VERNON MYERS
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

ALLEGRA KITCHENS
COMMISSIONER

PHIL LEARY
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER

CITY OF PALATKA
FLORIDA

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

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

MINUTES
CITY OF PALATKA
May 22, 2014

Proceedings of a regular meeting of the City Commission of the City of Palatka, Florida, held on the 22nd day of May, 2014.

PRESENT:	Mayor	Vernon Myers
	Commissioner	Mary Lawson Brown
	Commissioner	Allegra Kitchens
	Commissioner	Phil Leary
	Commissioner	James Norwood, Jr.

Also Present: City Manager Michael J. Czymbor; City Clerk Betsy Jordan Driggers; Finance Director Matt Reynolds; Police Chief Gary Getchell; Fire Chief Mike Lambert; Planning Director Thad Crowe; Grants/Projects Manager Jonathan Griffith; Main Street Manager Charles Rudd

CALL TO ORDER: Mayor Myers called the meeting to order at 6:00 p.m.

INVOCATION – The Reverend Don Hanna, Pastor; St. James Methodist Church

PLEDGE OF ALLEGIANCE – Commissioner James Norwood

APPROVAL OF MINUTES – 5/8/14 – Commissioner Norwood moved to adopt the minutes as rea Commissioner Kitchens seconded the motion, which passed unopposed.

1. **PUBLIC RECOGNITION/PRESENTATIONS:**
PRESENTATION – Palatka Fire Department ISO Rating – Mike Lambert, Fire Chief, joined Mayor Myers in recognizing the various departments and agencies that were instrumental in the favorable final ISO review the City received in April. Recognized were:

- Putnam County GIS Mapping, Bob Stender, GIS Manager, was recognized for mapping hydrants, water supply and other infrastructure for training and locating hazards.

- Putnam County 9-1-1 Dispatch – 10% of the total grade comes from this. Captain Lisa Gillespie, Ret. Capt. Larry Beaton, Lt. Nettles, Sgt Hilton and Sgt. Bass were recognized.

- Palatka Water Treatment Plant – Melvin Register, Superintendent and his department were recognized. They have sufficient water supply to meet the City's needs now and in the future. 40% of their grade comes from this.

- Palatka Water Distribution Department – Rhett McCamey, Superintendent. The infrastructure and water flow to hydrants has greatly improved over the past five years. This department maintains the infrastructure that gets the water to the hydrants.

- Putnam County Fire and Emergency Medical Services – EMS Chief Mike Patterson, Capt. Fleetwood, EMT Bocox, Lt. Bedman and Richard Bass were recognized. They run all calls together. EMS arrives at every structure fire in the City and always assists.

- City Manager and City Commission were recognized for supporting the Fire Department and having the foresight to make needed infrastructure improvements.

- Palatka Fire Department staff was recognized for their dedication in putting in hours and hours of training and preparing for the worst that could happen. The City has the most motivated and highest trained department around.

Mayor Myers said the Palatka FD was awarded a classification of "2" by the Insurance Services Office as the result of a reclassification process. Class 1 is the best rating and class 10 is the worst. Of 49,010 fire departments in the US, only 810 are classified 1 or 2. The department was formerly a class 5. This new rating will significantly improve fire insurance rates for property owners in the City.

On behalf of the City Commission, Mayor Myers recognized Mike Lambert, Fire Chief, for his leadership at the Palatka Fire Department.

STUDENT OF THE MONTH – May, 2014 – Commissioner Kitchens joined Mayor Myers in presenting certificates of recognition to the following students for academic excellence, leadership, citizenship and attendance at their respective schools:

David Dowling	Browning-Pearce Elementary
Daija Shaw	C. L. Overturf, Jr. 6th 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** – There were none

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)
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

Commissioner Kitchens moved to approve all items on the Consent Agenda as recommended. Commissioner Leary seconded the motion, which passed unopposed.

4. **BUDGET SUMMARY REPORT** – FY 2013-2104 through April – Matt Reynolds, Finance Director presented his monthly report. This covers the first seven months of the fiscal year.

5. **PRESENTATION** and acceptance of FY 2012/13 Audit and Comprehensive Annual Financial Report (CAFR) – Tina Robinson and John Rowe; Carr, Riggs & Ingram, Auditors – Mrs. Robinson, SR 19, presented a summary of the audit results. This year there was a new governmental accounting standard effective this year, but it mostly involved terminology. Where you used to see "net assets" in the equity, you now see "net position." This was a minor change. There are upcoming standards coming into effect regarding pensions that may have some affect going forward. The summary of audit results is on page 70. They provided opinions on financial statements and opinions on the federal grant programs. They provided opinions on the six major funds and the CDBG fund, the only non-major fund. The City received an unmodified or clean opinion on those. There were no internal control deficiencies or material non-compliance found. The FAA Airport Improvement Program received an unmodified or clean opinion as well. Of the total $1.5 million in federal money the City expended this year, this program accounted for around $1.2 million in grant funds. No significant issues or findings were found. The City spent around $305,000 in state grant funds, which does not trigger a separate audit on state grants. The Downtown Redevelopment Fund had a positive cumulative fund balance of around $364,000, a decrease of $111,000 from the prior year. They spent about $178,000 this past year, well within the approved budget. The General Fund budget appears on pg 41; they budgeted $9.2 million but spent $8.9 million, well within the budget. A good part of this was because the City did not spend the reserve contingency of $164,000.

As for activity, the most significant capital asset purchases were a fire engine, police vehicles and a fuel truck, as well as Price-Martin restroom upgrades, airport improvements and golf course upgrades. The City amended its surtax revenue bonds and reduced debt service by around $195,000. They took out a $300,000 capital lease to purchase police vehicles. They refinanced the airport and golf debts reducing future debt services payments by $365,000. They took out a $162,000 capital lease to purchase greens maintenance equipment. The total principal and interest payments are shown on page 29 in the CAFR. Regarding Commissioner Leary's questions regarding funds for red light camera citations, Mr. Reynolds said Statute doesn't restrict those funds for any purpose, but those funds are being set aside in an account.

Mrs. Robinson said Page 68 contains their Management Letter. In there they are required to look at things like investment in public funds, and there was no non-compliance found there. As to the annual financial report, this is consistent with and agrees with financial statements. As for prior audit findings, they must show if there are prior uncorrected audit findings, and there are none. They look at the City's financial condition, and they noted the City has a high usage of general funds by the golf course, and some by the Airport Fund. This is money that is spent out

of a pooled cash account; whatever money that fund spends over what it draws in, that is transferred from the General Fund. Mr. Reynolds said they began using money from Better Place fund in 2013 to cover those transfers. There is also debt service in addition to this. Mayor Myers said deficits in operation have decreased significantly over the past three years. Commissioner Leary said they just posted a profit for the first time in many years. Msrs. Robinson said it has been the City's goal to make those funds self-sufficient. Their determination is that the City does not fall into the category of "financial emergency." They do not meet that definition, but they do need to be aware that the golf course fund is using a lot of general funds that should be building up as reserves, and reserves are less than what is recommended by GFOA. Commissioner Leary asked if the State Auditor General will audit the City at some point. Mrs. Robinson said this would be triggered by a financial emergency situation, or if the City appears to be in a "deteriorating financial condition" over a period of years. This City does not meet the Auditor's definition of "deteriorating financial condition." Mayor Myers asked if reserves are higher this year than there were last year. Mrs. Robinson referred them to pages 3 and 5. The unassigned balance is enough to cover 1.1 months of total annual expenditures. GFOA recommends 2 months of expenditures be held in reserves.

Commissioner Leary said his concern is that as they move through the budget cycle, adding a period audit on an annual basis of the City's Enterprise Funds. Based on accounting practices and procedures, they are deficit in staffing in finance, specifically for another professional accountant, based upon three levels of accounting experience. If they go to a fire service fee, which he has been advocating for, this will help to reduce the millage substantially, and they will need to add additional staff in the accounting department. The Finance Department is critically important to the City's financial solvency. Mrs. Robinson said they are engaged to see if the financial numbers are correct, and to determine if the grants are handled correctly. There are other types of audits and procedures. They can look for irregularities in transactions. Commissioner Leary said they will either have to expand the services of the auditors or expand the accounting staff.

Mr. Czymbor said the firm of Carr, Riggs & Ingram are in the final year of their auditing contract. An auditing committee will develop an RFP and they can add an "operational audit" component into the scope of services. They are in the process of developing that auditing committee. Mayor Myers noted an internal audit is completely separate and is more concerned with internal controls, and this is an ongoing procedure.

Mrs. Robinson thanked Mr. Reynolds and his staff for their cooperation.

Commissioner Norwood moved to accept the FY 2012/13 Audit and Comprehensive Annual Financial Report (CAFR). Commissioner Leary seconded the motion, which passed unopposed.

PUBLIC HEARINGS:

6. **ORDINANCE** closing, vacating and abandoning a portion of the Second Street Right of Way lying between Reid Street & St. Johns Avenue (approx. 127 square feet) - 1st Reading – The Clerk read an ordinance entitled 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 127 SQUARE FEET) AS DESCRIBED HEREIN, WITHIN THE CITY OF PALATKA, FLORIDA; AND PROVIDING AN EFFECTIVE DATE. Commissioner Norwood moved to pass the ordinance on first reading as read. Commissioner Kitchens seconded the motion. Mr. Czymbor said they have been working with Mr. Diamond over the past several weeks on acquiring surveys for the 100 Block parcel for title insurance. They discovered a small portion of the buildings encroach on the 2nd Street right of way. In order to satisfy Mr. Diamond's concerns about encumbrances on

the property, this ordinance will vacate that portion of property and it will transfer it with the buildings. Mr. Holmes said the title policy and commitment was relatively clean with the exception of this small overlap. It's a few inches on one end and just under a foot on the other end. Vacating it will allow the City to quit-claim this strip to Mr. Diamond, which will eliminate the survey overlap.

There being no further discussion or comment, a roll-call vote was taken, with the following results: Commissioners Brown, Kitchens, Leary, Norwood, and Mayor Myers, yes; Nays, none. The ordinance was passed on first reading.

7. **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 – The Clerk read an ordinance entitled 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. Commissioner Norwood moved to pass the ordinance on second reading as read. Commissioner Leary seconded the motion. There being no discussion or comment, a roll-call vote was taken, with the following results: Commissioners Brown, Kitchens, Leary, Norwood, and Mayor Myers, yes; Nays, none. The ordinance was declared adopted on second reading.

8. **CITY MANAGER & ADMINISTRATIVE REPORTS**
BEAVER STREET ENTERPRISE CENTER site visit report and discussion of a proposed business incubator - Jonathan Griffith and Charles Rudd – Jonathan Griffith said in April they visited the Beaver Street Business Incubator and took a tour of the facility to give staff a deeper sense of its operation. This is a 25,000 sq ft facility where they house and incubate businesses. They provide an array of services. This is run by a non-profit organization. A power point of the tour was shown.

Commissioner Brown said she's been pursuing a business incubator for the City since 1985. This will help start up business by providing space and training. This has an administrator, an accountant and other support personnel. This needs to include a marketing person. This would be a good way to bring in businesses downtown and other areas. Businesses many times fail due to paperwork frustration. She has visited incubators in Daytona and Miami and other places. They were located in the downtown areas. If the incubator is properly put together, it will work. She has spoken about putting this on 11th Street. They can leverage off of the presence of the School Board's training facility. They need to put together a Board or start a non-profit to get this established. This incubator will help people who are struggling to get businesses started. She has been researching funding resources. They can ask for help from various foundations. Area businesses can donate the furnishings and equipment. She's spoken to the head of the UF Small Business Development Center, Ms. McDonald, who has said she would work with the City on the project to provide technical assistance. This particular one is run by a non-profit ministry association.

Mayor Myers concurred that this is something the community would benefit from. The key is financing. New business failure rate is extremely high. Whatever they can do to promote business and create jobs is beneficial.

Commissioner Brown said this would encourage people to establish businesses in vacant downtown buildings. This also creates an opportunity to bring in international business opportunities. The airport is getting ready to make improvements that would support international business ventures. Commissioner Kitchens concurred and stated she supported pursuit of the incubator. Commissioner Brown was asked to work with Mr. Rudd and Mr. Griffith and bring a report back to the Commission about the matter.

USDA GRANT - Mr. Griffith said they have a post grant conference scheduled with USDA on the Golf Course restaurant upgrades grant.

9. **COMMISSIONER COMMENTS**
APPOINTMENT - Mayor's Representative/Designee to the Putnam County Landfill Task Force – Mayor Myers said he submitted the name of Bobby Payne as his representative to serve on the Task Force. He is highly qualified to serve on this task force. Commissioner Leary moved to ratify the appointment. Commissioner Kitchens seconded the motion, which passed unopposed.

Commissioner Kitchens said a new scam has developed wherein someone will receive a phone call from someone claiming to be with the courts telling people that they owe a fine because they've missed jury duty or have a law enforcement-related fine, or some such. The caller tells them they have to purchase a pay-pal card to send off to them. These cards cannot be traced. She said people should call law enforcement if they receive such a call.

Commissioner Brown said she's missed several meetings due to attending League of Cities board meetings on behalf of the City.

Commissioners Leary and Norwood wished all a safe and happy Memorial Day Weekend.

10. **ADJOURN** – There being no further business to discuss, the meeting was adjourned at 7:30 p.m. upon a motion by Commissioner Kitchens.

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 286.105