805	\$107,056	\$395,769	\$440,716	\$778,568	\$176,466	\$1,293,974	\$133,554	\$568,793	\$1,302,839
Total Primary Government	\$9,973,166	\$11,745,021	\$14,219,545	\$16,001,393	\$16,983,365	\$16,261,643	\$17,294,100	\$16,205,554	\$16,407,083	\$16,920,912
Changes in Net Position										
Governmental Activities	\$676,175	\$51,192	\$337,083	\$968,143	\$907,693	\$433,018	\$186,718	\$745,342	\$640,877	\$533,705
Business-type Activities	\$1,057,088	\$122,753	\$624,784	\$1,808,562	\$5,254,313	\$6,729,632	\$1,381,721	\$364,750	\$4,875,021	\$68,858
Total Primary Government	\$1,733,263	\$173,945	\$961,867	\$2,776,705	\$6,162,006	\$7,172,650	\$2,568,439	\$1,110,092	\$5,515,902	\$602,563

Table 3
City of Palatka, Florida

Fund Balances, Governmental Funds – Last Ten Fiscal Years

	Fiscal Years Ending September 30 —									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Nonspendable	-	-	-	-	-	-	-	\$867,346	\$1,296,287	\$1,749,044
Restricted	-	-	-	-	-	-	-	\$511,570	\$483,518	\$826,352
Committed	-	-	-	-	-	-	-	\$17,246	\$106,948	\$22,656
Assigned	-	-	-	-	-	-	-	\$107,416	\$0	\$0
Unassigned	-	-	-	-	-	-	-	\$858,214	\$608,254	\$834,968
Reserved	\$0	\$0	\$0	\$1,269,605	\$0	\$0	\$414,758	-	-	-
Unreserved	\$1,801,421	\$1,785,860	\$1,767,288	\$414,620	\$2,006,861	\$1,882,108	\$1,262,722	-	-	-
Total General Fund	\$1,801,421	\$1,785,860	\$1,767,288	\$1,684,225	\$2,006,861	\$1,882,108	\$1,677,480	\$2,361,792	\$2,495,007	\$3,433,020
All Other Governmental Funds										
Nonspendable	-	-	-	-	-	-	-	\$0	\$0	\$0
Restricted	-	-	-	-	-	-	-	\$576,702	\$510,476	\$401,999
Committed	-	-	-	-	-	-	-	\$0	\$0	\$0
Assigned	-	-	-	-	-	-	-	\$0	\$0	\$0
Unassigned	-	-	-	-	-	-	-	\$0	\$0	\$0
Reserved	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	-	-
Unreserved, reported in:										
Special Revenue Funds	\$408,727	\$490,642	\$681,477	\$1,042,741	\$1,437,259	\$1,592,936	\$1,128,395	-	-	-
Total All Other Governmental Funds	\$408,727	\$490,642	\$681,477	\$1,042,741	\$1,437,259	\$1,592,936	\$1,128,395	\$576,702	\$510,476	\$401,999

Note: Beginning in fiscal year 2011, fund balance categories were reclassified as a result of implementing GASB Statement No. 54. Fund balance was not restated to the new categories for prior years.

Source: Audited financial statements

Table 4
City of Palatka, Florida

Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$5,350,377	\$5,844,778	\$6,939,634	\$7,681,577	\$8,090,897	\$7,445,473	\$7,232,476	\$8,342,763	\$5,871,626	\$5,844,953
License and Permits	\$303,236	\$194,268	\$219,316	\$199,194	\$191,364	\$207,494	\$179,539	\$998,436	\$758,887	\$990,001
Intergovernmental	\$2,246,481	\$1,339,897	\$1,414,018	\$2,052,538	\$1,521,038	\$2,124,532	\$2,914,885	\$2,050,177	\$2,029,005	\$1,185,395
Charges for Services	\$118,285	\$156,139	\$138,910	\$196,549	\$176,988	\$176,629	\$267,914	\$249,991	\$209,738	\$245,095
Fines and Forfeitures	\$127,217	\$148,437	\$151,038	\$75,607	\$85,850	\$112,850	\$65,042	\$94,444	\$106,623	\$427,324
Miscellaneous	\$81,166	\$115,686	\$225,377	\$227,782	\$234,367	\$291,894	\$195,792	\$286,574	\$219,412	\$719,469
Total Revenues	\$8,226,762	\$7,797,215	\$9,088,293	\$10,433,247	\$10,300,484	\$10,358,872	\$10,855,648	\$10,021,385	\$9,195,291	\$9,412,237
Expenditures										
General Government	\$726,240	\$799,618	\$869,487	\$1,022,291	\$3,900,803	\$1,442,668	\$1,608,841	\$1,973,380	\$2,330,934	\$1,651,710
Public Safety	\$4,539,971	\$4,891,385	\$5,571,450	\$7,546,297	\$6,127,251	\$5,875,853	\$5,952,155	\$5,572,424	\$5,192,326	\$5,713,322
Physical Environment	\$716,608	\$16,191	\$14,028	\$481,343	\$295,824	-	-	-	-	-
Transportation	\$614,119	\$1,165,634	\$1,387,665	\$1,393,241	\$759,315	\$780,123	\$663,316	\$650,468	\$548,073	\$486,426
Economic Environment	\$66,979	\$129,128	\$134,348	\$102,299	\$148,148	\$579,661	\$816,722	\$741,467	\$349,296	\$184,981
Human Services	\$179,312	\$226,867	\$217,471	\$257,208	\$227,715	\$284,172	\$209,228	\$167,569	\$140,296	\$142,233
Culture and Recreation	\$915,684	\$454,624	\$571,372	\$708,890	\$897,530	\$1,038,817	\$703,621	\$453,438	\$465,756	\$449,550
Debt Service										
Principal Retirement	\$159,867	\$155,134	\$148,626	\$146,794	\$633,924	\$449,966	\$384,042	\$339,846	\$330,468	\$335,816
Interest and Fiscal Charges	\$30,625	\$27,577	\$23,797	\$37,155	\$49,532	\$203,215	\$182,996	\$165,174	\$149,483	\$155,598
Total Expenditures	\$7,949,405	\$7,866,158	\$8,938,244	\$11,095,518	\$13,040,042	\$10,654,475	\$10,520,921	\$10,063,766	\$8,506,632	\$9,119,636
Excess of Revenues Over (Under) Expenditures	\$277,357	(\$68,943)	\$150,049	(\$1,262,271)	(\$2,739,558)	(\$295,603)	\$334,727	(\$42,381)	(\$311,341)	\$292,601
Other Financing Sources (Uses)										
Proceeds From Borrowing	-	-	-	\$1,379,225	\$3,243,802	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	\$26,009	\$300,000
Transfers In	\$284,974	\$282,766	\$332,837	\$247,957	\$259,048	\$275,000	\$193,850	\$757,243	\$1,088,468	\$685,099
Transfers Out	(\$137,648)	(\$147,469)	(\$310,623)	(\$86,710)	(\$46,138)	(\$148,473)	(\$997,748)	(\$582,243)	(\$736,147)	(\$471,497)
Debt Issued	-	-	-	-	-	-	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-	-	-	-	-	-	-\$1,888,667
Issuance of refunding bonds	-	-	-	-	-	-	-	-	-	\$1,890,000
Total Other Financing Sources (Uses)	\$147,326	\$135,297	\$22,214	\$1,540,472	\$3,456,712	\$126,527	-\$803,896	\$175,000	\$378,330	\$536,935
Net Change in Fund Balances	\$424,683	\$66,354	\$172,263	\$278,201	\$717,154	(\$169,076)	(\$469,169)	\$132,619	\$66,989	\$829,536
Acquisitions of Capital Assets	\$504,593	\$356,524	\$276,970	\$2,459,657	\$3,359,965	\$1,021,747	\$1,051,693	\$1,165,834	\$1,157,811	\$245,613
Debt Service as a Percentage of Non-Capital Expenditures	2.56%	2.43%	1.99%	1.99%	7.06%	6.78%	5.99%	5.68%	5.75%	5.54%

Source: Finance Department, audited financial statements

Table 5
CITY OF PALATKA, FLORIDA

TAXABLE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
September 30, 2013

Fiscal Year	REAL PROPERTY		PERSONAL PROPERTY *		TOTALS			Ratio Total Taxable Value to Estimated Actual Value
	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Total Direct Tax Rate	
2003-04	\$218,334,521	\$452,698,286	\$56,587,231	\$88,030,561	\$274,921,752	\$538,728,847	7.8000	51.03%
2004-05	\$245,544,610	\$493,678,930	\$59,022,315	\$88,864,358	\$304,566,925	\$582,543,288	8.0000	52.28%
2005-06	\$288,616,535	\$541,682,448	\$62,032,313	\$89,947,767	\$330,648,848	\$631,630,215	8.0000	52.35%
2006-07	\$320,669,058	\$619,824,299	\$69,748,674	\$95,461,683	\$390,417,732	\$715,285,982	8.6500	54.58%
2007-08	\$353,141,525	\$701,211,013	\$70,909,071	\$96,205,495	\$424,050,596	\$797,416,508	8.6500	53.18%
2008-09	\$362,073,552	\$741,200,988	\$71,887,285	\$95,849,300	\$433,960,817	\$837,050,286	8.5000	51.84%
2009-10	\$349,743,213	\$743,823,588	\$65,330,966	\$95,725,559	\$415,074,179	\$839,549,147	8.6500	49.44%
2010-11	\$350,826,549	\$745,957,201	\$61,172,680	\$93,443,957	\$411,999,229	\$839,401,158	8.6500	49.08%
2011-12	\$331,832,689	\$691,859,577	\$57,098,415	\$89,429,756	\$388,931,104	\$781,289,333	8.6500	49.78%
2012-13	\$309,467,179	\$631,505,080	\$54,838,730	\$86,657,928	\$364,305,909	\$718,163,006	9.1749	50.73%

* Centrally assessed values are included under Personal Property in this table.

Source: Putnam County Property Appraiser

Table 6
City of Palatka, Florida

Property Tax Levies and Collections
Last Ten Fiscal Years
September 30, 2013

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>% of Total Collections to Levy</u>
2004	\$2,144,390	\$1,990,690	0.9283	\$10,232	\$2,000,922	0.9331
2005	\$2,436,535	\$2,290,702	0.9401	\$14,777	\$2,305,479	0.9462
2006	\$2,645,191	\$2,529,526	0.9563	\$59,668	\$2,589,194	0.9788
2007	\$3,377,114	\$3,108,434	0.9204	\$4,343	\$3,112,777	0.9217
2008	\$3,688,668	\$3,132,637	0.8493	\$711	\$3,133,348	0.8495
2009	\$3,644,652	\$3,527,380	0.9678	\$17,701	\$3,545,081	0.9727
2010	\$3,575,819	\$3,472,692	0.9712	\$20,080	\$3,492,772	0.9768
2011	\$3,579,471	\$3,466,313	0.9684	\$6,903	\$3,473,216	0.9703
2012	\$3,364,254	\$3,261,185	0.9694	\$9,432	\$3,270,617	0.9722
2013	\$3,345,632	\$3,244,766	0.9699	\$12,660	\$3,257,426	0.9736

Source: Putnam County Tax Collector

Table 7
City of Palatka

Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
September 30, 2013

Fiscal Year	City of Palatka			Putnam County			Schools				
	Operating Millage	Debt Service	Total City Millage	Operating Millage	Debt Service	Total County Millage	Operating Millage	Debt Service	Total Schools	Other	Total
2004	8.0000	0.0000	8.0000	9.2000	0.0000	9.2000	8.466	0.800	9.266	0.4620	26.928
2005	8.0000	0.0000	8.0000	9.2000	0.0000	9.2000	8.310	0.800	9.110	0.4620	26.772
2006	8.6500	0.0000	8.6500	9.2000	0.0000	9.2000	7.934	0.600	8.534	0.4620	26.846
2007	8.5000	0.0000	8.5000	9.2000	0.0000	9.2000	7.774	0.500	8.274	0.4620	26.436
2008	8.5000	0.0000	8.5000	8.5765	0.0000	8.5765	7.494	0.000	7.494	0.4158	24.986
2009	8.6500	0.0000	8.6500	8.5765	0.0000	8.5765	7.705	0.000	7.705	0.4158	25.347
2010	8.6500	0.0000	8.6500	8.5765	0.0000	8.5765	7.813	0.000	7.813	0.4158	25.455
2011	8.6500	0.0000	8.6500	8.5765	0.0000	8.5765	7.457	0.000	7.457	0.4158	25.099
2012	8.6500	0.0000	8.6500	8.5765	0.0000	8.5765	7.520	0.000	7.520	0.4158	25.162
2013	9.1749	0.0000	9.1749	8.5765	0.0000	8.5765	7.356	0.000	7.356	0.3313	25.439

Source: Florida Department of Revenue, St. Johns River Water Management District

Table 8
City of Palatka, Florida

Principal Taxpayers
Current and Nine Years Ago

Taxpayer	Fiscal Year 2013			Fiscal Year 2004		
	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value
Putnam Community Medical Center	\$16,256,378	1	4.18%	\$16,736,179	1	5.50%
Wal-Mart Inc.	\$13,034,214	2	3.35%	\$13,044,851	2	4.28%
Revenue Properties Town & Country	\$9,469,872	3	2.43%	-	-	-
Home Depot	\$6,504,225	4	1.67%	-	-	-
Lowe's Home Centers	\$6,476,331	5	1.67%	-	-	-
Florida Power & Light	\$6,371,707	6	1.64%	\$7,135,062	5	2.34%
Southern Medical Associates	\$4,995,627	7	1.28%	\$6,197,811	7	2.03%
Bellsouth Telecommunications	\$4,576,246	8	1.18%	\$9,790,163	3	3.21%
Palatka Mall LLC	\$4,285,695	9	1.10%	\$4,362,379	10	1.43%
FWI 5 LLC	\$4,250,477	10	1.09%	\$4,366,853	9	1.43%
Total	\$76,220,772		19.60%	\$61,633,298		20.22%

Source: Putnam County Property Appraiser

Table 9
City of Palatka, Florida

Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
September 30, 2013

Fiscal year	Tax Increment Bond	Road Improvement Bond	Total	Net GBD to Personal Income	Net GBD Per Capita
2004	\$223,600	\$314,035	\$537,635	0.24%	\$50
2005	\$186,333	\$265,155	\$451,488	0.19%	\$41
2006	\$149,067	\$213,472	\$362,539	0.14%	\$31
2007	\$111,800	\$158,849	\$270,649	0.10%	\$24
2008	\$0	\$98,522	\$98,522	0.04%	\$9
2009	\$0	\$37,498	\$37,498	0.01%	\$3
2010	\$0	\$0	\$0	0.00%	\$0
2011	\$0	\$0	\$0	0.00%	\$0
2012	\$0	\$0	\$0	0.00%	\$0
2013	\$0	\$0	\$0	0.00%	\$0

Note: Personal income was determined to be the relevant base for analysis.
Source: Finance Department, audited financial statements

Table 10
City of Palatka, Florida

Computation of Legal Debt Margin
September 30, 2013

The Constitution of the State of Florida, Florida Statute 200.181 and the City of Palatka, set no legal debt margin.

Table 11
City of Palatka, Florida

Computation of Direct and Overlapping
Governmental Activities Debt
September 30, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Putnam County School District			
SBE 2004-A	\$325,000	10.82%	\$35,165
SBE 2005-A New Money	\$55,000	10.82%	\$5,951
SBE 2005-A Refunding	\$145,000	10.82%	\$15,689
SBE 2005-B	\$170,000	10.82%	\$18,394
SBE 2008-A	\$575,000	10.82%	\$62,214
SBE 2009-A Refunding	\$105,000	10.82%	\$11,361
SBE 2011-A Refunding	\$415,000	10.82%	\$44,903
Putnam County Board of County Commissioners			
Bell South Phone System	\$52,888	10.82%	\$5,722
Caterpillar - Excavator	\$52,009	10.82%	\$5,627
Caterpillar - Grader	\$36,159	10.82%	\$3,912
Suntrust Vehicles	\$182,340	10.82%	\$19,729
Property - Computers	\$106,496	10.82%	\$11,523
Debt repaid with non-ad valorem taxes			
Putnam County Board of County Commissioners			
Communications Improvemen	\$710,639	13.62%	\$96,777
MSBU Special Assessments	\$810,252	13.62%	\$110,343
MSBU Special Assessments	\$158,988	13.62%	\$21,652
Debt repaid with sales surtax revenue			
Putnam County Board of County Commissioners			
Belter Place Plan	\$4,735,000	15.25%	\$722,043
Belter Place Plan	\$1,925,000	15.25%	\$293,545
Subtotal, overlapping debt			\$1,484,550
City direct debt			\$2,739,454
Total direct and overlapping debt			\$4,224,004

Source: Putnam County School Board, Putnam County Board of County Commissioners

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Palatka. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

For debt repaid with non-advalorem taxes, the percentage of overlapping debt applicable is estimated using the total personal income (per capita income x population) of the City divided by the total personal income of Putnam County

For debt repaid with sales surtax revenues, the percentage of overlapping debt applicable is estimated using the total amount of local infrastructure surtax revenues received by the City divided by the total amount of local infrastructure surtax revenues received by Putnam County

Table 12
City of Palatka, Florida

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business Type Activities			Total Primary Government	Percentage of Personal Income(1)	Outstanding Debt Per Capita(1)
	Loans/Notes Payable	Revenue Bonds	Capital Leases	Loans/Notes Payable	Revenue Bonds	Capital Leases			
2004	\$137,206	\$537,635	\$16,860	\$658,257	\$6,880,708	\$195,163	\$8,425,829	3.76%	\$779
2005	\$85,079	\$451,488	-	\$883,935	\$6,649,458	\$164,416	\$8,234,376	3.47%	\$742
2006	\$25,402	\$362,539	-	\$1,487,045	\$6,414,918	\$127,900	\$8,417,804	3.34%	\$736
2007	\$1,182,352	\$270,649	\$167,371	\$2,237,255	\$6,101,762	\$8,778	\$9,968,167	3.87%	\$881
2008	\$4,026,577	\$98,522	\$105,151	\$13,647,844	\$5,668,653	-	\$23,546,747	9.05%	\$2,089
2009	\$3,705,273	\$37,498	\$37,513	\$16,997,451	\$5,383,638	-	\$26,161,373	8.97%	\$2,350
2010	\$3,381,920	-	\$14,322	\$8,421,514	\$7,444,872	-	\$19,262,628	6.39%	\$1,763
2011	\$3,056,396	-	-	\$7,761,469	\$7,346,458	-	\$18,164,323	6.12%	\$1,720
2012	\$2,728,652	-	\$23,285	\$7,138,784	\$7,213,044	\$20,260	\$17,124,025	5.88%	\$1,678
2013	\$2,424,226	-	\$315,228	\$6,734,477	\$7,074,630	\$177,382	\$16,725,943	5.63%	\$1,635

Notes: (1) See the demographic statistics table 14 for population and annual personal income data. The figures provided represent ratios of total primary government outstanding debt to annual personal income and population.

Table 13
City of Palatka, Florida

Plledged Revenue Coverage
Last Ten Fiscal Years

Airport Revenue Notes							Water Revenue Bonds and Notes						
Fiscal Year	Airport	Less	Net	Debt Service			Coverage	Utility	Less	Net	Debt Service		
	Gross Revenues	Operating Expenses	Available Revenue	Principal	Interest			Gross Revenues	Operating Expenses	Available Revenue	Principal	Interest	Coverage
2004	\$305,486	\$287,618	\$17,878	\$11,381	\$4,115	115.37%		\$3,182,217	\$2,293,009	\$889,208	\$185,000	\$319,711	176.16%
2005	\$386,028	\$386,746	(\$718)	\$17,389	\$3,503	-3.44%		\$3,216,565	\$2,474,061	\$742,504	\$220,783	\$319,403	137.45%
2006	\$567,999	\$558,239	\$9,760	\$14,375	\$2,691	57.19%		\$3,299,223	\$2,678,856	\$620,367	\$244,495	\$312,594	111.36%
2007	\$508,385	\$637,292	(\$130,907)	\$14,375	\$1,899	-804.39%		\$3,801,745	\$2,806,060	\$995,685	\$320,093	\$301,834	160.10%
2008	\$711,499	\$751,145	(\$39,646)	\$13,551	\$1,257	-267.73%		\$3,714,949	\$2,767,208	\$947,741	\$335,698	\$700,862	91.43%
2009	\$597,590	\$768,310	(\$170,720)	\$148,564	\$104,919	-67.35%		\$3,891,996	\$2,998,960	\$893,036	\$348,314	\$839,404	75.32%
2010	\$730,486	\$866,960	(\$136,474)	\$133,333	\$88,103	-58.97%		\$3,886,540	\$3,024,702	\$861,838	\$18,876,104	\$951,673	4.35%
2011	\$919,491	\$855,822	\$63,669	\$133,333	\$91,058	28.37%		\$3,889,028	\$2,915,779	\$973,249	\$1,349,230	\$482,845	53.12%
2012	\$865,806	\$868,383	\$7,423	\$133,333	\$84,282	3.41%		\$4,018,770	\$2,991,037	\$1,027,733	\$372,266	\$443,637	125.96%
2013	\$907,406	\$858,888	\$50,718	\$1,528,668	\$81,774	3.15%		\$4,133,555	\$3,128,815	\$1,006,740	\$362,662	\$429,950	123.89%

Golf Revenue Bonds						Infrastructure Surtax Revenue Note				
Fiscal Year	Golf	Less	Net	Debt Service			Sales Surtax	Debt Service		
	Gross Revenues	Operating Expenses	Available Revenue	Principal	Interest	Coverage		Principal	Interest	Coverage
2004	\$618,037	\$707,727	(\$89,690)	\$46,190	\$18,926	-137.74%	\$0	\$0	\$0	n/a
2005	\$711,672	\$685,303	\$26,369	\$48,880	\$16,236	40.50%	\$0	\$0	\$0	n/a
2006	\$762,181	\$815,457	(\$53,276)	\$51,683	\$13,433	-81.82%	\$0	\$0	\$0	n/a
2007	\$782,670	\$934,609	(\$151,939)	\$54,622	\$10,493	-233.34%	\$0	\$0	\$0	n/a
2008	\$755,011	\$934,572	(\$179,561)	\$158,849	\$7,590	-107.88%	\$802,482	\$0	\$0	n/a
2009	\$726,513	\$722,239	\$4,274	\$28,125	\$111,586	3.06%	\$732,946	\$266,667	\$166,080	169.37%
2010	\$624,462	\$800,372	(\$175,910)	\$62,033	\$107,431	-103.80%	\$715,284	\$266,667	\$152,240	170.75%
2011	\$813,217	\$845,986	(\$232,769)	\$79,366	\$102,778	-127.79%	\$676,948	\$266,667	\$138,400	167.12%
2012	\$593,718	\$838,545	(\$244,827)	\$141,804	\$97,560	-102.28%	\$683,697	\$266,667	\$124,560	174.76%
2013	\$702,153	\$829,833	(\$127,680)	\$1,400,989	\$96,895	-8.52%	\$699,302	\$2,133,334	\$133,651	30.85%

Source: Finance department, audited financial statements

Table 14
City of Palatka, Florida

Demographic Statistics
Last Ten Fiscal Years
September 30, 2013

Fiscal Year	Population (1)	Personal Income(million of dollars) (2)	Per Capita Personal Income (3)	School (4) Enrollment	Unemployment Rate (5)
2004	10,820	\$241	\$22,248	5716	5.3%
2005	11,100	\$259	\$23,331	5371	4.1%
2006	11,417	\$277	\$24,283	5508	3.8%
2007	11,470	\$291	\$25,397	5555	4.8%
2008	11,264	\$297	\$26,362	4101	8.4%
2009	11,133	\$292	\$26,205	4768	12.1%
2010	10,926	\$302	\$27,597	4860	12.5%
2011	10,558	\$297	\$28,125	5642	11.9%
2012	10,203	\$291	\$28,556	5585	11.0%
2013	10,230	\$297	\$29,048	6254	8.9%

Sources:

- (1) University of Florida, Bureau of Economic and Business Research, Florida Estimate of Population (2004-2010, 2012-2013), 2010 Census (2011)
- (2) Personal income figures are the results of multiplying Per Capita Personal Income by the population
- (3) U.S. Department of Commerce, Bureau of Economic Analysis
Figures from 2003 - 2011 are based on per capita personal income data.
Figures from 2012 are projected estimates based on trend analysis calculations.
- (4) District School Board of Putnam County
- (5) United States Department of Labor-Bureau of Labor Statistics

Table 15
City of Palatka, Florida

Principal Employers
Current and Nine Years Ago

<u>Employer</u>	<u>Fiscal Year 2013</u>			<u>Fiscal Year 2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
St Johns River Water Management Dist	700	1	13.69%	686	1	12.68%
Putnam Community Medical Center, LLC	421	2	8.23%	533	4	9.85%
Walmart Supercenter	400	3	7.82%	523	5	9.67%
Publix Super Market	300	4	5.87%	185	7	3.42%
Putnam County Sheriff's Office	300	5	5.87%	-	-	-
Palatka Healthcare Center	190	6	3.71%	-	-	-
Rural Health Care Incorporated	186	7	3.64%	-	-	-
Palatka High School	160	8	3.13%	-	-	-
Arc Of Putnam County Inc	157	9	3.07%	-	-	-
City of Palatka	140	10	2.74%	178	8	3.29%
Total	2,954		57.75%	2,105		38.91%

Note: Percentages were derived from 50% of population of the City of Palatka
Source: Individual employers/Chamber of Commerce

Table 16
City of Palatka, Florida

Operating Indicators by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government:										
Building permits issued	821	982	884	804	621	80	598	618	595	583
Building inspections conducted	2280	1905	1843	1987	1543	1499	1359	1360	1257	898
Code enforcements	417	532	281	547	311	701	200	165	184	214
Occupational license issued	1016	1014	904	1072	1013	1258	1092	1220	1078	675
Police:										
Calls for service	27,132	30,595	36,196	32,350	31,933	31,264	34,559	29,847	32,709	30,616
Physical arrests	1,507	1,989	2,264	2,003	1,798	1,450	1,528	1,119	1,047	788
Citations	1,568	1,989	2,747	2,299	1,217	1,269	2,060	1,616	1,660	1,470
Fire:										
Emergency responses	2,189	1,987	1,958	2,063	2,590	2,610	2,412	2,687	2,498	2,173
Fires extinguished	1,093	1,020	923	721	457	538	98	10	41	125
Refuse collection:										
Customers	5,100	4,998	5,062	5,027	4,935	3,469	3,850	3,819	3,869	3,827
Other public works:										
Street resurfaced (miles)	2.5	6	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0
Potholes repaired	150	125	100	100	98	100	100	110	58	63
Parks and recreation:										
Community center rentals	69	75	68	68	142	147	197	58	83	129
Human Services:										
Interments	124	113	150	145	133	103	146	122	107	117
Water:										
Water main breaks	12	12	12	30	16	10	7	16	7	26
Average daily consumption (thousands of gallons)	1,727	1,905	2,366	1,735	2,229	2,030	2,000	2,044	1,811	1,684
Peak daily consumption (thousands of gallons)	2,359	2,757	3,189	2,300	2,997	2,870	2,720	2,757	2,908	2,139
Wastewater:										
Average daily treatment (thousands of gallons)	2,500	2,500	2,500	2,500	2,500	2,500	1,940	1,490	2,040	1,540
Airport:										
Rentals-T Hangars	49	49	49	49	49	54	54	54	54	54
Building	2	2	2	2	1	1	1	1	1	2
Land leases	2	2	2	2	1	1	1	1	1	1

Source: Departments of the city

Table 17
City of Palatka, Florida

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	25	25	25	26	24	22	22	24	24	22
Fire station	2	2	2	2	2	2	2	2	2	2
Firefighters	17	17	20	20	20	23	23	23	23	23
Refuse collection:										
Collection trucks	6	6	6	6	6	6	6	6	6	6
Other public works:										
Streets(miles)	71.18	71.18	71.18	71.18	71.18	71.18	71.18	71.18	71.18	71.18
Traffic signals	16	16	16	22	22	22	22	22	21	21
Parks and recreation:										
Acreage	24.26	24.26	24.26	24.26	24.26	24.26	24.26	24.26	26.67	26.67
Playgrounds	10	10	10	10	10	10	10	10	10	10
Baseball/softball diamonds	5	5	5	5	5	5	5	5	5	5
Community Centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	104	105	106	106	106	106	108	108	108	108
Fire hydrants	445	450	455	455	565	570	578	578	578	578
Storage capacity (in millions)	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Wastewater:										
Sanitary sewers (miles)	74	75	76	80	80	80	80	80	80	80
Storm sewers (miles)	60	60	60	60	60	60	60	60	60	60
Treatment capacity(millions of gals.)	912	912	912	912	1095	1095	1278	1278	1278	1278
Golf Courses:										
Acreage	99	99	99	99	99	99	99	99	99	99
Airports:										
Runways	3	3	3	3	3	3	3	3	3	3

Source:
Individual departments of the city

Table 18
City of Palatka, Florida

Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

<u>Function</u>	Full-Time Equivalent Employees(FTE) as of September 30 -----									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government										
General Administration	8	9	9	8	8	9	8	8	8	8
Attorney	1	1	1	1	1	1	1	1	1	0.5
General Service Director	0	0	1	0	0	0	0	0	0	0
Mainstreet	0	1	1	0	0	1	0	1	1	1
Information Technology	0	0	0	0	0	0	0	0	0	1
Public Safety										
Building & Zoning	6	6	7	7	6	4	5	4	4	4
Police Officers	33	32	39	39	39	37	36	34	35	34
Police Clerical	8	8	7	7	7	6	6	7	7	6.5
Code Enforcement	1	1	1	1	1	1	1	1	1	1
Firefighters	17	17	20	20	20	23	23	23	23	23.5
Transportation										
Streets	9	9	9	9	7	6	6	6	6	6
Human Services										
Cemeteries	4	5	5	5	5	4	3	2	2	2
Culture/Recreation	6	6	7	7	7	8	7	5	5	5
Business Type Activities:										
Airport	3	4	4	4	4	3	3	2	3	3
Water	37	36	37	37	37	33	33	31	32	32
Golf	8	8	7	10	9	8	0	0	0	0
Sanitation	19	19	19	19	19	16	14	14	13	17

Source: City of Palatka Personnel Department

Single Audit Section

MANAGEMENT LETTER

To the Honorable Mayor and
City Commissioners
City of Palatka, Florida

We have audited the financial statements of the City of Palatka (the "City") as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated April 24, 2014. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective action have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. There are no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

Financial Condition

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the City has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(7). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554. However, the Golf Course Fund again incurred a net loss and received continued funding advances from the General Fund. Golf Course Fund losses were approximately \$143,000, \$410,000 and \$404,000 for 2013, 2012 and 2011, respectively. As of September 30, 2013, the Golf Course Fund had approximately \$1,516,000 deficit in unrestricted net position and \$1,185,000 deficit in total net position. In addition, the Airport Fund had approximately \$180,000

deficit unrestricted net position. Continued use of General Fund available resources to subsidize enterprise operations strains the general operating reserves of the City, which are currently below the recommended minimum level. As reported in previous years, the City's financial condition should be closely monitored to build reserves and to prevent reoccurrence of the deficits in the future.

Annual Financial Report

As required by the Rules of the Auditor General, we determined that City's annual financial report for the fiscal year ended September 30, 2013, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in substantial agreement with the audit report for the fiscal year ended September 30, 2013.

Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Cary Riggs & Ingram, L.L.C.

Palatka, Florida
April 24, 2014

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and City Commissioners
City of Palatka, Florida

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Palatka, Florida (the "City") as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 24, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cary Riggs & Ingram, L.L.C.

Palatka, Florida
April 24, 2014

Schedule of Expenditures of Federal Awards

Year ended September 30	2013		
Federal Awards	Federal CFDA Number	Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Community Facilities Loans and Grants	10 766	PM	\$ 25,215
Community Facilities Loans and Grants	10 766	FT	150,000
Program total			175,215
U.S. Department of Housing and Urban Development			
Passed through State Department of Economic Opportunity Community Development Block Grant	14 228	11DB-L4-01-64-02-C02	7,000
U.S. Department of Justice			
Crime victim assistance	16 575	V11045	34,213
Passed through Florida Department of Law Enforcement Byrne Justice Assistance Grant Program	16 738	2013-JAGC-PUTN-1-D7-018	14,620
Byrne Justice Assistance Grant Program	16 738	2013-DJ-BX-0269	10,955
Program total			25,575
U.S. Department of Transportation			
FAA Airport Improvement Program	20 106	AIP 3-12-0061-022-2012	997,318
FAA Airport Improvement Program	20 106	AIP 3-12-0061-021-2011	200,607
Program total			1,197,925
National Endowment for the Arts			
Promotion of the Arts- Grants to Organizations & Individuals	45 024		5,000
Department of Homeland Security			
Assistance to Firefighters Grant	97 044	EMW-2012-FO-03185	37,655
Assistance to Firefighters Grant	97 044	EMW-2008-FF-00811	20,126
Program total			57,781
Homeland Security Grant Program- USAR	97 067	CPVG	7,408
Total expenditures of federal awards			\$ 1,510,117

Note 1. Significant Accounting Policies

The schedule includes the grant activity of the City of Palatka, Florida and is presented in accordance with applicable Single Audit requirements. Therefore, some amounts may differ from amounts reported in the City's financial statements prepared in conformity with generally accepted accounting principles.

Note 2. Subrecipients

The City did not provide awards to subrecipients.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

The Honorable Mayor and
City Commissioners
City of Palatka, Florida

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Palatka, Florida (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended September 30, 2013. The City's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organization*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2013.

Report on Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Cary Riggs & Ingram, L.L.C.

Palatka, Florida
April 24, 2014

City of Palatka, Florida

Schedule of Findings and Questioned Costs

Part I – Summary of Auditors' Results

1. The independent auditors' report on the financial statements was unmodified.
2. The audit did not report significant deficiencies in internal control over financial reporting.
3. No instances of noncompliance considered material to the financial statements were disclosed by the audit.
4. The audit did not report any significant deficiencies in internal control over compliance with requirements applicable to the major federal award program.
5. The report on compliance with requirements applicable to the major federal award program expressed an unmodified opinion.
6. No findings were disclosed relative to the major federal program.
7. The City's major federal program was:

FAA Airport Improvement Program	Federal <u>CFDA Number</u> 20.106
---------------------------------	---

8. A threshold of \$300,000 was used to distinguish between Type A and Type B programs.
9. The City did not qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

Part II – Financial Statement Findings

There were no findings relative to the financial statements.

Part III – Findings and Questioned Costs - Federal Awards

There were no findings relating to the major federal program.

City of Palatka, Florida

Summary Schedule of Prior Audit Findings

There were no prior audit findings relating to Federal or State Financial Assistance programs.

VERNON MYERS
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

ALLEGRA KITCHENS
COMMISSIONER

PHIL LEARY
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER



MICHAEL J. CZYMBOR
CITY MANAGER

BETSY JORDAN DRIGGERS
CITY CLERK

MATTHEW D. REYNOLDS
FINANCE DIRECTOR

GARY S. GETCHELL
CHIEF OF POLICE

MICHAEL LAMBERT
CHIEF FIRE DEPT

DONALD E. HOLMES
CITY ATTORNEY

Regular meeting 2nd and 4th Thursdays each month at 6:00 p.m.

April 24, 2014

The Honorable David W. Martin
Florida Auditor General
P.O. Box 1735
Tallahassee, FL 32302

Dear Mr. Martin:

I write to you in response to the findings noted in the audit of the City of Palatka, prepared by Carr, Riggs & Ingram for the year ended in September 30, 2013.

Part II – Financial Statement Findings Section

There were no findings relating to the financial statements.

Part III – Findings and Questioned Costs – Federal Awards

There were no findings relating to the major federal program.

Please contact me if you have any questions or need additional explanation.

Sincerely,

Matthew D. Reynolds
Finance Director

Agenda Item

6



CITY COMMISSION AGENDA ITEM

SUBJECT:

ORDINANCE closing, vacating and abandoning a portion of the Second Street Right of Way lying between Reid Street and St. Johns Avenue (Approximately 1,200 square feet) - 1st Reading

SUMMARY:

The City entered into a purchase and sale agreement with Riverfront Development Group, Palatka, Florida to purchase the property contained in RFP 13-002 for areas 1 and 2. During the preparation of the survey, legal, and title insurance it was determined a small portion of the 100 block buildings, approximately 1,200 square feet, encroached upon or into the Second Street. In order to have a cleaner title, Riverfront Development Group, LLC has requested the City vacant and abandon that portion of the Right of Way that encroaches. The proposed ordinance will close, vacant and abandon the approximate 1, 200 square feet of property which will become part of the property being sold to the buyer.

RECOMMENDED ACTION:

Pass on first reading an Ordinance closing, vacating and abandoning a portion of the Second Street Right of Way lying between Reid Street and St. Johns Avenue (Approximately 1,200 square feet)

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Ordinance	Cover Memo

REVIEWERS:

Department	Reviewer	Action	Date
City Manager	Czymbor, Michael	Approved	5/13/2014 - 5 33 PM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 3 45 PM
City Manager	Czymbor, Michael	Approved	5/14/2014 - 3 56 PM
Finance	Reynolds, Matt	Approved	5/14/2014 - 5 05 PM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 5 23 PM

ORDINANCE NO. 14 - 14

AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA, CLOSING, VACATING, AND ABANDONING A PORTION OF SECOND STREET RIGHT-OF-WAY LYING BETWEEN REID STREET AND ST. JOHNS AVENUE (APPROXIMATELY 1200 SQUARE FEET) AS DESCRIBED HEREIN, WITHIN THE CITY OF PALATKA, FLORIDA; AND PROVIDING AN EFFECTIVE DATE

AGENDA - CITY OF PALATKA, May 22, 2014 Chapter 166 of 2011, Florida Statutes, and Section 2 (b), Article VIII of the Constitution of the State of Florida
WHEREAS, Chapter 166 of 2011, Florida Statutes, and Section 2 (b), Article VIII of the Constitution of the State of Florida vest municipalities with the Authority to discontinue or vacate any street or portion thereof when done in the interest of the general welfare; and, Attachment Number: 1

WHEREAS, public hearings were held on the 22nd day of May 2014, and the 12th day of June, 2014, concerning the necessity and advisability of vacating and abandoning that portion of Second Street Right-of-way located east of the existing right-of-way line along Second Street in the City of Palatka, Florida, as shown on the Plat of the Palatka Blocks and Water Lots, Map Book 2, Page 46, official records of Putnam County, Florida; and,

WHEREAS, the public hearings referred to in the preceding paragraph was duly noticed and published in the Palatka Daily News on the 16th day of May, 2014, notifying the public that said public Hearings would be held;

WHEREAS, after receiving comment and input from the general public and concerning the general welfare of the citizens of the City of Palatka, it has been determined that it would be in the best interest of the City and its citizens to vacate and abandon that portion of the street more particularly described herein;

NOW THEREFORE, BE IT ENACTED BY THE PEOPLE OF THE CITY OF PALATKA, FLORIDA:

SECTION I. That the following street or portions thereof are hereby vacated, abandoned, renounced, and disclaimed:

DESCRIPTION OF PROPERTY:

A parcel of land being a portion of Second Street (a 60.00 foot wide right-of-way as presently established) of the City of Palatka, Florida, according to John Dick's Plat of the Town of Palatka, dated 1853 on file in the office of the Clerk of Circuit Court, Putnam County, Florida and being more particularly described as follows:

Begin at the southwest corner of Block 2 of the City of Palatka, Florida, according to John Dick's Plat of the Town of Palatka, dated 1853 on file in the office of the Clerk of Circuit Court, Putnam County, Florida, said Southeast corner being a magnetic nail and disk identified as being "LB 6824", thence N 76°00'00" W, a distance of 1.00 feet; thence N 14°12'52" East, a distance of 209.68 feet; thence S 75°46'28" E, a distance of 0.22 feet to the easterly right-of-way line of Second Street (a 60.00 foot wide right of way as presently established) of the City of Palatka, Florida, according to John Dick's Plat of the Town of Palatka, dated 1853 on file in the office of the Clerk of Circuit Court, Putnam County, Florida and the westerly line of said Block 2 according to John Dick's plat of

the Town of Palatka, dated 1853 on file in the office of the Clerk of Circuit Court, Putnam County Florida; thence S 14'00'00" W, along said Easterly right-of-way line of Second Street and said Westerly line of Block 2, a distance of 209.68 feet to the Point of Beginning.

Said parcel of land containing 127 square feet more or less.

SECTION II. This Ordinance shall take effect upon adoption.

SECTION III. Notice of the passage of this Ordinance and of the closing and vacating of the streets, or portion thereof, published one (1) time within the City (30) days from the adoption of this Ordinance in a newspaper published in Putnam County, Florida, announcing to the public the action of the City Commission in closing and vacating the street or a portion thereof described herein. Copy of this Ordinance as adopted and proof of publication of the notice of adoption of this Ordinance shall be recorded within the official records of Putnam County, Florida.

SECTION IV. A copy of this Ordinance shall be furnished to the Municipal Code Corporation for insertion in the Code of Ordinances for the City of Palatka, Florida.

PASSED AND ADOPTED by the City Commission of the City of Palatka on this 12th day of June, 2014.

CITY OF PALATKA

BY: _____
Its Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM AND CORRECTNESS:

City Attorney

Agenda Item

7



CITY COMMISSION AGENDA ITEM

SUBJECT:

ORDINANCE extending the City of Palatka 2008 Economic Recovery and Incentive Program extending the moratorium on the collection of Parks & Recreation, Fire Rescue, Roads and Law Enforcement Impact Fees through December 31, 2015 - 2nd Reading, Adopt

SUMMARY:

This is second reading of an ordinance extending the 2008 Economic Recovery & Incentive Program which places a moratorium on the collection of certain impact fees.

On April 24 the City Commission held a workshop facilitated by Thad Crowe, Planning Director, concerning the possible reinstatement of the collection of certain Impact Fees. the collection of these fees, adopted in 2007, was suspended in 2008 when the Commission adopted Ordinance No. 08-20 on 12/18/08 entitled The City of Palatka 2008 Economic Recovery and Incentive Program, which suspended the collection of Fire, Police, Parks and Roads/Transportation impact fees for two years. The suspension was extended twice, once in 2011 and again beginning January 1, 2014 for a period of five months in order to give Staff time to research its recommendation to amend the fees and recommence collection of amended impact fees, with the exception of Road Impact Fees, beginning June 1, 2014.

At the April 24 workshop the Commission unanimously expressed its desire to continue the moratorium on the collection of all impact fees excepting Water & Sewer impact fees for at least one more year. In order to do this, the Commission must adopt an ordinance continuing the suspension. Otherwise, the fees will automatically go back into affect on June 1, 2014. Before the City can legally begin collecting these fees again, it must advertise its intention to do so 90 days prior to the reinstatement. No such advertisement has been made.

Following this Summary is an ordinance extending the moratorium on the collection of certain impact fees through December 31, 2015. This ordinance was passed on first reading on May 8, 2014.

RECOMMENDED ACTION:

Adopt on second reading an ordinance extending the City of Palatka 2008 Economic Recovery and Incentive Program extending the moratorium on the collection of Parks & Recreation, Fire Rescue, Roads and Law Enforcement Impact Fees through December 31, 2015.

ATTACHMENTS:

Description	Type
Ordinance extending Moratorium on Impact Fee collection	Ordinance

REVIEWERS:

Department	Reviewer	Action	Date
City Clerk	Driggers, Betsy	Approved	5/13/2014 - 12:39 PM
City Clerk	Driggers, Betsy	Approved	5/13/2014 - 12:39 PM
City Manager	Czymbor, Michael	Approved	5/13/2014 - 5:33 PM
Finance	Reynolds, Matt	Approved	5/14/2014 - 9:26 AM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 3:45 PM

This instrument prepared by:
Betsy J. Driggers
201 North 2nd Street
Palatka, FL 32177

ORDINANCE NO. 2014-

AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA, AMENDING CITY OF PALATKA ORDINANCE NO. 08-20, THE CITY OF PALATKA 2008 ECONOMIC RECOVERY AND INCENTIVE PROGRAM; PROVIDING FOR AN EXTENSION OF THE SUSPENSION OF COLLECTION OF THE CITY'S PARKS AND RECREATION FACILITIES IMPACT FEES, FIRE RESCUE IMPACT FEES, ROAD IMPACT FEES AND LAW ENFORCEMENT IMPACT FEES FOR A PERIOD NOT TO EXCEED TWO YEARS; PROVIDING FOR PERIODIC REPORTS TO THE CITY COMMISSION ON THE STATUS OF THE ECONOMY AND LOCAL BUILDING INDUSTRY DURING THE SUSPENSION PERIOD; REQUIRING REVIEW OF THE IMPACT FEE STUDIES; PROVIDING FOR NOTICE OF IMPACT FEE RATES UPON EXPIRATION OF THE SUSPENSION PERIOD; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on December 17, 2007 the City Commission enacted Ordinance No. 07-23, the City of Palatka Comprehensive Impact Fee Ordinance (Ordinance No. 07-23 as amended herein shall be collectively referred to as the "Ordinance") imposing impact fees for Parks and Recreation Facilities, Fire Rescue, Roads, Law Enforcement, Water and Sewer Facilities within the incorporated area of the City; and

WHEREAS, the impact fees imposed pursuant to the Ordinance took effect on April 1, 2008; and

WHEREAS, the downturn in the national, state and local economy has resulted in increased foreclosures, business closings and a decline in new construction projects within the City; and

WHEREAS, on December 18, 2008 the City Commission enacted Ordinance No. 08-20, creating the City of Palatka 2008 Economic Recovery and Incentive Program providing for the suspension of impact fees for Parks and Recreation Facilities, Fire Rescue, Roads and Law Enforcement within the incorporated area of the City; and

WHEREAS, on April 14, 2011 the City Commission enacted Ordinance 11-07 extending the provisions of the Economic Recovery and Incentive Program through December 31, 2013; and

WHEREAS, on January 9, 2014 the City Commission enacted Ordinance No. 2014-01 extending the provisions of the Economic Recovery and Incentive Program through May 31, 2014 in order to provide sufficient time to research the potential reinstatement of the collection of some or all suspended impact fees; and

WHEREAS, Staff's research was presented at a Palatka City Commission workshop held on April 24, 2014, at which the Commission unanimously concurred on its desire to extend the moratorium on the collection of certain Impact Fees based upon its findings that Palatka and Putnam County continues to experience a prolonged economic recession, and that unemployment rates in Palatka and Putnam County are higher than the State and National Averages. This and other economic factors continue to impact the City's ability to grow its tax base, which is dependent upon new construction, redevelopment and increasing property values; and

WHEREAS; there are no indicators of the expected duration of the ongoing local economic downturn; and

WHEREAS, the City Commission desires to continue the 2008 Economic Recovery and Incentive Program to provide for suspension of the City's Parks and Recreation, Fire Rescue, Roads and Law Enforcement Impact Fees for a period not to exceed two years in order to allow time for the national, state and local economy to recover and to stimulate local development, preserve jobs in the construction industry and expand the City's tax base.

NOW, THEREFORE, BE IT ENACTED BY THE PEOPLE OF THE CITY OF PALATKA, FLORIDA, that:

Section 1: Section 1.03 of Ordinance 08-20, hereinafter known as "the Ordinance," is hereby amended to include the following:

J. The 2008 economic downturn resulted in increased foreclosures, business closings and a decline in new construction projects within the City. A decline in construction projects within the City impacts all local industries that are dependent upon growth, such as construction, manufacturing and real estate. A decrease in the number of building permits issued by the City also adversely impacts the City's budget. Growth of the City's tax base is dependent upon new construction, redevelopment and increasing

property values. In this economic climate the collection of Parks and Recreation, Fire Rescue, Roads and Law Enforcement Impact Fees, as established pursuant to this Ordinance, may place the City in a non-competitive position with other local governments that have chosen not to require growth to pay its fair share of needed Capital Facilities and thus hinder efforts by the City and the community to encourage economic development opportunities within the City, to preserve and create permanent employment expansion opportunities for the City's citizens, and expand the City's tax base. Therefore the City Commission wishes to continue the 2008 Economic Recovery and Incentive Program, as created by Ordinance No. 08-20, adopted on December, 18, 2008, and extended by Ordinance 11-07 adopted April 14, 2011 through December 31, 2013, and extended again by Ordinance No. 2014-01 adopted January 9, 2014 through May 31, 2014, providing for suspension of the City's Parks and Recreation, fire rescue, Roads and Law Enforcement Impact Fees for a period not to exceed two years in order to allow time for the national, state and local economy to recover and to stimulate local development, preserve jobs in the construction industry and expand the City's tax base.

Section 2: Section 2.04 of the Ordinance is hereby amended to include the following paragraph:

C. All Residential Construction occurring within the City that submits a complete application for a Building Permit on or after January 1, 2009 and continuing through December 31, 2015 shall not be required to pay the Parks and Recreation Facilities Impact Fees imposed by this Section pursuant to Section 8.02.

Section 3: Section 3.04 of the Ordinance is hereby amended to include the following paragraph:

C. All Fire Rescue Impact Construction occurring within the City that submits a complete application for a Building Permit on or after January 1, 2009 and continuing through December 31, 2015 shall not be required to pay the Fire Rescue Impact Fees imposed by this Section pursuant to Section 8.02.

Section 4: Section 4.04 of the Ordinance is hereby amended to include the following paragraph:

C. All Road Impact Construction occurring within the City that submits a complete application for a Building Permit on or after January 1, 2009 and continuing through December 31, 2015 shall not be required to pay the Road Impact Fees imposed by this Section and set forth in Appendix C. to the Ordinance pursuant to Section 8.02.

Section 5: Section 5.04 of the Ordinance is hereby amended to include the following paragraph:

C. All Law Enforcement Impact Construction occurring within the City that submits a complete application for a Building Permit on or after January 1, 2009 and continuing through December 31, 2015 shall not be required to pay the Law Enforcement Impact Fees imposed by this Section pursuant to Section 8.02.

Section 6: That Section 8.02 of The Ordinance is hereby amended to read as follows:

SECTION 8.02 2008 ECONOMIC RECOVERY AND INCENTIVE PROGRAM.

A. The City Commission hereby continues the 2008 Economic Recovery and Incentive Program, as created by Ordinance No. 08-20, adopted on December, 18, 2008, and extended by Ordinance No. 2011-07 adopted on April 14, 2011 and Ordinance 2014-01 adopted on January 9, 2014, to provide for suspension of the City's Parks and Recreation, Fire Rescue, Roads and Law Enforcement Impact Fees for a period not to exceed two years, commencing on January 1, 2014, in order to allow time for the national, state and local economy to recover and to stimulate local development, preserve jobs in the construction industry and expand the City's tax base.

B. During the suspension period, the City shall not collect the Parks and Recreation Impact Fees imposed pursuant to Section 2.04 herein, the Fire Rescue Impact Fees imposed pursuant to Section 3.04 herein, the Roads Impact Fees imposed pursuant to Section 4.04 herein or the Law Enforcement Impact Fees imposed pursuant to Section 5.04 herein.

C. The provisions of this Ordinance relating to expenditure of existing Impact Fee funds and annual reporting requirements shall remain in effect during the suspension period.

D. By December 31, 2014, the City Manager shall provide a report to the Commission relating to the status of construction activity within the City since the effective date of this program. Such report shall include the number and type of permits issued, the amount of Impact Fee revenues lost as a result of the suspension, pending development projects, an overview of the national, state and local economy and impacts on the City's budget and capital improvement plans.

E. By July 1, 2015, the City Manager shall provide an additional report to the Commission, updating the data provided in the January report, providing recommendations for whether the suspension period should be extended and delineating the process for re-implementing the Parks and Recreation, Fire Rescue, Roads and Law Enforcement Impact Fees at the end of the suspension period, including possible review of the impact fee studies pursuant to Section 8.07 of the Ordinance and providing for the 90 day notice period required by section 8.10 therein.

F. Collection of the Parks and Recreation, Fire Rescue, Roads and Law Enforcement Impact Fees shall resume on January 1, 2016, provided that the notice period required by Section 8.10 has expired by such date. In the event the notice period has not expired on December 31, 2015, collection of the fees shall resume upon expiration of the ninety (90) day notice period.

Section 7. **Severability.** If any clause, section or provision of this Ordinance or any Impact Fee imposed pursuant to this Ordinance shall be declared unconstitutional or invalid for any reason or cause, the remaining portion of said Ordinance or remaining Impact Fees shall be in full force and effect and be valid as if such invalid portion thereof had not been incorporated herein.

Section 8. **Codification.** A copy of this Ordinance shall be furnished to the Municipal Code Corporation for insertion in the Code of Ordinances for the City of Palatka, Florida.

Section 9. **Effective Date.** A certified copy of this Ordinance shall be filed in the Department of State by the Clerk of the City Commission within ten (10) days after enactment by the Commission and the Ordinance shall take effect as provided by law.

PASSED AND ADOPTED by the City Commission of the City of Palatka, Florida, this 24th day of May, 2014.

PALATKA CITY COMMISSION

By: _____
 Its MAYOR

ATTEST:

CITY CLERK

(SEAL)

APPROVED AS TO FORM AND LEGALITY:

CITY ATTORNEY

Agenda Item

8



CITY COMMISSION AGENDA ITEM

SUBJECT:

REPORT/DISCUSSION - Beaver Street Enterprise Center site visit report and discussion of a proposed business incubator - Jonathan Griffith and Charles Rudd

SUMMARY:

Commissioner Mary Lawson-Brown, City Manager Michael Czymbor, Main Street Manager Charles Rudd and Jonathan Griffith attended the Beaver Street Enterprise Center on April 28, 2014. The purpose of the visit was to meet key staff and tour their facilities. Attached you will find some information pertaining to their operation. A short presentation with video of our visit will be shown at the meeting.

For some time, a Palatka business incubator has been discussed as an economic development tool. The Beaver Street Enterprise Center is a 501c(3) with a board of directors and designated staff members. Board members are expected to make policy decisions and raise funds for the ongoing operation of the facility. The center provides business start-up services, business assistance and access to networks and capital. It is important to note, that the Beaver Street model and most other incubators house clients in-house and sell services to cover operational costs. Their clients are primarily non-retail in nature and the Center does not interface with the downtown retail core.

If Palatka is to pursue an incubator, the organizational structure, location and operation would have to be tailored to the desired outcome. Is the intent to foster professional and service businesses that would require in-house facilities similar to Beaver Street; revitalize the retail core by aiding start ups and placing them in downtown spaces; and/or strengthen the manufacturing base which may require more space than would typically be provided in-house? Staff is seeking direction on if an incubator should be pursued. If so, what is the desired intent of the incubator. With this information staff can assemble a list of possible funding sources and locations for future discussion and consideration.

RECOMMENDED ACTION:

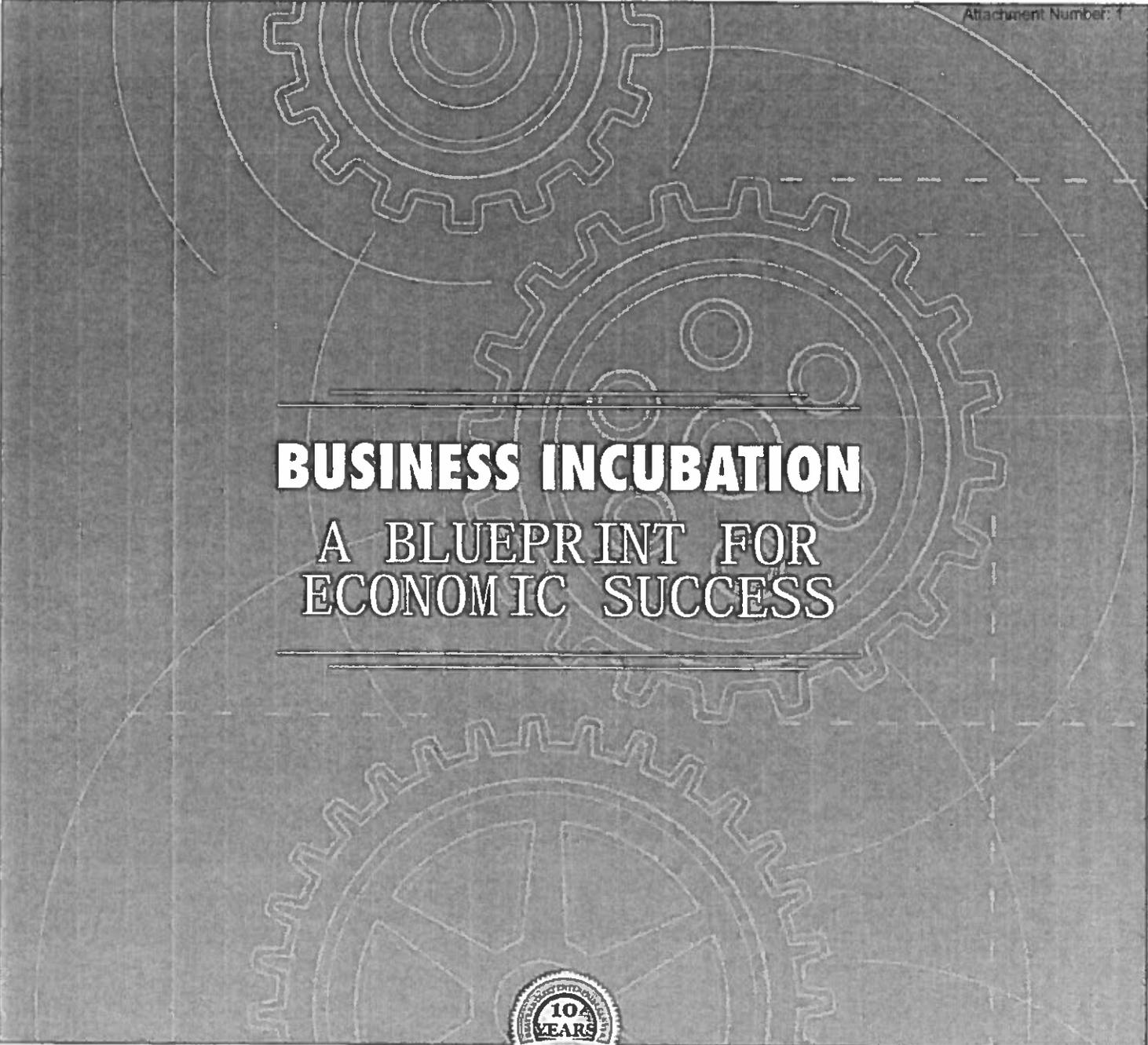
No action recommended

ATTACHMENTS:

Description	Type
Beaver Street Enterprise Center	Backup Material
Agreement for Services and License of Facility Space	Backup Material

REVIEWERS:

Department	Reviewer	Action	Date
City Clerk	Driggers, Betsy	Approved	5/12/2014 - 5:25 PM



BUSINESS INCUBATION
A BLUEPRINT FOR
ECONOMIC SUCCESS



Beaver Street Enterprise Center
A Fresh Ministries Initiative

BEAVER STREET ENTERPRISE CENTER
2013 ECONOMIC IMPACT REPORT

Beaver Street Enterprise Center 1225 W. Beaver Street, Jacksonville, FL

Vision & Mission

Beaver Street Enterprise Center is a 25,000 square foot professional office facility offering modern workplace amenities for startup and existing small businesses as well as business technical assistance, counseling, mentoring and assistance in marketing and obtaining business financing. The center is geographically positioned to stimulate economic growth in Jacksonville's northwest neighborhoods and is run by non-profit Core City Business Incubators, Inc. as an initiative of Fresh Ministries.

BOARD OF DIRECTORS ROSTER

Mr. Brian Barquilla (PR & R)
Jacksonville Small Business
Advantage Magazine
Email: brian@advantagebizmag.com

Mr. Frederick M Blum
(Co-Chair Board/FC)
Augustine Asset Management
Email: fblum@augustineasset.com

Ms. Joan Bonnette (PR & R Chair)
S. C. O. R. E.
Email: bonnette@aol.com

Mr. Al Daniels
Franchise Owner – Domino's Pizza
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Mr. John Dietzen (TR & TA Chair)
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(TR & TA Chair)
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Mayor's Office of Economic
Development
Email: josephw@coj.net

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Administrative Assistant / Reception
info@bsecenter.net



L-R: Jackie, Angelia, Jeania, Rum



BY THE NUMBERS



2013 Economic Impact Report

Florida's only core-city business incubator | A Fresh Ministries Initiative

BUSINESS INCUBATION & JOB CREATION:

BSEC selected as 2010 International Business Incubator of the Year, Non-Technical Division, by National Business Incubator Association (NBIA)

•RETURN ON INVESTMENT: For every \$1 of estimated annual public operating subsidy provided the incubator, clients and graduates of incubators generate approximately \$45 in local tax revenue.*

•Publicly supported incubators create jobs at a cost of about \$1,000 each, whereas other publicly supported job creation mechanisms commonly cost more than \$10,000 per job created.*



- BSEC has assisted it entrepreneurial companies in generating more than \$250,000,000 in collective revenue and creating more than 2000 jobs over the past ten years.
- 80% of incubating companies sustain their business beyond 3 years. To date 90% of BSEC graduates are still in business.

HIGHLIGHTS OF TENANT/GRADUATE/PROGRAM ACHIEVEMENTS:

- Incubator graduates were among three out of the seven Jacksonville companies selected by INC magazine's top 500 list of fastest growing companies
- Six graduate and member companies earned recognition as the 2013 fastest growing private companies in North Florida
- LifePoint Career Institute program trained more than 560 unemployed and underemployed individuals for jobs: hospitality and certified nursing assistant exam preparation, life skills and job coaching
- Graduate company, StaffTime (CEOs Rose Conry and Kelley Moore) named 2014 overall Small Business Leader of the Year
- Award winning Incubator and Executive Director selected as a part of National Business Incubation Association's (NBIA) national public relations campaign for 2014
- LifePoint Career Institute program received provisional license from the Florida Department of Education Commission for Independent Education

FIRST 10 YEARS OF ECONOMIC IMPACT:

Enterprise Center Collective Revenues	Over \$255,000,000
New Jobs	1,900
Total Jobs	2,350
Capital Raised	\$4,800,00
BSEC Microloans	\$250,000
Total Companies Created/Served	105
Demographics of Companies Served	African-American: 71% Caucasion: 16% Hispanic: 7% Other: 6%

PROJECTED 10 YEAR IMPACT:

Average Clients per year	30
Projected Revenues	\$250M
Projected Jobs	3,000
Projected Company Payroll	\$60M
Projected Capital Investments	\$1M

*Publication, Impact of Business Incubation, NBIA.org



SUCCESS STORIES

SCIF GLOBAL TECHNOLOGIES



FOR IMMEDIATE RELEASE - March 12, 2013
 Contact: Susan D. Brandenburg, Publicist
 Phone: (904) 543-0730 or 962-5131 (cell) susanscribe@comcast.net
 On Behalf of Beaver Street Enterprise Center (A Fresh Ministries Initiative)
 1225 W. Beaver Street., Jacksonville, FL 32204
 (904) 265-4700 www.bscenter.net

SCIF GLOBAL TECHNOLOGIES - KEEPING AMERICA SAFE!

With global terrorism at an all-time high and our nation's security threatened constantly, it is comforting to know that the important work of the U.S. Department of Defense and other governmental agencies is being supported and enhanced by the dedicated staff at SCIF Global Technologies. A two-year old Jacksonville-based company with more than thirty years of combined hands-on experience, SCIF Global Technologies is at the forefront of logistical and cost-effective solutions for the protection of sensitive information that is vital to our national security.

"We design Sensitive Compartmented Information Facilities (SCIF's) that are temporary or permanent, portable or modular, and provide the most sophisticated systems available to protect the processing of top secret classified information," said Jaye Andone, CEO and founder of SCIF Global Technologies. Proudly patriotic, with the capability of fulfilling critical needs worldwide with rapid mobility, SCIF Global Technologies confines the construction of its customized secure facilities to two locations within the State of Florida. Led by Project Manager and SCIF Partner, Ed Meskel, a 26-year Navy veteran, the SCIF Global team of experts has raised the bar of excellence during the past two years, achieving unmatched cutting-edge technology. Each customized unit integrates all necessary mechanical, electrical, fire suppression and security elements to support our war fighters in the field as well as the needs of governmental facilities or private industry.

In addition to designing secure facilities that can be transported via land, sea or air, SCIF Global Technologies provides consulting services to assist federal agencies with their accreditation package by submitting supporting documentation necessary to help complete all the forms for their Construction Security Plan, i.e. CAD Drawings for wall construction, electrical and data wiring diagrams, and Sound Transmission Class testing results.

"Our customers range from the U.S. Government, U.S. Military and NATO Allies to the defense industry and to private industry," said Meskel, noting that if SCIF Global can create a secure room to the stringent specifications of the Intelligence Community, then the company is capable of designing facilities to fit any customer need such as secure data centers and SAP facilities. Recently, SCIF Global delivered a modular research lab facility for NOAA (National Oceanic Atmospheric Administration) that is in compliance with Category 3 Hurricanes.

Just as SCIF Global Technologies provides support for many of the nation's top secret government entities, Jaye Andone notes gratefully that Beaver Street Enterprise Center (BSEC) provided her fledgling Woman-Owned Small Business the support system it needed to achieve the phenomenal success it has accomplished in just two years. "Beaver Street provides a great business network," said Andone. "We knew about designing secure facilities, but here, we've learned what we didn't know about being in business."

BSEC's 2012 Up & Coming Incubator Client, SCIF Global Technologies won contracts for more than \$1.8 M in their first year of business and is currently on the way to doubling that figure in 2013.

New Startup:
(2011)

Revenues
Before BSEC:
\$0 Start up

2012 Aug-Dec:
\$1,492,156

Estimated
Job Impact: 75

Aquired Capital:
\$235,000



SUCCESS STORIES

TEAM PEGINE

TEAM PEGINE LEADS THE WAY TO BUSINESS SUCCESS

"Wow! Team Pegine, Inc. has become one of the leading training consulting companies for the military, Defense, and "STEM" (Science, Technology, Engineering and Math) industries, and, now, they are taking their services to a new level," said Jackie Perry, Executive Director of Beaver Street Enterprise Center, the nationally recognized business incubator that houses the headquarters for Team Pegine, Inc. "The team's energy and expertise infuses the atmosphere with a sense of expectation for a brighter, more prosperous future through recognition, partnership and collaboration. In addition to their mission of training the business and military leaders of tomorrow, they are now privileged to help our nation's top leaders, including the President and First Lady, to thank yesterday's leaders as well."

With more than 250 people on her core coordination team working feverishly toward the culmination of the event, Pegine pauses long enough to pay a tearful tribute to the 58,209 Americans whose names are inscribed on the black granite wall. "This is such a privilege," she said, "to be at the forefront of an official recognition for the families of those who were lost and for those who have waited so long to receive their due."

Ms. Echevarria brings over 30 years of management, leadership, training and diversity expertise to her company headquartered at BSEC. The military, STEM organizations, business and leadership associations have honored her for her work as a businesswoman, Hispanic leader, female role model and advocate for women, youth, military service persons and their families. She was 2010 SBA Women in Business Champion for the State of Florida.

In 2012 TPI was selected to manage the 50th Anniversary Vietnam War Commemoration at the Vietnam Wall in Washington DC on May 28th. Keynote speakers President Obama and Secretary John Panetta gave thanks for the tremendous sacrifices of the men and women who served. For their incredible work Team Pegine was awarded a CPARS rating of EXCEPTIONAL by the Department of Defense Office of Commemorations.

Pegine was recently recognized as the third place as one of the fastest growing private sector companies in the North Florida area. according to Jacksonville Business Journal. To be considered for the list companies must be privately held, locally owned, for profit and headquartered in Duval, Nassau, St. Johns, Baker, Clay, Putnam or Flagler counties. Companies must have been in businesses since 2009 and have annual revenues of at least \$1 million in 2012 with overall revenue growth from 2010 to 2012 and revenue gain from 2011 to 2012

TEAM PEGINE, INC. of Jacksonville, Florida is standing at readiness to positively impact the world. To learn more, please contact www.teampegine.com or call 904-280-8806.

Existing Business:
(2006)

Revenues Before
BSEC: \$95,000

2010: \$190,000

2011: \$169,630

2012: \$2,192,688

Estimated
Job Impact: 110

Aquired Capital:
\$85,000



WHAT'S NEXT?

Doing business for ten years as Jacksonville's only full service business incubator, Beaver Street Enterprise Center (BSEC) will build on services currently offered to incubator clients and develop new services specific to the needs of later-stage companies. The expanded technical assistance will include advanced leadership/CEO classes, CEO roundtables, small business-hosted services (e.g., customer relationship managers, contact management systems, etc.), and appropriate technology infrastructure, such as virtual IP services. "We wanted to carry our entrepreneurs a little further," Perry says. "Just because entrepreneurs are able to generate revenue, it doesn't mean that they no longer need support."

BSEC's expansion project will allow the program to assist companies with more advanced business needs, while drawing on the expertise of these later-stage firms. Incubator graduates and second-stage firms can advise BSEC staff how to improve programs and services to better meet client needs, serve as speakers at incubator training events and be mentors to early-stage clients. The BSEC expansion will house a combination of current incubator clients that meet the entry criteria and new growth clients seeking to reach second-stage status. The expansion project increased incubator clientele even before the doors opened. In the process of recruiting businesses for the new building, BSEC identified clients so eager to enter the incubator that, rather than wait for the new LEED certified building, they entered BSEC right away. The grand opening of the new building is June 2014.

What Do I Learn? The program, in conjunction with the Small Business Development Center of North Florida, and other partners, helps entrepreneurs learn how to establish a brand, develop negotiation and high level presentation skills, go to scale, build financial models, validate the market, perform customer diligence, find funding, build a management team, and develop a board of directors.

What Specific Industries are served? Industries served include education, health services, technology, government contracting, engineering and construction, green technology, and other service-related entities.

Whom Do I Contact? Contact Rum Robinson at (904) 265-4700 or email Rum.Robinson@bsecenter.net for more information and details.

Growth Program Entrance Criteria:

- Has been in business for 2-3 years
- Is stable and currently faces issues of growth rather than survival
- Is generating a minimum of \$400,000 in sales
- Has goal of growing jobs
- Willing to commit three to five hours a month



Beaver Street Enterprise Center
1225 West Beaver Street
Jacksonville, FL 32204
www.bsecenter.net

Year Established 2003

2010 Incubator of the Year
Nontechnology Category

Incubator Size 25,000 square feet
(additional 13,000 sf in June 2014)

Incubator clients:
21 in-house clients
14 affiliate clients

Incubator Graduates: 13

Organizational structure: 501c(3)

Mission: to stimulate economic growth by recruiting, training and nurturing entrepreneurial talent to fuel growth, create wealth and encourage reinvestment in the community.

THE SMART PLACE FOR THE SMART ENTREPRENEUR



BUSINESS STARTUP SERVICES

- Furnished Office Spaces
- Enterprise Grade Internet & VoIP Telephone System
- Mail Services & Copy Center
- Conference and Meeting Rooms
- Notary Service
- UPS & FEDEX Deliveries and Pickup

BUSINESS ASSISTANCE

- No cost Business Coaching from Small Business Dev. Center (SBDC), SCORE & SBA
- Industry Experts as Mentors
- Low Cost Business Seminars and Workshops
- Certification Assistance for Minority/Women Owned

ACCESS TO NETWORKS & CAPITAL

- Microloan Program & Access to Capital for Early Stage and Growth Companies
- Connections to Procurement Assistance
- Publicity Opportunities
- Powerful Networking Events & Peer to Peer Networks

“INTERNATIONAL INCUBATOR OF THE YEAR 2010”

BSEC companies and graduates achieved recognition as:

INC 500 MAGAZINE'S FASTEST GROWING COMPANIES:
 A. HAROLD & ASSOCIATES
 B3 SOLUTIONS
 UNIVERSAL UNDERSTANDING

BUSINESS JOURNAL'S 2013 LARGEST OWNED MINORITY COMPANIES:
 A. HAROLD & ASSOCIATES
 B3 SOLUTIONS
 ANNIE WILSON HOMECARE
 STAFF TIME • XEYE, INC.

B Beaver Street Enterprise Center
A Fresh Ministries Initiative

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Beaver Street Enterprise Center
A Fresh Ministries Initiative

AGREEMENT FOR SERVICES AND LICENSE OF FACILITY SPACE

THIS AGREEMENT FOR SERVICES ("Agreement") is made as of _____, by and between, **Beaver Street Enterprise Center ("BSEC")**, a Florida non-profit corporation and _____ ("**MEMBER**"), a Florida for-profit Corporation.

RECITALS:

MEMBER desires to engage BSEC to perform, and BSEC desires to perform the Scope of Services, as defined in this Agreement. MEMBER desires to license from BSEC certain facility space within the BSEC ("Facilities") in Jacksonville, Florida.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and in consideration of other good and valuable consideration, BSEC and MEMBER agree as follows:

1. **Recitals:** The foregoing Recitals are incorporated herein by this reference.
2. **Scope of Services:** BSEC shall perform the Scope of Services described in and in full compliance with the provisions contained in **Exhibit "A"**, attached to this Agreement and incorporated herein.
3. **License of Facilities Space:** (a) During the term of this Agreement, MEMBER shall have a revocable and non-exclusive license to occupy space ("Licensed Space") identified by BSEC in the Facilities solely as an office, and for any other activity approved by BSEC in advance and in writing. The selection of Licensed Space shall be within BSEC's sole and absolute discretion, and BSEC may require that MEMBER relocate

from Licensed Space to other space within the Facilities at any time during the Term. THIS IS A NON-EXCLUSIVE AND REVOCABLE LICENSE TO USE SPACE WITHIN A FACILITY AND NOT A LEASE OF FACILITY SPACE OR REAL PROPERTY.

(b) BSEC shall maintain (a) the structural elements of the Facilities, including roof, walls, windows; all plumbing, HVAC, telephone, electrical and mechanical systems in the Facilities; (b) the lobby, restrooms, hallways and all other common elements located within the BSEC; and (c) any equipment, including without limitation, computers, printers, telephones, copiers and the like, if and as supplied by BSEC for MEMBER's use during the Term. MEMBER shall maintain in good condition and repair the interior of the Licensed Space, including without limitation interior walls, partitions, window coverings and, upon vacating the Licensed Space shall restore such interior to the condition in which it was delivered to MEMBER, ordinary wear and tear excepted.

(c) BSEC will supply electricity, potable water and sewerage in the Facilities. MEMBER shall pay the BSEC the cost of telephone, inter- and intranet charges attributable to MEMBER's use of the Licensed Space.

(d) MEMBER shall comply with all Rules and Regulations of the Facilities.

4. Billing and Payment:

MEMBER shall be responsible for the timely payment of BSEC's compensation specified in Exhibit "B" attached to this Agreement. Invoices will be due and payable upon MEMBER's receipt of BSEC invoice.

If MEMBER has failed to pay BSEC's invoices as provided, BSEC may declare MEMBER in default of this Agreement, and BSEC may suspend Services until full payment is received and exercise any right or remedy set forth in this Agreement or otherwise available at law or in equity. MEMBER is responsible for a \$30 charge for each check returned unpaid. If more than one check is returned unpaid, BSEC may require that MEMBER pay future invoices by certified check or money order.

MEMBER will deposit with BSEC the sum of \$_____ to secure the performance of all its obligations under this Agreement, including without limitation its obligations pursuant to the license granted herein. BSEC may comingle the deposit with BSEC's other funds. Should BSEC apply any portion of MEMBER's deposit to satisfy unpaid

invoices, damages to the Licensed Space, or other expenses occasioned by MEMBER'S failure to perform in compliance with this Agreement ("Depleted Funds"), Upon BSEC's request, MEMBER shall supply such additional funds as are necessary to restore the deposit to the sum required hereunder. Upon termination or expiration of the Term, BSEC shall return so much of MEMBER's deposit not utilized as Depleted Funds.

5. **No Representation of Business Success:**

BSEC makes no representations or warranties with respect to the success or failure of MEMBER's business arising from its participation in the incubation program and/or any training, mentoring, workshops or referrals contemplated by this Agreement.

The success of MEMBER's business venture depends upon the abilities of MEMBER and other factors, such as market and economic conditions, all of which are beyond the control of BSEC.

BSEC will provide support services to all MEMBERS based on assessed needs. These services may include, but are not limited to, support services as outlined in Exhibit "C"

6. **MEMBER Obligations:**

MEMBER recognizes and agrees that the premises are part of a business incubation program established by BSEC for assisting MEMBER (and other businesses) in business development. MEMBER further recognizes and agrees that a condition of BSEC's obligations under this Agreement is, and the use of the Premises by MEMBER is conditioned upon the MEMBER's compliance with the following:

(a) MEMBER shall participate in meaningful and relevant business development and technical assistance training. Examples of such training may include attendance, when such training is offered, at peer group sessions established by or through the assistance of BSEC; time spent with a mentor; attendance at networking functions; and attending

business workshops offered by or through the BSEC, the Small Business Center, the UNF Small Business Development Center and/or other business development-related organizations.

(b) MEMBER will provide on a regular basis, and when requested, information regarding the operation of MEMBER's business. This information shall be treated as confidential and proprietary to the extent allowed by applicable law, but may be disclosed by BSEC in a non-identifying statistical manner aggregated with similar data obtained by BSEC from other MEMBERS or as authorized by MEMBER. The information includes but is not limited to the following:

- (i) quarterly financial statements, including balance sheet and profit and loss statement.
- (ii) annual year-end financial statements, including balance sheet, profit and loss statement.
- (iii) confirmation of compliance regarding liability insurance;
- (iv) number of employees and number of jobs created.

(c) Unless otherwise specifically permitted by BSEC, MEMBER will use QuickBooks as the financial management software for its business and for financial reporting to BSEC.

(d) MEMBER agrees to meet with incubator staff on a regular basis (unless otherwise specified by BSEC) to discuss the status MEMBER's business, overall business goals and business strategies and to cooperate with the incubator staff in formulating action plans and goals and strategies for MEMBER's business.

7. **Indemnification:** MEMBER shall indemnify and hold BSEC harmless from any claims, suits or causes of action (including reasonable attorneys' fees and costs incurred in defending such proceedings) of third parties arising from or related to

MEMBER's performance of this Agreement or otherwise or for any breach of this Agreement by MEMBER.. In addition, MEMBER will indemnify and hold BSEC harmless from any claims, suit or causes of action (including reasonable attorneys' fees and costs incurred in defending such proceedings) made or brought against BSEC relating to this Agreement and arising in connection with MEMBER's (i) negligence, (ii) intentional act or omission, or (iii) failure to comply with applicable law, statute, or regulation.

8. **Force Majeure: Limitations on Liability:** Neither MEMBER nor BSEC shall be liable to the other for events beyond the reasonable control of either (including, but not limited to, acts of God, war, civil commotion, acts of governmental authorities, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, OR FOR LOST PROFITS, LOST REIMBURSEMENT EXPENSE, SAVINGS OR REVENUES OF ANY KIND.

9. **Insurance:** Each party, at its own cost, shall maintain with a company or companies lawfully authorized to do business in Florida such insurance as will insure it against damage from claims arising out of or resulting from its performance under this Agreement and for which it may be legally liable, whether such operations be by the party or by a party with whom a party contracts, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. All insurance policies shall be issued and countersigned by representatives of such companies duly authorized for the State of Florida and shall be written on ISO standard forms or their equivalents. Upon request, MEMBER shall provide to BSEC a certificate of insurance naming BSEC an insured under the policy (by written endorsement), and obliging the insurer to provide BSEC with notice prior to the cancellation of coverage. MEMBER shall secure and maintain in full force and effect and without interruption during the Term the following insurance:

(a) **Liability Insurance:** ISO Commercial General Liability policy for general liability coverages for limits of not less than of \$1 million per person, \$2 million per occurrence;

(b) **Worker's Compensation:** Worker's Compensation insurance to the extent required by Chapter 440, Florida Statutes; and

(c) **Automobile Liability:** Automobile Liability insurance on all vehicles against bodily injury and property damage in the amount of at least \$100,000 per person, \$300,000 per occurrence.

10. Independent Contractors: Each party is an independent contractor and not an agent, employee, partner, joint venturer or representative of the other, and neither party nor any of its employees, officers or agents shall hold themselves out as such. Neither party has the authority to bind the other to any third party or to otherwise act in any way as the representative of the other. Each party shall bear and be solely responsible for (i) paying all wages (including overtime pay), benefits and other compensation to which its employees may be entitled; and (ii) withholding, reporting and paying all applicable payroll taxes and contributions, including without limitation federal, state and local income taxes, social security taxes, employment and unemployment compensation taxes, Medicare and workers' compensation.

11. Term: The term of this Agreement ("Term") shall commence on _____ and shall continue through _____. The Term may be extended for one successive term of one year by express agreement of MEMBER and BSEC.

12. Termination:

(a) In the event BSEC does not receive funding to support provision of the Services or licensing of Facilities space or otherwise determines it is financially able to provide the Services, BSEC may terminate this Agreement on thirty (30) days prior written notice. In the event of such a termination, MEMBER shall be responsible for payment of BSEC's services only through the date of such termination.

(b) Either party may terminate this Agreement for a misrepresentation in this Agreement or for a material breach by the other, provided that prior to such termination for material breach the terminating party shall have given notice to the breaching party of its intent to terminate if the breach is not cured. Such notice shall state the nature of the material breach. Unless, within ten (10) days after service of such notice to the breaching party such breach is cured, the Agreement shall thereupon cease and terminate. In the event of a material breach of the Agreement by BSEC, MEMBER's right to recovery shall be limited strictly to its actual, out of pocket damages. In addition to a right of termination for MEMBER's default, BSEC shall have all remedies available at law and in equity.

(c) In any legal action brought by BSEC against MEMBER arising in connection with MEMBER's failure to perform its obligations under this Agreement, BSEC shall recover from MEMBER its attorney's fees and costs.

13. Dispute Resolution:

Pending the resolution of any dispute, controversy, or question, and provided that MEMBER has paid BSEC all amounts owed to BSEC that are not in dispute, MEMBER and BSEC shall each continue to perform their respective obligations without interruption or delay, and BSEC shall not suspend the performance of the Services.

14. Notices: Any notice required or permitted under this Agreement shall be in writing and shall be given by personal delivery or reputable courier service to the recipient's address set forth below, or such other address as a party may designate through written notice to the other party.

MEMBER:

**1225 West Beaver Street
Suite _____
Jacksonville, FL 32204**

BSEC:

**1225 West Beaver Street
Jacksonville, FL 32204**

Notice given by personal delivery shall be deemed effective on the date it is delivered. Notice by courier service shall be prepaid, and shall be deemed to have been given at the time indicated on the courier service's delivery receipt.

15. MEMBER Representations and Warranties:

MEMBER warrants and represents that, as of the date of this Agreement and at every time thereafter during the Term:

(a) MEMBER's performance of this Agreement will be in compliance with all applicable law;

(b) All information supplied by MEMBER to BSEC, including without limitation information in applications and financial documentation, is true and correct in every material respect.

MEMBER further warrants and represents that the person signing this Agreement on behalf of MEMBER is authorized to bind MEMBER for the purposes set forth in this Agreement and all necessary corporate action preliminary to execution or performance of this Agreement by MEMBER has been accomplished.

16. Assignment: This Agreement shall inure to the benefit of and be binding upon each party and its successors and assigns, including without limitation any entity which may acquire all or substantially all of a party's assets or into which a party may be consolidated or merged. MEMBER may not assign or transfer this Agreement, voluntarily or by operation of law, without the prior written consent of BSEC, which consent may be delayed or withheld in BSEC's sole discretion. Any purported assignment without such prior written consent shall be null and void and of no force and effect.

17. Equal Opportunity: MEMBER has established equal opportunity practices which conform to both the spirit and the letter of all laws against discrimination and prohibits discrimination based on race, creed, color, sex, age, national origin, marital status or religion.

18. Publicity: Except as expressly stated in this Agreement, MEMBER shall not use the name of BSEC in media or print advertising without its prior written consent.

19. Section Headings: The headings of the sections of this Agreement are inserted for convenience or reference only and are not intended to be part of, or to affect, the meaning or interpretation of this Agreement.

20. Waiver: No waiver of any term, right or condition of this Agreement shall be valid unless it is set forth in a writing duly executed by both parties. No delay or failure by either party to exercise or enforce at any time any right or provision of this Agreement will be considered a waiver thereof or of such party's right thereafter to exercise or enforce each and every right and provision of the Agreement. No single waiver will constitute a continuing or subsequent waiver.

21. Reformation and Severability of Agreement: If any provision of this Agreement shall for any reason be finally decided to be invalid or unenforceable, such decision shall not affect, impair or invalidate the remainder of this Agreement, but shall be confined in its operation to the provision of this Agreement directly involved in the controversy in which the decision was rendered. The invalid or unenforceable provision shall be reformed so that each party shall have the obligation to perform reasonably

alternatively to give the other party the benefit of its bargain. In the event the invalid or unenforceable provision cannot be reformed, the other provisions or applications of this Agreement shall be given full effect, and the invalid or unenforceable provision shall be deemed to have been deleted.

22. Survival: The obligations under this Agreement which by their nature would continue beyond the expiration of the term of this Agreement shall survive termination, expiration, or cancellation of this Agreement.

23. Entire Agreement: This Agreement sets forth the entire understanding between the parties with respect to the subject matter of this Agreement and supersedes all prior proposals, oral or written, and all other communications and understandings with respect to the subject matter of this Agreement.

24. Modification: This Agreement shall not be amended or modified in any manner except by instrument signed by the authorized representatives of each party.

25. Governing Law/Venue: This Agreement is made under, and shall be governed by and construed in accordance with, the laws of the State of Florida, without regard to conflict of law principles.

The venue of any dispute arising under or relating to this Agreement shall be Duval County, Florida.

_____	Beaver Street Enterprise Center
By: _____	By: _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____
MEMBER	BSEC

Exhibit A Scope of Services

Incubator Services

The Incubator hereby agrees, by virtue of providing best efforts at all times, to supply the following physical amenities to the member as part of this Agreement:

- All utility services except for telephone service and internet
- Standard electrical service (lights, heat, 110V service)*
- Enterprise grade Internet connection
- Shared use office equipment (copier, printer, and fax machine)
- Shared use facilities (conference rooms,** training room, break room, and kitchen)
- Business management advisement
- Networking and business connections
- Regular training seminar classes and special event speakers
- Access to decreased-cost business services, including administrative/secretarial, shipping, and receiving
- 24/7 key-card access to building
- U.S. Postal Service mail boxes
- Check-out of special equipment (may vary at Incubator's discretion)
- Free parking (gated)

On a fee basis, the following items will be available to the MEMBER:

- IT support - \$ 75.00/hour for set up and/or troubleshooting
- Fax -\$25.00 initial set up fee. local at no charge; long distance at cost of charges
- Copier/printer - \$.05/copy for black/white; \$.35/copy for color
- Key card replacement - \$5.00/keycard

All fees must be remitted each month with program fees. Management reserves the right to make adjustments in costs for excessive electrical consumption for heavy equipment usage.

EXHIBIT "A"
Compensation

Suite _____ (monthly): \$ _____

Internet Service (monthly): \$ _____

Phone Service (monthly): \$ _____

Copier Fees (monthly): \$0.05/page B&W
\$0.48/page Full Color

Fax Fees (monthly): \$0.05/page

Other services as negotiated

5% Late Fee assessed after the 5th for each monthly invoice

All applicable State & Local Taxes

Exhibit C

MEMBER ASSESSMENT

The support services and resources provided to each MEMBER will depend on the particular MEMBER's individual needs. INCUBATOR's management will try to learn as much as possible about each MEMBER through periodic meetings and reporting programs in addition to informal communications. INCUBATOR will evaluate the needs of each MEMBER continually and work to provide appropriate support services and resources to meet those needs, as determined by INCUBATOR management, its Advisory Board, and staff.

GENERAL BUSINESS CONSULTING

INCUBATOR will offer a broad array of access to business consulting service providers in the local community and from the University of Florida's Small Business Development Center along with the School of Business). Areas of interest to start-up and growth ventures typically include:

- Business Plan Writing
- Market Analysis
- Budgeting and Finance
- Management
- Presentations to Business Angels/Venture Capital Groups
- Marketing Plans
- Sales
- Operations
- Joint Ventures/Sub-contracting

TECHNICAL ASSISTANCE

INCUBATOR will offer assistance in developing the technical aspects of MEMBER businesses in a variety of ways. Through its relationship with the University and other resource-based partners, INCUBATOR may assist with providing connections to various mentors, resources and partners for:

- Market Research and Development
- Beta Testing Opportunities
- Intellectual Property Management
- Information and Innovative Technology Needs
- Trademark and Copyright Assistance

RAISING CAPITAL

INCUBATOR will assist MEMBERS in analyzing their capital needs and advise them on best practices for attracting investment capital. INCUBATOR will maintain a network of contacts in banking industry and make available its microloan program for tenants in good standing with the incubator INCUBATOR will also direct MEMBERS to those who can provide assistance in applying for alternative forms of financing, such as SBIR grants and SBA loans and other private/public grants. Incubator will provide direction and assistance for the venture capital and angel investor communities upon which MEMBERS may draw.

PROFESSIONAL SERVICES

INCUBATOR will provide MEMBERS with access to a network of professional services providers, including accountants, attorneys, and human resources and marketing specialists. INCUBATOR will maintain a roster of "preferred" service providers with proven experience in assisting start-up companies and will advise MEMBERS on use of service providers upon request. Typically, although not guaranteed, most of these providers discount services to INCUBATOR MEMBERS.

The success of INCUBATOR's support services and resources programs will greatly depend upon the proactive efforts taken by each MEMBER. Active participation in INCUBATOR programs and sustained engagement with

INCUBATOR management will greatly increase the value of each MEMBER's business relationship with INCUBATOR.

MEMBER Suite Configuration

MEMBER Suites are configured "as is" – basic jacks for telephone and Internet access with a basic number of jacks per area, set walls per our INCUBATOR management and/or staff must approve any deviation from these standard configurations in advance. Any such requested deviations will be submitted to our contracted maintenance group; they will submit an estimate, which will be presented to MEMBER for MEMBER's approval. After MEMBER notifies management in writing that the estimate is approved, INCUBATOR management will authorize the work. ALL COST FOR APPROVED WORK FOR DEVIATIONS WILL BE BORNE BY MEMBER. Payment must be made to INCUBATOR on behalf of the contractor performing the work within 30 days of completion; failure to make such payment will result in an interest charge of 1.5% per day until payment is made in full.

Interns

At various times and during various summers, in particular, INCUBATOR may offer the services of student interns to companies in the INCUBATOR. The INCUBATOR, by sponsors, may pay for these interns or some salary may be required from the company. Internships are primarily educational programs that allow students to gain practical work experience and educational credit at the same time, and are offered as a benefit to INCUBATOR companies. An internship coordinator will be designated who will direct internship activity and will accept applications for internships from prospective interns and from companies desiring to host interns. During summer terms, the students may be available to work forty (40) hours per week. Interns may come from a variety of backgrounds, and often requests may be made for a specific type of background for a specific company. Regardless, there are certain rules and policies that are specific to interns at the INCUBATOR. The following list is not inclusive, but is meant to be a guideline:

- Interns must be closely and regularly supervised.

- Interns should be placed in a professional position with a level of responsibility appropriate for University credit. They should not be doing continuous routine work.
- Interns should be performing duties with a clear and specified relationship to their academic program.
- Interns should be evaluated at the beginning, midpoint, and end of their employment term, with results of each evaluation reported to the internship coordinator.
- If an intern is not performing adequately, dismissal of that intern should be coordinated with the internship coordinator.
- All interns, while working for a University-owned or sponsored company, are considered to be under all University policies, including the University's intellectual property policy.
- Again, this list is not meant to be all-inclusive; if you have further questions about the internship program, please contact the internship coordinator.

Agenda Item

9



CITY COMMISSION AGENDA ITEM

SUBJECT:

***a. Appointment of City of Palatka Mayor's Representative/Designee to the Putnam County Landfill Task Force - Mayor Myers**

SUMMARY:

The Putnam County Board of County Commissioners has created a 15-member Solid Waste Task Force for the purpose of reviewing all options before the BOCC votes on whether to privatize the Putnam County Central Landfill, and investigation of other alternatives for the mitigation of the contamination at the old Putnam County Landfill site.

The charge of the Task Force is to review all proposals and alternatives and make a recommendation to the County Commission on solutions for the remediation of contamination of the old county landfill. This task force has been asked to send a recommendation to the BOCC by 9:00 a.m. on June 19, 2014, as it will be under discussion at the June 24 BOCC meeting.

The Putnam County BOCC has requested the appointment of the Mayor of each municipality, or his designee, as the municipal representative to the Task Force. The representative does not have to be an employee of the municipality, but must be a resident of the municipality. The BOCC has asked that each municipality notify the BOCC by Monday, May 19 of the name of the representative, if it is not to be the Mayor, so that the membership of the Task Force can be ratified by the BOCC during a special called meeting for that purpose to be held on Tuesday, May 20th. Mayor Myers will be prepared to announce and discuss his appointment of his representative at the May 22nd Palatka City Commission meeting.

RECOMMENDED ACTION:

Concur on appointment of Mayor's Representative//Designee to the Putnam County Landfill Task Force.

ATTACHMENTS:

Description	Type
<input type="checkbox"/> R. Leary e-mail & PDN Article	Backup Material

REVIEWERS:

Department	Reviewer	Action	Date
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 3:32 PM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 3:35 PM
City Manager	Czymbor, Michael	Approved	5/14/2014 - 3:54 PM
Finance	Reynolds, Matt	Approved	5/14/2014 - 4:52 PM
City Clerk	Driggers, Betsy	Approved	5/14/2014 - 5:22 PM

Betsy Driggers

From: tabitha lassiter [tabitha.lassiter@putnam-fl.com]
Sent: Wednesday, May 14, 2014 11:00 AM
To: vemonmyers@comcast.net; mayor@crescentcity-fl.com; larsen@interlachen-fl.gov; townclerk@pomonapark.com; gsands@welaka-fl.gov
Cc: Betsy Driggers; citymanager@crescentcity-fl.com; Michael J. Czymbor; p.wilburn@interlachen-fl.gov; jmcDaniel@welaka-fl.gov; rick leary
Subject: Putnam County Solid Waste Task Force

The Board of Commissioners has established a fifteen member Solid Waste Task Force to review all options prior to considering whether to enter into a public-private partnership regarding the county landfill. The Mayor of each municipality, or his designee, is contemplated to be one of the fifteen members. If you choose to have a designee it need not be an employee of the municipality, but should be a resident of the city or town. The Board of Commissioners will ratify the appointees at a special meeting at 2:00 p.m. on Tuesday, May 20, 2014. Please advise my office of the name of the individual to be appointed by Monday, May 19th. The work of the Task Force is to be complete and presented to my office by 9:00 a.m. on June 19, 2014, for inclusion in the Board of Commissioners' agenda packet for its meeting on Tuesday, June 24.

Thank you for your prompt attention to this matter.

R.G. Leary
County Administrator
386-329-0212

Sent by:

Tabitha Lassiter
Executive Assistant to the County Administrator
Putnam County Board of Commissioners
2509 Crill Avenue, Suite 200
Palatka, FL 32177
386-329-0207

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Commissioners approve task force

BY BRANDON D. OLIVER
Palatka Daily News

The solid waste committee thought up by one county official was green-lit Tuesday, but not before it underwent a number of changes and lengthy discussion.

Voting 4-0, the Putnam County Board of Commissioners agreed to establish the Solid Waste Task Force to review all option before the commissioners vote on whether to privatize the Putnam County Central Landfill.

Commissioner Walton Pellicer was not at the meeting.

The task force that was approved must have its recommendation for the commissioners ready by 9 a.m. June 19 so that the board of commissioners will be prepared to discuss the recommendation at its meeting the following Tuesday.

"Today, we stand on the brink of greatness," Commissioner Larry Harvey said during Tuesday's meeting.

"We have an ability to solve a huge problem. Who better to solve our waste problem than the people who live, work and raise a family here?"

During the county commission meeting on April 22, Harvey suggested establishing a committee amid overwhelming public opposition against the idea of selling the 340-acre landfill to Republic Services of Florida.

Harvey said the scope of the committee was to increase ways to reduce, reuse and recycle waste

going into the landfill; look over current and future proposals regarding landfill operations; and to recommend one or more proposals to the board of commissioners.

The committee was thought up to have each commissioner appoint five people — two private citizens, a business leader, a member of a nature conservatory group and a municipal leader — to carry out the functions of the committee,

"Our Fair Board is a very important in our county," Harvey said. "They're 20 members strong, and they do a great job."

But commissioners expressed during this meeting and the meeting on April 22 their wariness about — and outright objection to — having such a large number of people on the task force.

Commission Vice Chairman Karl Flagg told the people in the crowd, many of whom had previously spoken in support of Harvey's idea, that while he applauds Harvey for his proactive measure, the task force would need to be concise, efficient and as knowledgeable as possible about all solutions to the landfill issue.

"I'm not supporting a 25-member committee at all; that's too much," Flagg



Harvey



Flagg



Harris

See FORCE, Page 5A

Force

CONTINUED FROM PAGE 1A

said. "I'm not supporting a Harvey committee. I'm supporting a Putnam County committee. We're a team up here, and a house divided cannot stand."

The commissioners agreed to decrease the size of the task force to 15 members, two appointees from each commissioner and the mayor or mayor's appointee from Palatka, Interlachen, Crescent City, Pomona Park and Welaka.

Flagg and Commissioner Nancy Harris also agreed that while recycling is important and should be promoted, the scope of the task force should be only reviewing the current proposal from Republic, solicit ideas from sanitation and environmental experts and recommend to the commission the best solution.

Even the original name of the committee, the Putnam County Transparent Waste Review Committee, came

under discussion and was changed before the task force was approved.

Citing a problem with the word "transparent," Harris said that the landfill privatization idea became public as early as October, and since then, commissioners have attended numerous workshops and meetings throughout the county about the sale.

"I am impressed with you as a new commissioner and all that you have done," Harris told Harvey. "You are at a little bit of a disadvantage because you don't know what all we've done, and I want to go into that. We have been transparent. We've been working on this a long time."

All of the commissioners agreed to not only the size and scope of the task force, but also to have the names of their appointees by Tuesday when they have their commissioner workshop.

It was decided that no board members provide staff support for the task force. Instead, Mike Brown from the

Planning and Services Department and Solid Waste Director Larry Gast would provide staff support to take minutes and offer other assistance.

Flagg encouraged whoever would be on the task force to be open to all credible options, decide what the best would be for our county and not to oppose the current privatization plan just to oppose it.

All of the solutions to remediate the groundwater damage and operate the landfill are expensive, he said, but the solution the county chooses should be the most effective.

"If we go the route of a committee, that committee needs to be charged with hearing plans, not opinions," Flagg said. "I want Putnam County to have a success story, but I want us to have a plan."

The final consideration discussion that was scheduled to occur during the commission meeting on May 26 has been cancelled.

boliver@palatkadailynews.com

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