

**TERRILL L. HILL**  
MAYOR - COMMISSIONER

**MARY LAWSON BROWN**  
VICE MAYOR - COMMISSIONER

**RUFUS J. BOROM**  
COMMISSIONER

**JUSTIN R. CAMPBELL**  
COMMISSIONER

**JAMES NORWOOD, JR.**  
COMMISSIONER



**BETSY JORDAN DRIGGERS**  
CITY CLERK

**MATTHEW D. REYNOLDS**  
FINANCE DIRECTOR

**JAMES A. GRIFFITH**  
INTERIM 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**

June 11, 2015

#### **CALL TO ORDER:**

- a. **Invocation** ~ Dr. Ken Johnson, Executive Director, Rodeheaver Boys Ranch
- b. **Pledge of Allegiance**
- c. **Roll Call**

#### **APPROVAL OF MINUTES – 5/26/15 CM Interviews & 5/28/15 Regular Meeting**

1. **PUBLIC RECOGNITION/PRESENTATIONS**
  - a. **EMPLOYEE RECOGNITION** – Germaine Douglas, Parks Department
2. **PUBLIC COMMENTS** – (limited to 3 minutes – no action will be taken on topics of discussion)
3. **CONSENT AGENDA**
  - \*a. **Adopt Resolution No. 2015-11-35** authorizing the execution of a Professional Services Agreement with MCCi for the purchase, installation and support for a Laserfiche Document Imaging/Management System software and services
  - \*b. **Adopt Resolution No. 2015-11-36** authorizing the issuance of Special Events Permit No. 15-23 for the Independence Day/4th of July Celebration, to include permission to exceed allowable noise levels, sell and consume alcoholic beverages on public right of way, and authorizing closure of certain streets and other public riverfront park facilities
  - \*c. **Grant Permission to exceed allowable noise levels for Special Events Permit No. 15-26** – Founder's Day, July 18, 2015 from 11:00 a.m. to 5:00 p.m. throughout duration of event – To God Be the Glory Holiness Church, Applicant; Faye Word, Agent
  - \*d. **Appoint Commissioner Justin Campbell as City of Palatka Voting Delegate** to Florida League of Cities 2015 Annual Conference, and Vice Mayor Brown as Alternate Voting Delegate
  - \*e. **Introduce Form 8B, Memorandum of Voting Conflict**, into the record, filed by Commissioner James Norwood, Jr. on a vote taken 5/14/15 on Agenda Item #10 & 5/28/15 on Agenda Item #7
  - \*f. **Introduce Form 8B, Memorandum of Voting Conflict**, into the record, filed by Commissioner Rufus Borom on a vote taken 5/14/15 on Agenda Item #10 & 5/28/15 on Agenda Item #7
- \* 4. **CRA BUSINESS:**
  - a. **DISCUSSION ON CRA STRUCTURE** per action taken at 5/14/15 CRA Meeting
  - b. **DPI REPRESENTATIVE APPOINTMENT** – Request from DPI to appoint Sam Deputy to fill the unexpired term of Kathy Griffin, (term expires 12/31/18)
- \* 5. **PRESENTATION** and acceptance of FY 2013/14 Audit and Comprehensive Annual Financial Report (CAFR) – Tina Robinson and John Rowe; Carr, Riggs & Ingram, Auditors

## AGENDA - CITY OF PALATKA

June 11, 2015

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- \* 6. **REQUEST** to authorize execution of an Interlocal Agreement with Putnam County BOCC regarding maintenance of a sewer main extension to service Veritas Steel – Putnam County Board of County Commissioners & Putnam County Chamber of Commerce
- \* 7. **RESOLUTION** authorizing execution of an Employee Agreement with Terry K. Suggs for the position of Palatka City Manager – Adopt

### PUBLIC HEARINGS:

- \* 8. **ORDINANCE** amending Chapter 26, Elections, Section 26-5 to amend the residency requirement for qualification from one year to six months prior to qualification – 1<sup>st</sup> Reading
- \* 9. **SUMMER MEETING SCHEDULE & TRIM** Calendar dates – Clerk's Item
- 10. **CITY MANAGER & ADMINISTRATIVE REPORTS**
- 11. **COMMISSIONER COMMENTS**
- 12. **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 286.105

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:

July 4 – City offices closed to observe Independence Day  
August 13 – 15 – Annual FLC Conference, Orlando, FL  
Sept. 5 & 6 – Downtown Palatka Shrimp Blast  
Sept. 7 – City offices closed to observe Labor Day holiday

### Board Openings:

Putnam Co. Better Place Plan Oversight Committee Rep  
Board of Zoning Appeals – 3 vacancies (at-large)  
Palatka Housing Authority Board – 1 Resident Rep  
Planning Board – 1 Vacancy (at large)

# *Agenda Item*

*3a*



**CITY COMMISSION AGENDA ITEM**

**SUBJECT:**

**Adopt Resolution No. 2015-11-35** authorizing the execution of a Professional Services agreement with MCCi for the purchase and support of Laserfiche document imaging/management software and services

**SUMMARY:**

A committee comprised of Matt Reynolds, Chris Cheatham, Vicki Young and Betsy Driggers investigated available document imaging and file management systems with the goal of replacing the Shell system the City has had at City Hall and the Police Department for some years. The system is outdated, we no longer require microfiche services, and the annual maintenance and software was expensive to maintain. The Shell system required the purchase of two proprietary scanners, which required annual maintenance fees in addition to the software and licensing maintenance fees.

After looking at and taking proposals from several providers, the Committee made a unanimous decision to go with a Laserfiche system. This is the industry standard for municipalities. The service and support are provided through Municipal Code Corporation, a Florida-based corporation the City has long had a business relationship with for codification services. The Laserfiche system is more than adequate for the City's current and future needs. Full staff training and support are provided by MCCi through this agreement. This system will manage all of the City's documents and records regardless of location or media.

A Professional Services Proposal follows this summary. The total project cost for the first year is \$18,557.74. The annual cost going forward is \$4,518.00, which is less than half of the annual cost to maintain the Shell system plus both scanners. I inquired as to whether or not we can expect this annual cost to hold or if it will be increasing, and Logan DiLiello with MCCi states they have not seen a price increase in some time and don't expect one any time soon, but if there is to be an increase we will have ample notice. This is an open-ended contract, renewable annually, and can be terminated at any time by either party.

**RECOMMENDED ACTION:**

**Adopt the resolution authorizing the execution of a Professional Services Agreement with MCCi for purchase of Laserfiche software and services for the City of Palatka**

**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Resolution	Resolution
<input type="checkbox"/> Professional Services Agreement	Exhibit

**REVIEWERS:**

Department	Reviewer	Action	Date
City Clerk	Driggers, Betsy	Approved	6/2/2015 - 6 31 PM
City Clerk	Driggers, Betsy	Approved	6/2/2015 - 6 32 PM

**RESOLUTION No. 2015-11-**

**A RESOLUTION OF THE CITY OF PALATKA, FLORIDA,  
AUTHORIZING THE EXECUTION OF A  
PROFESSIONAL SERVICES AGREEMENT WITH  
MUNICIPAL CODE CORPORATION (MCCI) FOR THE  
PURCHASE OF LASERFICHE DOCUMENT IMAGING  
AND MANAGEMENT SYSTEM SOFTWARE, LICENSING  
AND SERVICES**

**WHEREAS**, City of Palatka Staff has researched numerous document imaging and management systems with the goal of meeting the current and future needs of the City; and

**WHEREAS**, after review and comparison of numerous systems, it has been determined that the Laserfiche Document Imaging and Management System will best meet the current and future needs of the City at a reasonable and affordable cost for implementation, training and annual support services; and

**WHEREAS**, the Palatka City Commission deems it reasonable to contract with Municipal Code Corporation (MCCI) for the purchase of a Laserfiche document imaging and management system, which includes software, support services, training and project management services through the execution of a Professional Services Agreement submitted by MCCI on June 1, 2015, which is incorporated herein by reference, at a total project cost of \$18,775.74 for the first year, and with an annual service and support cost of \$4,518.00 going forward; and

**WHEREAS**, the funds for the purchase of this system and related support and services are included in the FY 2014/15 Budget for the City of Palatka.

**NOW, THEREFORE**, Be it resolved by the City Commission of the City of Palatka, Florida, that the Mayor and City Clerk are authorized to Execute and Attest a Professional Services Agreement with Municipal Code Corporation (MCCI) for the acquisition of a Laserfiche Document Imaging and Management System software, support and services for the City of Palatka at a total project cost of \$18,557.74 for the first year and an annual support and maintenance fee of \$4,518.00 for subsequent years.

**PASSED AND ADOPTED** by the City Commission of the City of Palatka, Florida this 11<sup>th</sup> day of June, 2015.

**CITY OF PALATKA**

\_\_\_\_\_  
**By: Its MAYOR**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**

**APPROVED AS TO FORM  
AND LEGALITY:**

\_\_\_\_\_  
**CITY ATTORNEY**



**Municipal Code Corporation**

PO Box 2235 • Tallahassee, Florida 32316

TELEPHONE (800) 342-2633 • FAX (850) 564-7496

Logan Di Liello, Senior Account Executive • (850) 408-5433 • [logan@mccinnovations.com](mailto:logan@mccinnovations.com)

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June 1, 2015

Ms. Betsy Driggers  
City Clerk  
City of Palatka  
201 North Second Street  
Palatka, FL 32177

Dear Ms. Driggers:

I enjoyed speaking with you recently regarding the Laserfiche software and services. Pursuant to our discussion, we are pleased to enclose our Professional Services Proposal. While reviewing the proposal, please keep in mind the following advantages of being a MCCI customer:

- ✓ **Leading Provider** – For the past six years, MCCI was ranked as the #1 Laserfiche VAR in the United States. With 3 offices in Florida, we are dedicated to our Florida customers and serve over 125 clients in Florida alone at this time.
- ✓ **Professional Certifications** – MCCI's staff is well-trained and holds multiple certifications in security, HIPAA, CDIA+ and more to give you the peace of mind that we are simply the best at what we do. Our staff is also Laserfiche Gold Certified, meaning we have passed the Laserfiche CPP courses required for this certification.
- ✓ **Government Focus** – MCCI was created by Municipal Code Corporation to focus on innovative technologies for Government. MCCI provides Laserfiche software and services to more than 400 government entities including Cities, Counties, State Agencies, Special Districts, and more.
- ✓ **Specialization in Enterprise Solutions** – Our Project Managers provide implementation and training services to help make your solution an Enterprise-wide deployment. We work with you on your initial project plan knowing that one day Laserfiche will be used across the entire organization. This methodology helps you plan to meet this goal in your time frame whether it be an immediate objective or part of a multi-year plan.
- ✓ **Superior Support** – MCCI utilizes a multi-layered support team geared towards offering each client multiple contacts to enhance the usage of every product implemented. We offer support through our help desk, email, and toll free number, and also have an online support center that gives end users access to training manuals, "how to" checklists, training videos, a knowledge base, and software updates.
- ✓ **Robust Resources** – Whether it is integration, scanning and indexing services, an electronic forms solution, etc., MCCI has additional solutions that are complimentary to Laserfiche, while allowing you to work through one vendor for best of breed solutions.

If you have any questions concerning our proposal or desire additional information, please do not hesitate to contact me on our toll-free number. We appreciate your interest and hope that we will have the pleasure of working with you.

Sincerely,

Logan Di Liello  
Senior Account Executive

### *Company History*

MCCi, a subsidiary of Municipal Code Corporation (The nation's leading codifier for local government), has been providing Electronic Records Management Solutions to its clients since 1998. In 1998, Municipal Code Corporation (MCC) created a document imaging division, which subsequently evolved into MCCi in the summer of 2003. This allowed MCCi to provide its customers with a higher level of service, but still benefit from the stability and credibility of MCC. With a client base of over 600 government agencies and satellite offices across the country, we are striving to be the leading Enterprise Content Management provider in the United States. MCCi has been the #1 Laserfiche VAR in the world the last 7 years.

### *Proposed Solution*

MCCi is proposing the Laserfiche software for your organization. Laserfiche is a unified solution that manages all your organization's documents and records, regardless of location or media. Please keep in mind some of the features of Laserfiche:

- ✓ *User Friendly* – Laserfiche is very easy to learn, navigate and use. Users will see Laserfiche has a folder tree structure similar to Windows Explorer for easy viewing and use. This familiarity will give your staff the confidence to begin scanning and retrieving documents almost immediately after installation making an Enterprise rollout easier on your resources.
- ✓ *Comprehensive Security* – Laserfiche Comprehensive Security allows you to control the security of your documents on many levels. You determine what functions, such as scanning and printing, each staff member may use. Security features are easy to administer and with proper right records managers can administer most security functions without IT staff assistance.
- ✓ *Intelligent Search* – Laserfiche lets you search your documents based upon full-text search, index search, and document and folder name searches. The Laserfiche full-text search unlocks the contents of your documents; if you need to find a word or phrase within a document, the full-text search retrieves it immediately. An easy Google-style toolbar is available for searching as well.
- ✓ *Integration* – Laserfiche is the central repository for records in your organization and allows you to integrate other main line of business solutions easily. Whether you are looking for a way to integrate with a departmental solution, ERP solution, Microsoft product, etc., Laserfiche has options available. Laserfiche Microsoft integrations include the ability to archive Office & Outlook documents directly into Laserfiche as well as integration with Microsoft SharePoint.
- ✓ *E-Forms & Business Process Automation* – Laserfiche allows users to capture information instantly and automate business processes instead of the traditional methods of using an imaging solution as an archival tool. Users are finding efficiencies by reducing the time processes take and giving users access to information instantaneously through the implementation of Laserfiche Forms and Laserfiche Workflow, resulting in cost savings for the organization.
- ✓ *Mobility & Web Tools* – Mobile devices are being used more and more in organizations for day to day operations. Laserfiche has options available to ensure you can access Laserfiche from these devices and perform related actions quickly on the go. There are also options for giving your outside citizens/customers access to records through the web to promote transparency and decrease records requests.

### *Avante Features*

MCCi is recommending the Avante platform for your organization. Avante includes:

- ✓ Bundled users – Each user comes bundled with:
- ✓ Workflow for Business Process Automation
- ✓ Snapshot for archiving electronic records
- ✓ Email Plug-in for emailing records directly from Laserfiche
- ✓ Options for bundling the following functionality into user licenses:
  - Web Access, which includes a thin client option for users, Web Access Light for mobile devices & tablets, iPhone & iPad apps, and SharePoint integration.
  - Audit Trail for monitoring, recording, and reporting on system activity.
  - Digital Signature capabilities
- ✓ Web-based Administrative Console allowing you to administer the system from anywhere.
- ✓ Options for Electronic Forms, Records Management, Batch Processing tools, Integrations, and Web Portals.

### *MCCi Advantage*

MCCi is a leading Laserfiche provider focusing on customer service in every aspect of your project. As a client you will receive access to our highly trained staff & support services, including:

- ✓ **Dedicated Project Management** – Our Project Managers are highly trained in the areas of implementation, Workflow processes, integrations, and more to help your organization implement a well thought out Enterprise system based on your organization's needs. They are Laserfiche Gold Certified and also hold other professional certifications to maintain a high knowledge level of our client's business processes.
- ✓ **Dedicated Support** – Once your project is complete, you will have access to our support staff for trouble shooting & supporting your Laserfiche system. Our staff can be easily reached through email, phone or our online support center.
- ✓ **Sales & Account Management Team** – You will have a dedicated team of an Account Executive and Account Manager that you can directly contact. They will also proactively contact you to ensure satisfaction, provide additional information on your products, and conduct web & regional events on continuing education topics.
- ✓ **Training Services** – Before, during, and after your project, we focus on ensuring the users are trained on the software and stay up to date on the features available. In addition to our Training Services, we offer a yearly subscription to our Online Training Center for Laserfiche to help protect your Laserfiche investment. This allows all types of users, regardless of their role, to access videos on popular topics. This information is updated monthly and will be a continued resource for your organization.
- ✓ **Back File Scanning & Conversion Experience** – In the event you need to address a back file scanning project or have older data from legacy systems to convert, we have experience in addressing these and integrating them into your Laserfiche system. We have converted over 30 different applications and migrated the data to Laserfiche for other clients.

<i>Product Description:</i>	<i>Qty.</i>	<i>Cost</i>	<i>NCPA 11-04</i>	<i>Total</i>
<b><u>ECM SOFTWARE LICENSING FOR AVANTE</u></b>				
<input checked="" type="checkbox"/> Avante Server for SQL Express	1	\$1,500.00	\$1,409.55	\$1,409.55
<input checked="" type="checkbox"/> LF Full Named User <i>Includes Snapshot, Email, and Workflow</i>	8	\$500.00	\$469.85	\$3,758.80
<input checked="" type="checkbox"/> LF Standard Audit Trail, 15% Add On to All Named Users	8	\$75.00	\$70.48	\$563.84
<input checked="" type="checkbox"/> OCR Scheduler for Laserfiche - <i>Requires one dedicated Laserfiche User License</i>	1	\$1,500.00	\$1,409.55	\$1,409.55
<input checked="" type="checkbox"/> LF Workflow	1	Included	Included	Included
<b><i>ECM Software Licensing Total</i></b>				<b>\$7,141.74</b>
<b><u>ANNUAL SOFTWARE SUPPORT - PREMIUM LSAP</u></b>				
<input checked="" type="checkbox"/> Avante Server for SQL Express	1	\$450.00	\$405.00	\$405.00
<input checked="" type="checkbox"/> LF Full Named User <i>Includes Snapshot, Email, and Workflow</i>	8	\$150.00	\$135.00	\$1,080.00
<input checked="" type="checkbox"/> LF Standard Audit Trail, 15% Add On to All Named Users	8	\$22.50	\$20.25	\$162.00
<input checked="" type="checkbox"/> OCR Scheduler for Laserfiche - <i>Requires one dedicated Laserfiche User License</i>	1	\$330.00	\$297.00	\$297.00
<input checked="" type="checkbox"/> LF Workflow	1	Included	Included	Included
<input checked="" type="checkbox"/> Managed Services for Laserfiche <i>Laserfiche Managed Services needs are estimated based on the current software components provided herein: up to 10 hours.</i>	1	\$1,260.00	\$1,260.00	\$1,260.00
<input checked="" type="checkbox"/> Training Center 5 - 9 Users	1	\$925.00	\$925.00	\$925.00
<input checked="" type="checkbox"/> MCCi Service Level Agreement	1			\$389.00
<b><i>Annual Support Total</i></b>				<b>\$4,518.00</b>
<i>For budgetary purposes, the Client should include \$4,518.00 in annual budget for renewal of LSAP, Managed Services, the Training Center and SLA for the software quoted above.</i>				
<b><u>MCCI PROFESSIONAL SERVICES</u></b>				
<input checked="" type="checkbox"/> Basic Onsite Training of software, per day <i>Workflow training and installation excluded. Travel expenses included.</i>	2	\$2,200.00	\$2,024.00	\$4,048.00
<input checked="" type="checkbox"/> MCCi Project Management Services	1			\$2,850.00
<b><i>Professional Services Total</i></b>				<b>\$6,898.00</b>
<b><i>Total Project Cost</i></b>				<b>\$18,557.74</b>

#### PAYMENT & BILLING TERMS

MCCI will invoice one hundred percent (100%) of the software and support upon delivery of software. If services are included, the balance of the total project will be invoiced upon completion of the proposed professional services, which may be broken up based on the completion date of specific services. Sales tax will be included where applicable. Payment will be due upon receipt of an invoice.

Laserfiche software and help files are provided electronically. If hard copy manuals or software is desired, there is a \$50 additional charge. This will need to be requested.

## MCCI STANDARD SERVICES

To determine which services and products are included with your project, please refer to the Pricing Proposal above.

MCCI prides itself in providing high quality professional services and support. Providing the most advanced level of tech support via the web, e-mail and phone, you can rest assured that MCCI will provide you with profession installation, training and support services. Our clients can rely on us to provide a continual flow of information through our technical bulletins and newsletters.

### MCCI PROJECT MANAGEMENT SERVICES

MCCI Project Managers are CDIA-certified and Laserfiche Certified. The CDIA (Certified Document Imaging Architect) is awarded after a comprehensive and rigorous exam focused on a broad spectrum of document and records management objectives. There are multiple Laserfiche Certifications and MCCI focuses on maintaining all of them. MCCI Project Managers administer these services and concentrate on defining business requirements and the deliverables that follow. The MCCI Project Manager will work with the client's point of contact to put together a project plan that clearly defines the scope of services of the Project Management services. These services are included to ensure the Client is prepared for the final project implementation.

#### Implementation

*Client Consultation* - The assigned MCCI Project Manager will perform a remote pre-installation solution development plan including configuration of security rules for the Client prior to installation and training. This consultation will include a review of current document organization and retrieval practices to determine desired indexing methods, as well as other basic system set up needs. Once this information has been gathered and provided to the MCCI project manager, the basic folder structure, document naming scheme, scheme, and template set-up will be configured prior to onsite training.

*Remote Installation and Configuration* – Software installation and configuration may occur remotely as part of the Project Management services to ensure the onsite time purchased is focused on the direct objective. Please refer to the pricing proposal to determine if the onsite time will include installation and configuration.

*Remote Training* – Project Management services may be utilized for training administrators or users remotely if not providing onsite training. Please refer to the pricing proposal to determine the training model quoted.

### LASERFICHE BASE SOFTWARE TRAINING SERVICES

The client is provided with either instructor-led hands-on training or train-the-trainer training in the operation of the Laserfiche Software and Plug-ins, and the scope of all training services to be performed is notated in the Pricing Proposal. These services will be provided onsite or remote, please refer to the Pricing Proposal to determine which has been quoted. Below are some sample outlines based on user-roles and system modules:

#### System Administration Training

- Client and Server Installation Procedure
- Users and Groups – Active Directory
- Security
- Templates

- Tags
- Document Relationships
- Records Management
- Volumes
- System Settings
- Back Up Procedures
- Troubleshooting Procedures
- Technical Support Overview

#### Full User Training

- Introduction to Laserfiche
  - Folders and the Folder Browser
  - Scanning and Importing
  - OCR and Full Text Indexing
  - Document Display
  - Index Card/Templates
  - Document Retrieval by Index Fields or Text (Searching)
  - Annotations
  - Extracting a Document from Laserfiche
  - Briefcasing and Migrating Documents
  - Customize Laserfiche
  - Volumes
  - Security
1. Advanced Features – Plug-ins

To determine which products are included with your project, please refer to the Pricing Proposal

#### LASERFICHE AVANTE

Laserfiche Avante solution is a named user model and starts out with a feature rich system that is based on the number of people who will be using the system. It is designed for small to mid-size organizations and helps you capture, manage, distribute, and work with information in diverse working environments. Avante comes with Laserfiche Workflow and allows your organization to move beyond simple document routing to automate everyday tasks, optimize business processes, and share information with a wide variety of applications. Avante systems allow you to choose from multiple database platforms and incrementally expand the system with records management edition and other plug-ins such as Auditing, Web Access, Digital Signatures, and Batch Processing. The Laserfiche Avante pricing structure makes it simple and affordable to add new features and functionality to your Laserfiche system as your needs change.

#### LASERFICHE RIO

MCCi recommends the Laserfiche RIO solution for Enterprise clients that have a large volume of users, as well as the need for test environments and multiple servers/repositories. RIO and each RIO license comes coupled with Workflow, Web Access, Mobile Access, Snapshot, Email, Digital Signatures, and Advanced Audit Trail. This licensing structure makes it much easier on IT administration, especially when dealing with a large user base. In addition, RIO supports an unlimited number of application servers, as well as repositories, making it well suited for expansion and testing needs. RIO can connect either to MSSQL or Oracle for the backend database, and of course many of the same optional Laserfiche modules such as the Records Management, Batch Processing and Weblink Public Portal licenses are available with RIO.

#### LASERFICHE SOFTWARE FEATURES AND LICENSING

Feature	Avante	Rio	Comments
Database Options	SQL Express, SQL, Oracle	SQL, Oracle	
Retrieval Concurrent Users	Public Portal (Weblink)	Public Portal (Weblink)	
Full Named Users	Unlimited	25 – Unlimited	Includes Workflow, Email and Snapshot for Avante; Includes Workflow, Email, Snapshot, Digital Signatures, Web Access and Advanced Audit Trail for Rio.
Retrieval Named Users	n/a	200 – Unlimited	Includes Email capability. Minimum of 200 must be purchased.
Application Servers	1	Unlimited	
User License Model	Named	Named	
Repositories	1	Up 15 per Application Server	Avante: Up to 14 additional (for a total of 15) Repositories can be added at an additional cost.

			RIO: Each Application Server can have up to 15 Repositories attached. RIO allows for an unlimited number of Application Servers.
<i>Workflow</i>	Included	Included	
<i>Snapshot</i>	Included	Included	
<i>Email</i>	Included	Included	
<i>WebAccess (Thin client access for named users)</i>	Add-on option	Included	
<i>Mobile Access</i>	Requires WebAccess	Included	
<i>Digital Signatures</i>	Add-on option	Included	
<i>Audit Trail</i>	Add-on option (Options for Starter, Standard, Advanced)	Includes Advanced Audit Trail	
<i>Public Portal (Weblink) Options</i>	Weblink Public Portal license package options (5,10, 25, 50, Unlimited Single Processor, Unlimited Dual Processor, Unlimited Multi Processor )	Weblink Public Portal license package options (50, Unlimited Single Processor, Unlimited Dual Processor, Unlimited Multi Processor)	Avante Public Portal: The 5 concurrent license only allows for one security profile to be set.  Unlimited versions are licensed per Laserfiche application server, and per processor. The licensed number of processors must be equal to or greater than the number of processors (CPUs) on the correlating Laserfiche application server. Note: Additional copies of the Unlimited Public Portal are needed if there is a need to connect the Public Portal to more than 1 Application Server.
<i>Records Management</i>	Add-on option	Add-on option	
<i>Laserfiche Versions</i>	Lf 8.1 and later	Lf 8.0.1 and later	
<i>Web Admin Console</i>	Included	Included	
<i>Laserfiche Forms Users</i>	Add-on option	Add-on option	The Laserfiche Forms User is a required add-on to all Laserfiche Full Named User licenses, and is a pre-requisite to all other Forms licensing options. This add-on will give the current Laserfiche Full Named Users full access (submission, process involvement, and approval rights) to Laserfiche Forms Server. The Laserfiche Forms Server can be installed multiple times, however each instance can only be associated with one Laserfiche application Server.
<i>Laserfiche Forms Portal</i>	Add-on option	Add-on option	Laserfiche Forms Users licensing is a prerequisite to being able to purchase Forms Portal licensing. The Forms Portal license allows Form submission

			<p>from unlicensed (public) users. Forms Portal was also designed primarily for non-internal/public user submissions, therefore there is no Windows Authentication security validation provided. The users that access Forms through the Forms Portal can only submit forms (these users cannot participate in the business process after a form has been submitted). The Forms Portal is licensed to a specific Forms instance/server, rather than to the Laserfiche Application Server. Please note that if an organization desires to have a Forms Portal for internal users, as well as a Forms Portal for external users, and security protocol requires that these two Forms Portals reside on separate servers (one internal one external), multiple Forms Portal licenses are required.</p>
<p><i>Laserfiche Enterprise Forms Portal</i></p>	<p>Add-on option</p>	<p>Add-on option</p>	<p>The Enterprise Forms Portal License is recommended for Laserfiche Rio Customers that have multiple Laserfiche Application Servers, as well as for Laserfiche Avante (Avante only allows for one Laserfiche Application Server), but require more than two Forms Portal licenses (see Forms Portal description above). Enterprise Forms Portal is, indeed, unlimited Portals. Instead of allocating one or more Forms Servers as Portals, they all are automatically Forms Portals.</p>
<p><i>Laserfiche Authenticated Participants</i></p>	<p>Add-on option</p>	<p>Add-on option</p>	<p>Laserfiche Forms Users licensing is a prerequisite to being able to purchase Forms Authenticated Participant licensing. Forms Authenticated Participant licenses allow Non-Laserfiche Users to participate in Laserfiche Forms Process Modeler Business Processes, and allow for secure authentication when interacting with Laserfiche Forms. Forms Authenticated Participant licensing is recommended for all internal users that require authentication and/or intend to participate in more than just the Forms submission process, and for those users that do not have Laserfiche Full Named User licensing, but have a need to authenticate and participate in Laserfiche Forms Business Processes. A Forms Authenticated Participant license is required for each Forms Server that the user needs to submit to.</p>
<p><i>Upgrade Path</i></p>	<p>Rio</p>	<p>n/a</p>	

### *LASERFICHE PLUG-INS*

#### Laserfiche Plug-Ins, Utilities, and Tools

MCCI can provide additional Laserfiche Plug-ins Utilities, & Tools software. Laserfiche offers a selection of modules and development tools designed to let you tailor Laserfiche to meet your needs. Certain Plug-Ins may be bundled differently based on the Laserfiche platform. **Please refer to the pricing page/pricing proposal to determine which modules have been proposed.**

#### *Capture Modules*

**Laserfiche ScanConnect™:** allows ISIS scanning. A collection of ISIS scanner drivers is included with Laserfiche ScanConnect. These drivers allow images to be scanned through supported scanners. ScanConnect 7.x is can be purchased as an add-on to both Laserfiche scanning and Quick Fields.

**Laserfiche Snapshot™:** Laserfiche Snapshot is included with both Avante and RIO Full Named User Licenses, and can generate images and text from an electronic file (e.g. a Word document, a web page, a text editor, etc.). The files generated by Laserfiche Snapshot capture the content of the electronic file at the time that it was processed. In other words, they represent an accurate portrayal of an electronic file at a given point in time. The images and text created from an electronic file are then stored in a Laserfiche repository. As you can see, Laserfiche Snapshot can be used as a tool to archive a particular version of an electronic file. Laserfiche Snapshot can process any electronic file that can be opened with a Windows application that has printing capabilities. This feature is automatically included with every Full User purchase.

**Laserfiche Import Agent:** Import Agent is a tool for automatically retrieving files stored in a Windows folder and importing them into a Laserfiche repository. The Windows folder can be local to the Import Agent machine or stored on a network drive. During the import process, Import Agent can process the files (e.g., perform OCR), use XML data as part of the process, and perform additional tasks.

**OCR Scheduler for Laserfiche:** MCCI developed this tool. It provides a simple and effective way to mass OCR documents in Laserfiche. It allows administrators to configure multiple OCR sessions. Sessions are created based on selecting folders within a specific Laserfiche Repository and scheduling the time to begin the OCR process. Benefits:

- *Efficiency:* Clients can schedule the tool to perform the OCR function, rather than tie up machines during the normal working rhythm.
- *Support/Search Content:* Leaving the responsibility in users hands to conduct OCR can lead to incomplete processing. The tool provides assurance that everything in need of OCR is being addressed without end user interaction.

**“Quick Fields” (QF) Batch Processing Tools:** Quick Fields is a suite of Batch Processing utilities created by Laserfiche. Avante and RIO bundle each of these features differently, which is reflected in the Pricing Proposal section:

- *Laserfiche® Quick Fields™* automatically captures useful information from paper and electronic documents and organizes it for fast retrieval. Quick Fields transforms data capture from a costly and labor-intensive operation into an efficient process by collecting precise pieces of information from the masses of unstructured data flowing into your organization. Quick Fields improves the speed and accuracy of data capture while giving authorized staff instant access to the information they need to work effectively.
- *QF Bar Code Validation Package:* The Bar Code add-on reads bar codes on a specified page in the document. The value returned by the bar code process can be used to identify a page, populate a

field, determine the document name, or determine where the document will be stored. Bar Code is very powerful when combined with Real Time Lookup. Supported barcode formats: Codabar, CODE 39, CODE 128, EAN 8, EAN 13, Interleaved 2 of 5, UPCA, and UPCE.

- *QF Real-time Look up Validation Package:* Lookup populates template fields and validates metadata by retrieving data stored in third-party databases and other applications.
- *QF Zone OCR Validation Package:* Images that contain clearly printed or typed information can be converted to text files through a process called OCR (Optical Character Recognition). Once text has been extracted from an image, it can be sent along with the image to the repository. Once the document has been imported into the repository, the extracted text will be associated with the corresponding image in the document. The International Zone OCR add-on will scan a zone on an image for text. Only text found within the zone will be extracted. The data returned by this process can be used to identify a page, populate a field, determine the document name, or determine where the document will be stored. The International Zone OCR add-on can be installed when Quick Fields is first installed or after it has already been installed.
- *QF Forms Alignment:* automatically repositions scanned documents to match a master form, correcting for scanning errors and improving data extraction.
- *QF Document Classification:* designed for clients who deal with multiple forms, and will recognize and process multiple document types.
- *QF Auto Stamp/Redaction/Bates Numbering:* The Bates stamp option is a document auto-numbering annotation option
- *QF Optical Mark Recognition:* detects handwritten information, including marks on surveys, tests and ballots.
- *QF Agent:* enables administrators to schedule forms processing around the clock and run Quick Fields sessions without operator intervention, reducing labor costs and optimizing business processes.
- *QF Forms Identification:* automatically recognizes the form or document based on its overall structure, even in the absence of bar codes, form data or other distinguishing information.
- *QF Forms Extractor:* removes form outlines to isolate data for more accurate capture.
- *QF Scripting Kit:* Offers a script editor, which allows developers to write C# and VB.Net Scripts, and insert the scripts into a Quick Fields Session.

#### *Distribution Modules*

- *Laserfiche Public Portal - WebLink™:* The WebLink module publishes select documents in a Laserfiche repository to an intranet or the Internet in read-only form. Documents can be made available through the Web almost instantly, and users need only an Internet browser in order to access them. Built on ASP .NET, WebLink can be customized to match the look and feel of an organization's Internet or intranet site.
- *Laserfiche WebAccess:* Laserfiche Web Access is a Web browser-based thin client offering virtually all of the document management capabilities of the standard Laserfiche interface. Web Access allows your IT staff to roll out high-volume Laserfiche access without increasing your organization's application support burden. Authorized users organization-wide enjoy simultaneous access to documents, whether they are using the corporate intranet or logging in from a branch office. In addition, access to Laserfiche Mobile and the Laserfiche Sharepoint Integration resources, is made through Laserfiche WebAccess.
  - *Laserfiche Mobile Access Options:* Laserfiche Web Access or Laserfiche Forms is required for any/all mobile access options. Web Access Light & Laserfiche Mobile are both options for providing mobile access to your Laserfiche solution:

- **Web Access Light:** Designed for Blackberry, Chrome, Opera and Safari mobile browsers, offers a lightweight Web interface for popular mobile devices, enabling users to search and retrieve documents, as well as approve documents and participate in workflow automation processes, while away from their desktop computers.
- The **Laserfiche Mobile iPhone app** takes advantage of the iPhone's touch screen, gesture recognition and high resolution interface to provide users with an immersive experience. Features include:
  - Create and upload new content with the iPhone camera.
  - Automatically crop, straighten and enhance captured information, with full text recognition.
  - Copy, move, rename, download, e-mail, print or delete content.
  - Browse for documents in a folder structure or search the entire repository
  - Participate in workflow automation processes by accessing metadata fields.
  - Interaction with Laserfiche Forms
- The **Laserfiche Mobile iPad app** gives employees the ability to securely view and update content from wherever they are. Features include:
  - Provides secure access to documents and metadata
  - Enables users to create and upload new documents
  - Participate in Workflows on the go
  - Interaction with Laserfiche Forms
- **Laserfiche Mobile for Android** allows you to :
  - Search across all documents in a repository
  - Pan, zoom, rotate, and easily access metadata while working with a document in the Document Viewer
  - Quickly create and upload new documents from your device's camera, images in your device's gallery, and files stored on your device
  - Full support for Laserfiche Business Processes, including starting business processes and viewing their details
  - Use personal libraries to create task lists or group related entries to make working with them faster and easier
  - Add, edit, and view entry metadata
  - Copy document text for use in other apps
  - Process, clean up, and compress captured documents for easier viewing
  - Capture the geographic coordinates of an image to allow linking documents to their mapped location
  - View and export PDFs and other electronic documents
  - E-mail document or folder links to colleagues
  - Manage documents using copy, move, rename, print, and delete
  - A variety of security options keep documents secure in Laserfiche and on your device
  - Widget lets you quickly upload new documents and images
  - Interaction with Laserfiche Forms

- **Laserfiche Sharepoint Integration:** The Laserfiche and SharePoint Integration (LfSPI) is built on the power of Laserfiche Web Access (Therefore Web Access is required for the Laserfiche Sharepoint Integration), a Section 508-compliant thin client that reduces installation, support and maintenance requirements.
- **Laserfiche Plus™** Laserfiche Plus allows the information stored in a Laserfiche repository to be portable. Laserfiche documents published by Laserfiche Plus can be viewed by anybody, regardless of whether they have Laserfiche installed. If these portable Laserfiche documents are sent to a company or site that already has Laserfiche installed, then that organization can also choose to attach those documents to their repository. This software prepares a copy of the Laserfiche files (images, text, electronic files, annotations, templates and field data) for burning directly to your removable media or to a temporary directory. Choosing to publish to a temporary directory allows you to write it to your removable media at your convenience.
- **Laserfiche E-Mail Plug-in™** allows instant electronic document distribution via standard MAPI-compliant e-mail applications. This feature is automatically included in every Full User and Retrieval User license purchase.

#### *Workflow Process Automation, Collaboration, and Tracking*

- **Laserfiche Workflow:** Enables organizations to automate standard, collaborative business processes, such as approvals or routing based on conditions. The software transforms your static Laserfiche repository into a dynamic content management solution that ensures your business processes are performed consistently and efficiently. Additionally, Workflow can be used for database integrations, and to improve consistency with how records are filed in Laserfiche.
- **Laserfiche Digital Signatures:** Laserfiche allows users to sign briefcases when exporting as well as documents stored in Laserfiche. These are two separate applications of digital signatures. Signing a briefcase file embeds the signature in the file along with the certificate associated with the signing key. The full certificate chain is embedded. This allows users to prove who created the briefcase and that the briefcase was not tampered with. Digitally signed briefcases may, but do not necessarily contain digitally signed documents. Digital signatures can be applied to documents stored in Laserfiche. The digital signatures are stored as metadata and are preserved when exporting a document in a volume or briefcase (whether or not the briefcase was itself signed).
  - Users can digitally sign a document in the Laserfiche Client or Web Access to indicate their approval. Documents can also be countersigned by another user, which indicates approval of the document and the existing signature. Multiple signatures and countersignatures can be applied to a single document.
  - Digital signatures are validated with signing certificates on the server and the repository, which verifies that a signature on a document is trustworthy. A signature becomes invalid if the certificate is expired or if a document has been modified since the signature was applied. Signature certificates are managed through the Laserfiche Administration Console or Web Administration Console. As a pre-requisite, the organization must have Digital Certificates set-up on the network, prior to implementing Laserfiche Digital Signatures.
- **Laserfiche Audit Trail Modules:** Three levels of audit reporting to address your specific regulatory compliance and security needs.

- The *Starter Edition* tracks basic events that occur in the repository and that involve accessing, modifying or exporting data. Basic events include creating, editing, printing or deleting documents, creating annotations, and assigning metadata.
- The *Standard Edition* builds on the Starter Edition by tracking additional security- and access-related events. This edition can also track unsuccessful attempts to perform an action, such as failed attempts to access or print documents.
- The *Advanced Edition* meets the needs of organizations in the most highly regulated environments. It includes all the functionality of the other two editions, and also tracks many more events including password changes, the creation or modification of users and groups, and changes to repository-wide settings. It can also track all the searches users perform, require users to enter reasons for performing certain actions, and automatically add watermarks to printed documents.

#### *Electronic Forms*

- Laserfiche Forms allows organizations to create Web forms for collection and processing information electronically.
- Laserfiche Forms has flexible design options to meet your organization's needs. You can:
  - Create custom forms from a library of field or selection elements.
  - Apply preset or custom themes, including page logo, colors, buttons, fonts, and more.
  - Configure form elements to dynamically be displayed or hidden depending on user inputs or to be populated with data from external data sources.
  - Automate business processes for form data to follow, such as decision-making, emailing, or approvals.
  - Create custom form layouts and dynamic behaviors with CSS and JavaScript.
- Role-based security is included to allow and restrict access to necessary functions for form submitters, reviewers, approvers, form creators, and system administrators.
- Reporting tools allow different views of details on submitted forms such as:
  - User view of details about all submitted forms.
  - Approver "dashboard" of submissions awaiting approval.
  - Administrator views of all submissions by form and approval status.
- Forms can be used internally or externally (with the appropriate licensing). Publication options include login to forms system, public URL, secure URL, or embedded into a Web page.
- Submitted data can be exported for further analysis or distribution.
- Submitted forms can be utilized to initiate an email notification or start a workflow rule within Laserfiche.

#### *Laserfiche Integration Plug-Ins*

- **LF Integrator's Toolkit:** Provides the tools & documentation necessary for customizing Laserfiche, and integrating Laserfiche with other applications.
- **Third Party Integration Plug-Ins:**
  - *DataNow Affinity Integration* – DataNow Affinity brings the power of Laserfiche document management to the applications you use most. Document searches can be reduced to a single click of a button. New documents can be added to your Laserfiche repository without manually entering template field values, file names, or folder locations. Laserfiche Connector truly makes Laserfiche feel like part of your business software.
  - *Laserfiche Connector Integration* – Laserfiche Connector provides a streamlined experience for integrating Laserfiche with line of business applications such as CRM and ERP systems.

- Laserfiche Connector integrates easily through user-defined hotkeys and embedded icons. Laserfiche Connector allows:
- Searching the Laserfiche repository based on fields from third-party applications such as CRM and ERP systems. Both basic and advanced searching is supported. If only one result is found, the document will automatically open in the Laserfiche Client, Laserfiche Web Access or Laserfiche WebLink.
  - Launching Laserfiche Scanning and automatically populating metadata for the scanned documents with information from a third-party application.
  - Connecting two applications by allowing one of them to start the other (including the ability to pass parameters between them).
  - Choosing whether any of the above actions are activated from a keyboard shortcut, a button embedded in the application's title bar, or both.
- *RatchetX Integration* – RatchetX is a configurable and robust middleware integration tool for Laserfiche. With a single click of a button, new documents can be added to Laserfiche from another application, and users can search Laserfiche directly from the applications they use most. RatchetX is unique in regards to the robust toolset it provides for accessing data from other applications (even the toughest proprietary systems), for use configuring the most common ECM integrations: Indexing, importing/scanning, and executing search queries. In addition, RatchetX provides the capability to create custom integration activities, such as populating a record in another system from the data extracted during the intake process in Laserfiche, or looking up a record in another system from the Laserfiche interface itself (Bi-directional Integration).
  - *LF Integrator GP* – LF Integrator empowers Great Plains users to scan, search and link supporting documents in Laserfiche document management applications directly from the Great Plains menu bar. Link the document and workflow management power of Laserfiche with your current Great Plains implementation.
  - *LF Integrator AutoCAD* – LF Integrator for AutoCAD allows you to store AutoCAD drawing files or associated documents in Laserfiche, including embedded cross reference files, directly from the AutoCAD menu. Launch Laserfiche scan or search modules using the drawing file for template or search criteria, or create a Laserfiche document template using the fields from any AutoCAD drawing title block with a single click.
  - *GeoDocs: GeoDocs™* is a web-based software that seamlessly integrates ESRI ArcIMS (soon to be ArcGIS Server) and Laserfiche. Utilizing robust search capabilities, users of GeoDocs can access digital documents stored in a Laserfiche repository from within the web-based GIS program and vice versa, access spatial information stored in a GIS from within the Laserfiche web client.
  - *ImageSign for Laserfiche* – ImageSign for Laserfiche allows you to digitally sign documents inside of Laserfiche securely. There are also options for utilizing external signature pads to allow customers & external users to electronically sign documents.  
\*Created & supported by MCCi only.
  - *LT Systems Laserfiche Integration* – LT Systems Laserfiche Integration allows users of the LT Systems Court solutions to archive court related documents into Laserfiche. Users can launch Laserfiche scan or searching windows from LT Systems and bring data and documents directly into Laserfiche while capturing metadata in LT Systems.  
\*Created & supported by MCCi only.

When you become a client of MCCi, you gain much more than just a new product. You gain a relationship between our staff and your organization to make your product implementation successful and the usage of your product an enjoyable experience. In order to make this possible, MCCi offers both Proactive and Technical Support.

#### *PROACTIVE SUPPORT*

MCCi assigns each account with a Regional Account Executive and an internal Account Manager Team. You will have already worked with your Account Executive in the pre-project phase and they will continue to support you. Your Account Executive will provide a local presence and contact information should local meetings be necessary. The Account Executive also assists in pre implementation processes.

Your Account Manager will assist in managing ongoing support through the life of the product. MCCi believes in a proactive support methodology and it is the Account Managers' role to insure this ongoing communication with clients. Your Account Manager will be in touch throughout the year to discuss optimal system usage and ensure client satisfaction. Items discussed may include, but are not limited to:

- Identify any needs that could easily be addressed with the current system.
- Provide resource for question and answer, best practices, how other customers are using the system with use of documented case studies, Listservs, support center, etc.
- Provide continued education for existing and new users within the organization through the use of webinars, seminars, workshops, users group, and more.
- Annual review of current system configuration
- Dedicated sales support staff for pricing inquiries and budgetary information
- Annual support renewal notification to ensure your renewal process is timely and accurate

#### *Educational Resource Definitions*

- **Case Studies** – MCCi works with our clients to put together narrative accounts of specific usages of MCCi solutions in their organization. Specific departments, document types, integrations, etc. are noted to allow other users to learn from the information.
- **MCCi Listserv** – MCCi has created a Listserv for specific types of system customers. A Listserv is a creative use of e-mail, which provides a means for End Users to share information on a common interest. Members are able to communicate with peers thru a single e-mail. Uses of the Listserv may include fielding requests about system usage, as well as best practices.
- **Support Center** – This resource is a compilation of white papers, best practices, and information for system users all in one location. Through the support center, users can also submit and check the status of their support tickets.
- **Webinars** – MCCi conducts monthly webinars on different topics promoting more efficient system usage. User webinars are also offered on more specific topics related to products, concepts, departments, etc. regarding the usage of your system. These are done through the web and are a convenient way of staying informed on the newest technologies available.
- **Seminars** – MCCi conducts seminars on different topics to help educate new and existing end users throughout the year. They are usually located at a host site of an existing customer. These can also be offered at current client's locations to invite departments to learn more regarding their current system.
- **User Groups** – MCCi offers annual user groups to keep end users trained on the newest versions and products. These are geared to both users and administrators of the system.

*TECHNICAL SUPPORT*

The Laserfiche Software Assurance Plan (LSAP) helps preserve your investment and extend the benefits of your original purchase by providing you access to the assistance needed to ensure that you maximize system uptime. You have access to a toll free line to call for technical support or submit tickets online through our support center. When you subscribe to the LSAP you receive the following benefits:

- 100% upgrade credit for your existing software (in the event of an upgrade)
- Free software updates for your current system
- 24-hour FTP and website access which includes the MCCi Online Support Center
- Technical bulletins and newsletters

*TRAINING CENTER*

MCCi's Training Center provides an easy, cost-effective way to provide Laserfiche training to all users in your organization. An annual subscription allows access to our online course offering of over 200 training videos. The Training Center is home to video categories such as Laserfiche Administration, Laserfiche Client, Workflow, and Tips & Tricks. All videos use instructor descriptions from Laserfiche Certified Professionals. The Training Center provides the following benefits:

- 24/7 access to on-demand Laserfiche training videos and other resources
- Reduction in training expenses
- Caters to all skill levels from Basic Users to Advanced System Administrators
- Unlimited access for your entire organization
- User determined schedule and pacing
- Reduction in internal support
- Increased efficiency through improved internal usage/adoption
- Instant/budgeted training available in the case of employee turnover
- Enhance your organization's internal Laserfiche training program
- Increased user productivity

*PROFESSIONAL SERVICES ANNUAL PACKAGES*

MCCi Managed Services or MCCi Laserfiche Administration Services are strongly encouraged to be included with every support renewal.

*MANAGED SERVICES*

MCCi's Managed Services package provides ongoing additional training and assistance to a client's Laserfiche administrator and users. Pricing is based on MCCi's Systems Engineer hourly rate discounted by 10% through purchasing an advanced block of services per year based on the products purchased. MCCi Managed Services is an annual package and will expire on the same date as your SAP plan. Managed Services can be used for the following professional services/benefits:

- **Additional Training** – additional training, via web conferencing, can be conducted to train new users on the use of the system or as refresher training for existing users.
- **Additional System Set Up Consultation** – MCCi offers additional consultation that includes recommendations on best practices for adding additional departments, additional types of document etc. to your current system.
- **Remote Implementation of Software Updates** – While the standard SAP plan covers free updates for software, implementation of those updates is sometimes overlooked. With the addition of our Managed Services, MCCi is at your service to directly assist in implementing software updates such as minor updates, quick fixes or point releases. Dependent on complexity and client specific configurations, major software upgrades may or may not be covered and should be discussed with your Account Management Team.
- **Annual System Review & Analysis** – Upon request, MCCi will access your system to review and analyze how your organization is using the system, identify discovered potential problem areas and make recommendations for better use of the system. This analysis is designed to be implemented 6 months after the initial Software installation, and should be performed annually after that date. This is an optional service that will be completed only if requested by the Client.
- **Remote Access Support** – Remote Access Support allows our helpdesk staff to access your machines remotely to resolve problems faster. The use of Remote Access Support saves you both time and money by reducing the delays in resolving software issues without costly onsite visits.
- **Laserfiche Certifications** – First priority offering of complimentary Laserfiche certifications on an as available basis.
- **Laserfiche Conference Registration** – First priority offering of complimentary Laserfiche Annual Conference registration on an as available basis.

*\*Please see our Workflow Configuration Training section for information on Workflow Managed Services.*

MCCi does provide continued technical support for all MCCi applications. Technical support is provided via email or telephone during normal business hours of 8:00 a.m. to 5:00 p.m. local time in the Continental U.S. Clients can designate several individuals who are to be the technical support contacts. Those individuals may contact MCCi at any time for technical support. There is no limit on the number of technical support calls that can be made. Adjustments in annual support rates may be made to coincide with current U.S. inflation rates.

LASERFICHE ADMINISTRATION SERVICES

MCCi's Laserfiche Administration Services package is for clients who need a Laserfiche administrator, or additional Laserfiche administration/implementation services. Pricing is based on MCCi's Project Manager hourly rate discounted by 10% through purchasing an advanced block of services per year, based on the products purchased. MCCi's Laserfiche Administration Services is an annual package and will expire on the same date as your SAP plan.

*MCCi Responsibilities*

- Provide all that is included with MCCi Managed Services Package
- Provide a dedicated Laserfiche certified professional
- Laserfiche Administration services
- Configuration of basic Laserfiche filing workflows
- Configurations of Laserfiche Forms using off the shelf features

*Client Responsibilities*

- Configuration of backups
- Configuration of any general network, security, or operating system settings outside of Laserfiche
- Providing an IT contact (internal or 3<sup>rd</sup> party) for MCCi to work with as necessary
- Providing remote access capabilities as needed. Client also agrees to be present and monitor MCCi technical resources during any configuration changes. If the client requests MCCi to have unattended access, the client assumes all responsibility for the related remote access session(s)

*\*For complex Forms, Workflow, and Transparent Records Management configurations, please discuss a Business Process Configuration Service with your Account Executive*

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## HARDWARE REQUIREMENTS

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MCCI will provide necessary consultation upon request, as to the compatibility of current hardware with the Laserfiche System. Changes and recommendations will be made at the time of consultation. See system requirements below. Please keep in mind that these are the minimum system requirements as recommended by MCCI, and should be considered independently rather than collectively. Additionally, overhead for virtualization has not been factored in to these requirements.

MCCI does not recommend any version of Windows that is approaching or is beyond the "End of Extended Support Date" specified by Microsoft.

### *Scanning Station PC*

OS	Windows 8 (32 or 64), Windows 7 (32 or 64), Windows Vista
CPU	2.8 GHz processor or faster
Memory	2 GB RAM or more
Communications	TCP/IP
Web browser	Internet Explorer 6.0 or higher

### *Client*

OS	Windows 8 (32 or 64), Windows 7 (32 or 64), Windows Vista
CPU	1 GHz Processor or better, Performing OCR: Dual Core 2.8 GHz or faster processor
Memory	1 GB RAM or more, Performing OCR: 2 GB RAM
Communications	TCP/IP
Web browser	Internet Explorer 6.0 or higher

### *Batch Processing Quick Fields Machine*

OS	Windows 8 (32 or 64), Windows 7 (32 or 64), Windows Vista, Windows XP Professional (Service Pack 3 or later)
CPU	2.8 GHz Processor or better, Performing OCR: Dual Core 2.8 GHz or faster processor
Memory	4 GB RAM or more
Communications	TCP/IP
High Volume Recommendation	Windows 7 x64 with 8 GB RAM, Intel Core 2 Duo Processors 3.33GHz

### *Laserfiche Application Server*

OS	Windows Server 2012 R2, Windows Server 2012, Windows 2008 R2, Server 2008 (Service Pack 2 or Higher)
CPU	Quad-Core Processor, 2.5 GHz Processor or better
Memory	4 - 8 GB RAM
Communications	TCP/IP

## HARDWARE REQUIREMENTS

### Image/File Server Storage

Typical usage factoring is 18,000 black/white standard size Images per GB. Clients typically use a Network Attached Storage (NAS), Storage Area Network (SAN), or a Local Storage Device.

### Database Management System

Avante SQL or Rio SQL	SQL Server 2012, SQL Server 2008 R2 Standard, Microsoft SQL Server 2005 (Service Pack 3 or later), Oracle 9i Release 2 (9.2.0.8+), Oracle 10g (10.2.0.4+), Oracle 11g (11.1.0.6+). For MSSQL, MCCI recommends storing the MDF and LDF on different drives. Growth of MDF to 10% – 15% and Log to 5% to 10% of cumulative Laserfiche Volume size is anticipated.
Avante SQL Express	Microsoft SQL Server 2008 Express Edition
	*Note: Oracle or Microsoft SQL Server must be purchased separately. You must additionally purchase enough licensing for your DBMS to support your Laserfiche installation.

### Laserfiche Workflow Server

OS	Windows Server 2012 R2, Windows Server 2012, Windows 2008 R2, Server 2008, (Service Pack 2 or Higher)
CPU	4 Core Processor, 2 GHz Processor or better
Memory	4 GB RAM
Communications	TCP/IP

### Laserfiche Audit Trail Server

OS	Windows Server 2012 R2, Windows Server 2012, Windows 2008 R2, Server 2008 (Service Pack 2 or Higher)
CPU	Dual Core Processor, 2 GHz Processor or better
Memory	2 – 4 GB RAM
Communications	TCP/IP
Local Storage	C:\ Drive with 40GB or greater available

### Web Module Server(s)

Required if	Installing "Web Access" or Public Portal- Weblink"
OS	Windows Server 2012 with IIS 8, Windows Server 2008 R2 with IIS 7
CPU	Dual Core 2.8 GHz or faster processor
Memory	2 GB RAM or more
Viewer	Web Browser (minimum versions): Laserfiche Web products operate most efficiently when using Internet Explorer 9. Other supported browsers are Firefox, Safari and Chrome

## HARDWARE REQUIREMENTS

<p><b>Note</b></p>	<p>Clients are responsible for any additional security protocol setup/associated fees that are required to provide internal/external web access. An example would be setting up "Kerberos" for thin client active directory authentication, or setting up VPN access to allow Laserfiche's iPad/iPhone applications to connect through the Web Access server.</p> <p>Laserfiche Public Portal – Weblink Per Processor (Unlimited) licensing specifics: The Public Portal License allows unlimited connections per processor, however a large number of connections may affect the Laserfiche application server performance (one processor can handle roughly 100 to 150 concurrent retrieval connections). The client must have one Public Portal License for each Laserfiche application server they desire to connect to, and the Public Portal license must be licensed by the appropriate number of processors, which is required to match or exceed the CPUs/processors on the Laserfiche application server that the Public Portal will connect to. For example, the client must have a dual-processor or multiprocessor Public Portal license in order to connect to a Laserfiche Application Server that has two or more processors. Public Portal View Only Licenses may only be used with Weblink; they are not available for other applications.</p>
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### OCR Scheduler for Laserfiche

OS	Windows Operation Systems: 32 & 64 bit
Requirements	Laserfiche Version 8 Server (runs as a service), Laserfiche Version 8 Client.
Recommendation	1 dedicated LF Named User license

### Scanners

<p>Must use ISIS drivers to be compatible with Laserfiche ScanConnect software. Scanner compatibility should be confirmed by referencing the most up to date Laserfiche published supported scanner list at: <a href="http://laserfiche.com/static/Resources/scanlist.html">http://laserfiche.com/static/Resources/scanlist.html</a>.</p>
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### Laserfiche Forms

Laserfiche Server	Version 8.3.2 or higher, Avante or Rio licensing model
Web Server	Windows Server 2008 or Windows 7 with IIS 7 or 7.5, Windows Server 2012
CPU	2.9 GHz or faster processor
Memory	8 GB RAM or more
Database Server	Microsoft SQL Server 2008, 2008 R2, and 2012, and 2012 R2
Client	Laserfiche Forms can be viewed in Chrome, Firefox 3.5 and higher, Internet Explorer 7 and higher, Opera, and Safari (Mac only). It also support mobile browsing from iPad 2 and higher. For best results we recommend using Internet Explorer 9 or higher, Firefox 12 or higher, or Chrome 6 or higher
Note	Internet Explorer 7 users should install Microsoft security update 947864 (MS08-024)

The terms of this agreement shall remain in force and effect for a period of ninety (90) days from the date appearing below, unless accepted by the Client.

Submitted by: **MCCI, a Limited Liability Company**

Date: **June 1, 2015**

By: \_\_\_\_\_  
(Signature)  
\_\_\_\_\_  
(Printed Name & Title)

Noted Items Accepted by: **CITY OF PALATKA, FL**

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

By: \_\_\_\_\_  
(Signature)  
\_\_\_\_\_  
(Printed Name & Title)

MCCI, a Limited Liability Company and subsidiary of MUNICIPAL CODE CORPORATION, which is duly organized and existing under the laws of the State of Florida, hereinafter referred to as MCCI, hereby offers the Laserfiche Software & Services according to the following terms and conditions.

#### LASERFICHE SOFTWARE UPGRADE

When software is upgraded, the old copy of the software must be returned and will no longer be a valid copy. Proof of previous purchase is required to receive upgrade. Upgrade credit applied towards new purchase is 100% of original software purchase price. The difference between the new system (server, full and retrieval users) price and the old system (server, full and retrieval users) price must be greater than or equal to 10% of the new system price. Otherwise, a minimum software upgrade adjustment will be applied to comply with the 10% price difference requirement. One year of LSAP must be purchased for new products when upgrading. LSAP of the original product will not be credited. However, remaining months of LSAP can be applied towards the new purchase of one year of LSAP for the new products. To receive software credit for prior versions of software, the client must have an active LSAP (support/maintenance, that has not expired).

#### SOFTWARE ASSURANCE PLAN (SAP)

MCCI is your VAR of Record therefore is the sole provider of additional Laserfiche Software and your Laserfiche Software Assurance Plan renewals. Software Support is provided by MCCI and the manufacturer. MCCI acts as 1st tier support and works with the manufacturer at a 2nd tier level when needed. MCCI's Software Assurance Packages include: Access to software point release updates, Telephone or E-Mail support for software related issues, 24-hour FTP and web site access, technical bulletins and newsletters. Adjustments in annual support rates may be made to coincide with current U.S. inflation rates - any increase will not exceed the cumulative increase in the Consumer Price Index (CPI) occurring since the last price increase. Annual support payment is due in advance of the date of renewal. Reinstatement fees may apply if payment is received more than 30 days after the date of renewal. Any updates requiring shipment of software require Client to pay shipping costs.

Customers may contact MCCI support via MCCI's Online Support Center, email ([support@mcciconsultants.com](mailto:support@mcciconsultants.com)), or telephone 866-942-0464. Support is available Monday-Friday (excluding major holidays) from 8:00 a.m. - 5:00 p.m. local time in the Continental U.S. .

#### LASERFICHE RIO SHARED SERVICES PROVISIONS

The host entity is the owner of the Laserfiche licensing and registered as such with MCCI and Laserfiche corporate. For Laserfiche corporate licensing rules, there can only be one licensed entity per Laserfiche Rio Platform. Licensing is non-transferable. Additionally, the Host Entity is responsible for cost allocation among the other entities that are utilizing its Laserfiche Rio Platform, and for being the main point of contact for support provided through MCCI.

#### SERVICE LEVEL AGREEMENT (SLA)

MCCI's SLA is offered in addition to the Software Assurance Package. It is required in some circumstances, and offers the customer escalated response times depending on the severity of the support issue, as well as extended support hours and many other additional benefits. The SLA documentation is readily available upon request.

#### MCCI SOFTWARE CUSTOMIZATIONS

The customer may elect to contract with MCCI to customize the standard software. As standard software is upgraded, any customizations performed will require support in the form of updating through our Integration Support Assurance Program (ISAP). ISAP must be current to receive updates to the integration at no additional charge. Otherwise current hourly rates will apply.

Upgrades to existing programs, or the acquisition of new programs from vendors other than MCCI, may have an effect on customizations made to the software by MCCI. MCCI will not be held responsible if upgrades or changes made by the customer or another vendor or application preclude the operation of MCCI's customizations.

#### TEST/EVALUATION SOFTWARE

Purchases of test and/or evaluation software are based on access time periods needed rather than perpetual software licensing.

#### CLIENT SOFTWARE CUSTOMIZATIONS

The client may also choose to customize their software internally, without MCCI's help. MCCI is not responsible for any damages caused by the user's customization of the software. MCCI will not be held responsible for correcting any problems that may occur from these customizations. Routine updates to the software may affect any customizations made by the user. If MCCI's help is required to correct/update any customizations made by the client, appropriate charges will apply.

#### HARDWARE

MCCI does not support any hardware as part of this contract. If hardware is purchased through MCCI, the client is required to obtain the appropriate warranty and work directly with the manufacturer in regards to hardware support.

#### CLIENT INFORMATION TECHNOLOGY ASSISTANCE

In order for MCCI to excel in customer service, the client must provide timely access to technical resources. The client must provide adequate technical support for all MCCI installation and support services. If the client does not have "in-house" technical support, it is the client's responsibility to make available the appropriate Information Technology resources/consultant when needed.

#### SOFTWARE INSTALLATION

MCCI will install all software outlined herein. If additional software is needed to bring the site up to specifications, customer will be billed accordingly.

#### SITE PREPARATION

The Client site should be ready for installation according to specifications outlined within the Hardware section. If site is not prepared and results in cancellation, delays, or rescheduling of an installation after MCCI has made travel arrangements, the client may incur expenses due to circumstances such as non-refundable airline tickets, training/install charges, hotel reservations, rental cars, etc.

#### ADDITIONAL SERVICES

As an additional service/product under this contract, MCCI and MCCI can provide the following:

- Electronic Agenda and Legislative Management (Legistar). MCCI offers Legistar Software and related services which provides electronic automation and creation of Agendas.
- Electronic Agenda and Legislative Management (Legistar). MCCI offers the Granicus Legislative Management Suite (Legistar) and related services which provides electronic automation and creation of Agendas and Minutes. Legistar is also integrated with Laserfiche.
- Scanning and Digital Conversion Bureau. MCCI offers scanning, indexing and integration of hard copy documents, microfilm/microfiche, with Laserfiche Software to provide the Client with the most powerful index retrieval search engine available.
- Contract Management Software (Contract Assistant). MCCI offers the Contract Assistant Software (developed by Bluebridge Software) which is a solution designed to provide control and automation of the contract management process, while also offering Laserfiche integration options.
- Open Records Request Solution (JustFOIA). MCCI offers its JustFOIA solution to help agencies track Open Records Requests. JustFOIA is a hosted solution that is user friendly, affordable, and integrated with Laserfiche ECM.
- Code Supplement and Codification Services (MuniCode). Municipal Code Corporation offers supplementation of existing Codes, Codification of Ordinances and Recodification of existing Codes. Our optional services include legal review, republishing, editorial and index work and electronic options (CD, Internet).
- Utility Billing Services (MuniBill). MCCA advantage offers billing, statement and remittance processing services as an additional benefit under this agreement. MCCA Advantage, a subsidiary of MCCI, can provide the client with design, printing and mailing services for customer billing/statements of all types. These services also include remittance payment options, software and other billing solutions.

#### AGREEMENT EXTENDED TO OTHER GOVERNMENTAL UNITS

MCCI agrees to allow any other Government agency to purchase items, at the same terms, conditions and pricing as this contract during the period of time that this contract is in effect. Minor changes in terms and conditions may be negotiated by MCCI and participating Government agencies. Any orders issued against this agreement shall be the sole responsibility of the Government agency placing the order. It is understood that the Client shall incur no financial responsibility in connection with any purchase by another Government agency.

#### TRAVEL EXPENSES

If the client cancels or reschedules an installation after MCCI has made travel arrangements, travel expenses may be incurred due to circumstances such as non-refundable airline tickets, hotel reservations, rental cars, etc.

#### LIMITED LIABILITY

In no event shall MCCI's total liability to the client exceed the project fees paid to MCCI by the client.

#### FORCE MAJEURE

Neither party shall be liable for any delay or failure in performance due to causes beyond its reasonable control.

#### CLIENT FINANCIAL SOLVENCY/BANKRUPTCY

MCCI may require payment in advance for products and services in response to learning of financial solvency or bankruptcy issues.

#### NO HIRE CLAUSE

Client and MCCI agree that during the period that this agreement is in force, including extensions or modifications thereto, and for an additional 12 months following this period, neither Client nor the MCCI will actively recruit, or solicit employees or independent contractors of either company, or the employees of any of the other subcontractors who are on active payroll status and are currently participating in this Program, without the prior written approval of the party whose employee or independent contractor is being considered for employment. This does not prohibit any employee from responding to or pursuing employment opportunities through normal media channels, i.e. newspapers, professional journals, etc., so long as it is not related to this particular program and that it is not an attempt to avoid the intent of the above restriction.

#### TERMINATION

If, during the term of, or within (12) months after the termination of the performance period of this agreement, client hires directly, or indirectly contracts with any of MCCI's personnel for the performance of systems engineering and/or related services hereunder, client agrees to pay MCCI 125% of the fees paid to, or in favor of such personnel for one (1) year after such personnel separates from service with MCCI.

#### THE SERVICES

The services provided in this agreement will be in full force and effect for a period of three (3) years from the date of shipment of the completed product to the organization. Thereafter, this agreement will be automatically renewed from year to year, provided that either party may alter or cancel the terms of this agreement upon sixty (60) days' written notice.

*Agenda  
Item*

*3b*



**CITY COMMISSION AGENDA ITEM**

**SUBJECT:**

**Adopt Resolution No. 2015-11-36** authorizing the issuance of Special Events Permit No. 15-23 for the Palatka Independence Day/4th of July Celebration, to include permission to sell and consume alcoholic beverages on public right of way, permission to exceed allowable noise levels and authorizing closure of certain streets and other public riverfront park facilities - Adopt

**SUMMARY:**

The Arts Council of Greater Palatka, has made application for a Class A Special Events Permit for the Annual Independence Day/4th of July Celebration , which is scheduled for July 4, 2015 at the Riverfront Park. The Special Events Committee has met with the organizer. The resolution setting forth the parameters of the permit follows this summary page.

The 2015 permit includes the followings provisions:

1. Grant permission for the sale and consumption of alcoholic beverages within the Riverfront Park in an area bonded by Reid St on the north, N. & S. 2nd St and a line extending south of this street on the west, and the south end boundary boat ramp parking lot on the south (as shown on the site plan) from 5 p.m. until 10 p.m.
2. Grant permission to exceed allowable noise levels for live entertainment and fireworks on July 4, 2015 from 5 p.m. until 10 p.m. Fireworks will commence at 9:00 p.m.
3. Grant permission to close the following streets to vehicular traffic: St. Johns Avenue from Memorial Parkway to 2nd Street; and all of Memorial Parkway, and grant permission to close the boat ramp parking lot.
4. In addition to the Boat Ramp Parking Lot, the public boat ramp and city dock will be closed 24 hours prior to the event for set-up for public safety reasons.

**RECOMMENDED ACTION:**

**Adopt the resolution authorizing the issuance of Special Events Permit No. 15-23 for the 4th of July Celebration; setting forth terms and conditions of the Permit.**

**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Resolution	Resolution
<input type="checkbox"/> Special Events Permit No. 15-23 Arts Council of Greater Palatka "4th of July Celebraion"	Backup Material

**REVIEWERS:**

Department	Reviewer	Action	Date
Special Events	Crowe, Thad	Approved	6/1/2015 - 3:37 PM
City Clerk	Driggers, Betsy	Approved	6/2/2015 - 3:26 PM
City Manager	Driggers, Betsy	Approved	6/2/2015 - 3:26 PM
Finance	Reynolds, Matt	Approved	6/3/2015 - 1:45 PM

RESOLUTION NO. 2015 – 11 - \_\_

A RESOLUTION OF THE CITY OF PALATKA, FLORIDA, GRANTING A SPECIAL EVENTS PERMIT TO THE ARTS COUNCIL OF GREATER PALATKA FOR THE 4<sup>TH</sup> OF JULY CELEBRATION; SETTING FORTH THE PROVISIONS OF THE PERMIT; ALLOWING FOR THE CLOSURE OF CERTAIN STREETS TO VEHICULAR TRAFFIC; PROVIDING FOR CLOSURE OF THE CITY DOCK PARKING LOT, BOAT RAMP AND CITY DOCK 24 HOURS PRIOR TO THE EVENT; ALLOWING FOR SALE & CONSUMPTION OF ALCOHOLIC BEVERAGES; AND GRANTING PERMISSION TO EXCEED ALLOWABLE NOISE LEVELS.

WHEREAS, The city has hosted a Fourth of July fireworks event for many years in Downtown Palatka; and

WHEREAS, The Arts Council of Greater Palatka has made application to the City of Palatka for a special events permit for the 4<sup>th</sup> of July Celebration; and

WHEREAS, The City Special Events Committee has met with event organizers and all parties have reached an agreement as to the provisions of the issuance of the Special Events Permit; and

WHEREAS, the City Commission finds that the approval and issuance of the Special Events Permit as stipulated and described herein is in the best interest of the event organizers, the City of Palatka and its citizens.

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

**Section 1:** That Special Events Permit No. 15-23 for the 4<sup>th</sup> of July Celebration is hereby granted to the Arts Council of Greater Palatka with the following provisions and stipulations:

- a. Permit for Riverfront/Event Area is issued for July 4<sup>th</sup>, 2015 from noon until 10:00 p.m.
- b. Permission is granted to exceed allowable noise levels, July 4<sup>th</sup>, 2015, 3:00 p.m. – 10:00 p.m.
- c. Permission is granted for the sale and consumption of alcoholic beverages within the Riverfront Park in an area bounded by Reid St on the north, N. & S. 2<sup>nd</sup> St and a line extending south of this street on the west, and the south end boundary boat ramp parking lot on the south (as shown on the site plan) from 5:00 p.m. until 10:00 p.m.
- d. Closure of the following Streets is allowed on July 4<sup>th</sup> from noon until 10:00 p.m.: St. Johns Avenue from Memorial Parkway to 2<sup>nd</sup> Street; and all of Memorial Parkway.
- e. The City Dock, Boat Ramp and adjacent Parking Lot is authorized to be closed 24 hours prior to and throughout the duration of the event to allow for set up of the fireworks display and associated activities as a public safety measure.

PASSED AND ADOPTED by the City Commission of the City of Palatka, Florida, this 10th day of June, 2015.

CITY OF PALATKA, FLORIDA

By: \_\_\_\_\_  
Its Mayor

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
CITY ATTORNEY

# APPLICATION # 15-23

(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 SPECIAL EVENT

1. NAME AND ADDRESS OF APPLICANT/ORGANIZER

a. Arts Council of Greater Palatka

b. CONTACT PERSON Luke Taft TELEPHONE/CELL 386 972 4003

c. EMAIL luk@luketaft.com FAX # \_\_\_\_\_

2. ADDITIONAL CONTACT

a. CONTACT PERSON \_\_\_\_\_ TELEPHONE/CELL \_\_\_\_\_

b. EMAIL \_\_\_\_\_ FAX # \_\_\_\_\_

3. DESCRIPTION AND/OR NAME OF PROPOSED ACTIVITY Concert at Independence Day Celebration w/ beer & wine vending + snow cone vending

4. DATE & HOURS OF DESIRED USE: July 4<sup>th</sup> 3 PM - ~~9:30 PM~~ 10pm

5. PORTION FOR WHICH PERMISSION IS DESIRED (City Dock, Amphitheater, Gazebo, etc.)  
Riverfront Park

6. ROAD CLOSURES: Yes (see map)

7. REQUEST FOR NOISE VARIANCE (Dates and Times): Yes July 4<sup>th</sup> 5 - ~~9:30~~ 10 P.M.

8. REQUEST FOR ALCOHOL VARIANCE (Dates, Times, Location): Yes Riverfront Park 7/4/15 5pm - ~~9:30pm~~ 10

9. ESTIMATE OF ANTICIPATED ATTENDANCE 1500

10. NUMBER AND TYPE OF AUXILIARY VEHICLES/EQUIPMENT \_\_\_\_\_

11. ARTICLE IV SPECIAL EVENT ORDINANCE: FEES

a. CLASS A:  \$300.00- 40,000 - 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 and 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)

Applications will not be processed and events dates cannot be secured without accompanying application fee.

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

13. ATTACHED ITEMS.  Site Plan (To Include: Parking, Vendor Location, Street Closures, Garbage Containers, Parade/ March Route, Sound System(s) Location, Event Headquarters, and etc.)

Certificate of Insurance SEC 50-222 (See Attached Requirements)

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, invitee 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.

05/28/2015  
DATE

[Signature]  
SIGNATURE OF APPLICANT

**APPROVED:**  
[Signature] 06/1/15  
SPECIAL EVENTS COORDINATOR DATE

[Signature] 06-01-15  
CHIEF OF POLICE DATE

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

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



# CITY OF PALATKA PLANNING MEETING PRE-EVENT ASSESSMENT LIST

To be completed by Special Events Coordinator:

Meeting Date: 5/26/15 Special Events Coordinator: Thad Crowe

<input type="checkbox"/> Site Sketch Provided	Event Classification:	
<input type="checkbox"/> Tentative Schedule of Events	Class A	<input checked="" type="checkbox"/>
	Class B	<input type="checkbox"/>
	Class C	<input type="checkbox"/>

To be completed by applicant with typewriter or print legibly in dark ink.

Name of Special Event/ Production: 4<sup>th</sup> of July Celebration

Type of Event: ~~Art and Music~~ live music, beer & wine vending, & snow cone vending

Type of Event Activities (concerts, street dances, races, contests, competitions, regattas, arts/crafts displays, still motion picture production, etc. – attach separate listing if necessary)  
live music, fireworks, beer & wine vending, snow cone vending

Location of Event: Riverfront Park

Requested dates and time of events (not including set-up and break down):

	Date	Day	Begin	End
Event Day 1	<u>7/4/2015</u>		<u>5:00</u> AM/PM <u>PM</u>	<u>9:30</u> AM/PM <u>PM</u>
Event Day 2				
Event Day 3				
Event Day 4				

Set-up for event will begin on (Date) 7/4/15 at (time) Noon

Break down will be completed by (Date) 7/4/15 at (time) Midnight

Event Sponsor/Organization Arts Council of Greater Palatka

Name of Promoter: Luke Tarr Tax Exempt No.: \_\_\_\_\_

**Fee Worksheet (to be completed by Special Events Coordinator)**

<b>"Class A" Event</b> Daily Fees (see fee schedule) Security Fees @ \$23/hr/Officer Green Container Fees @ \$15/container Refundable Deposit \$500.00	<b>"Class B" Event</b> Daily Fees \$100.00/day Security Fees @ \$23/hr/Officer Green Container Fees @ \$15/container Public Works Employees @ \$14.00/hr (no charge during normal working hours)	<b>"Class C" Event</b> Daily Fees \$50/day Security Fees @ \$23/hr/Officer Green Container Fee @ \$15/container
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Special Events Permit Fees \$ \_\_\_\_\_ Per day X \_\_\_\_\_ Days \$ \_\_\_\_\_

Law Enforcement (City)  
Police Officer(s) \$ 23.00 Per hour X \_\_\_\_\_ Officers X \_\_\_\_\_ Hours \$ \_\_\_\_\_

Fire Personnel \$ 23.00 Per hour X \_\_\_\_\_ Hours \$ \_\_\_\_\_

Building Inspector \$ 23.00 Per hour X \_\_\_\_\_ Hours \$ \_\_\_\_\_

Public Works Services (only-no charge during regular working hours)

Public Works Personnel # Personnel \_\_\_\_\_ X \_\_\_\_\_ Hours @ \$23/hour \$ \_\_\_\_\_

Electrician Services (only-no charge during regular working hours)

Electrician Personnel \$ 23.00 Per hour X \_\_\_\_\_ Hours \$ \_\_\_\_\_

Sanitation Equipment Fee

# Green Roll-Out Containers \_\_\_\_\_ X \$15.00 Per Container \$ \_\_\_\_\_

Additional Charges (List)

\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_

**TOTAL SPECIAL EVENT FEES (Sponsor/Promoter)** \$ \_\_\_\_\_

To be completed and submitted by applicant prior to meeting with city staff.  
City staff will amend checklist as necessary.

- Estimated peak number of participants (each day of event):  
Day 1 1500  
Day 2 \_\_\_\_\_ Day 3 \_\_\_\_\_ Day 4 \_\_\_\_\_ Day 5 \_\_\_\_\_
  
- Type of special effects to include pyrotechnics, explosives, discharging weapons, hazardous materials and/or incendiary devices to be used: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- Number and location of fire protection services: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- Inspection(s)- date and time requested: (\$23/hour) \_\_\_\_\_  
\_\_\_\_\_
  
- Electrician services- date and time requested: (\$23/hour) 3:30 PM, July 4 \_\_\_\_\_  
\_\_\_\_\_
  
- Emergency medical services: ambulance locations(s) (note on site plan): \_\_\_\_\_  
\_\_\_\_\_
  
- Number of EMS personnel required: (\$23/hour) ~~3:30 PM, July 4~~ LT \_\_\_\_\_  
\_\_\_\_\_
  
- Number and location for portable toilets: (note location on site plan) \_\_\_\_\_  
\_\_\_\_\_
  
- Carnival location (if any) (note location on site map) \_\_\_\_\_
  
- Number of sanitation roll-out containers required (\$15/ container) \_\_\_\_\_
  
- Location of parking/transportation services, if any: \_\_\_\_\_  
\_\_\_\_\_
  
- Temporary parking, directional signage needed: \_\_\_\_\_  
\_\_\_\_\_
  
- Type transport vehicles (van, buses, etc.) \_\_\_\_\_
  
- Location of security and emergency vehicle parking on site: \_\_\_\_\_  
\_\_\_\_\_
  
- Public street barricades/street closures/detours: (note locations on site plan) \_\_\_\_\_  
\_\_\_\_\_

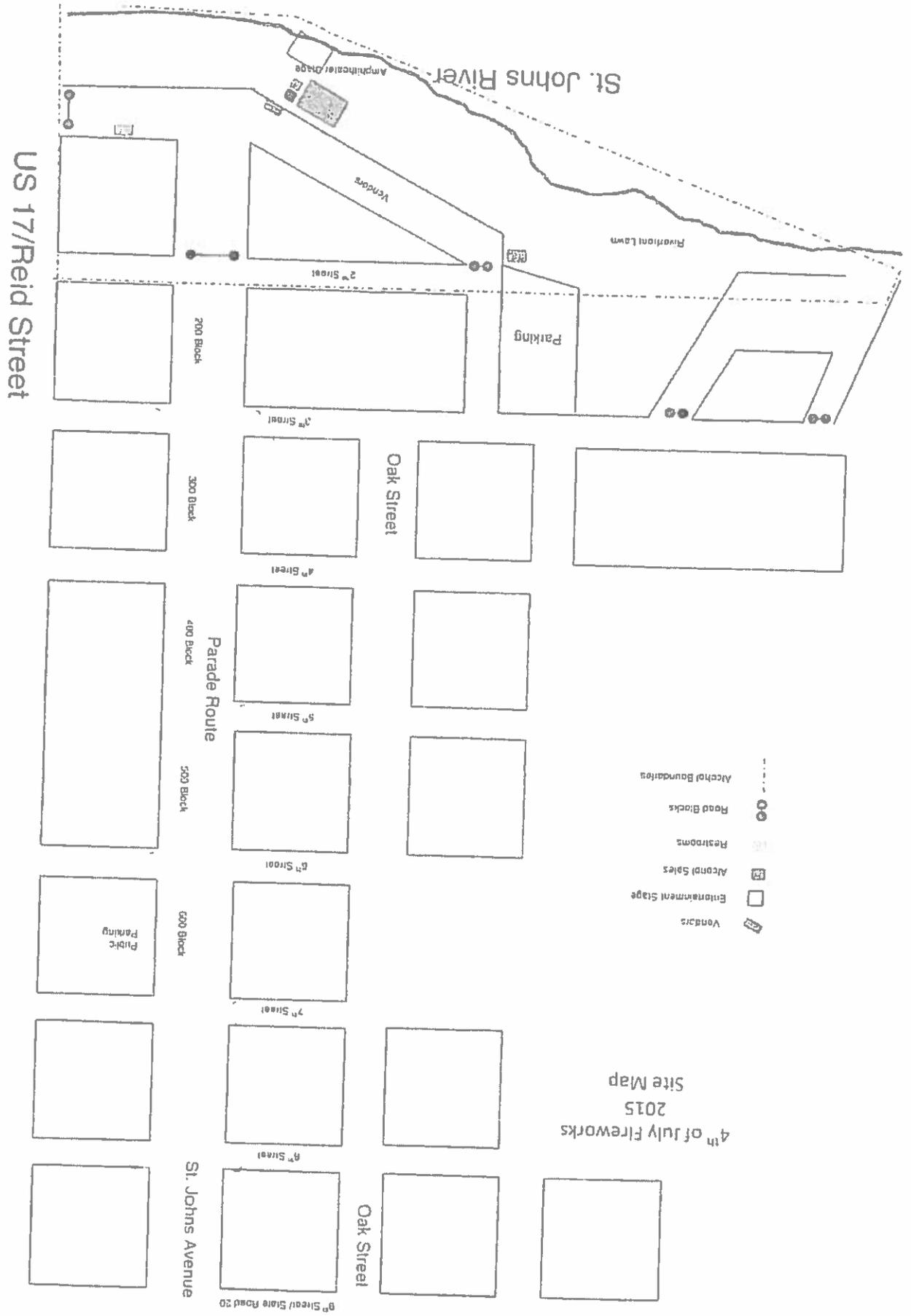
- Main emergency vehicle access to site (location-also note on site plan): See Map
- Location of temporary structures, fences, grandstands, bandstands, judges stands, bleachers, hospitality tents, booths, etc.: (note on site plan): See Map
- Number and location of arts and craft vendors, concessions and/or sponsor/promoter(s) stands (note on site map) See Map
- Number and location of food vendors (note on site plan): \_\_\_\_\_
- Staff/ volunteer uniform identification: \_\_\_\_\_
- Sound system(s) location: \_\_\_\_\_
- Number and location of special activities (launching areas, animal attractions, amusements, car shows, parade routes, and etc.): See Map
- Number and location of temporary signs/banners: See Map
- Number and location of promotional visual effects: \_\_\_\_\_
- Watercraft: \_\_\_\_\_
- Aircraft: \_\_\_\_\_
- Types & location of on-site advertising (banners, balloons, posters, flyers, inflatables, signs, etc.): \_\_\_\_\_

**Items Outstanding:**

- Site plan
- 501(C) (3) certificate of exemption
- Nonprofit articles of incorporation, charter and mission statement
- Consent letter (event property): property owners on which special event location is held (if not held on city property)

4<sup>th</sup> of July Fireworks  
2015  
Site Map

- Alcohol Boundaries
- Road Blocks
- Restrooms
- Alcohol Sales
- Entertainment Stage
- Vendors



*Agenda  
Item*

*3c*



**CITY COMMISSION AGENDA ITEM**

**SUBJECT:**

**Grant permission to exceed allowable noise levels for Special Events Permit No. 15-26 - Founder's Day, July 18, 2015 from 11:00 a.m. to 5:00 p.m. - To God Be the Glory Holiness Church, Applicant; Faye Word, Agent**

**SUMMARY:**

Faye Word has made application for this event at Booker Park. Although Class B special events can be approved by the Special Events Coordinator, this application contains a noise request due to the use of amplified music that must receive City Commission approval.

**RECOMMENDED ACTION:**

**Grant permission to exceed allowable noise levels during the event (Saturday July 18, 2015 from 11:00 a.m. to 5:00 p.m.).**

**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Special Events Permit 15-26	Backup Material

**REVIEWERS:**

Department	Reviewer	Action	Date
Special Events	Crowe, Thad	Approved	6/2/2015 - 10:57 AM
City Clerk	Driggers, Betsy	Approved	6/2/2015 - 2:28 PM
City Manager	Driggers, Betsy	Approved	6/2/2015 - 2:29 PM
Finance	Reynolds, Matt	Approved	6/3/2015 - 2:29 PM
City Clerk	Driggers, Betsy	Approved	6/3/2015 - 2:42 PM

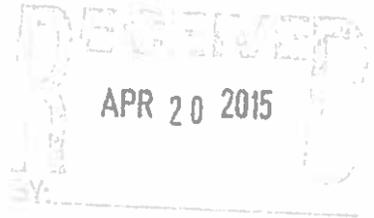
APPLICATION #15-26

(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 SPECIAL EVENT

1. NAME AND ADDRESS OF APPLICANT/ORGANIZER

a. To God Be the Glory Holiness Church
b. CONTACT PERSON Faye Ward TELEPHONE/CELL (386) 972-3671
c. EMAIL Wordfaye13@yahoo.com FAX #

2. ADDITIONAL CONTACT

a. CONTACT PERSON Linda Hall (Pastor) TELEPHONE/CELL (386) 546-4208
b. EMAIL FAX #

3. DESCRIPTION AND/OR NAME OF PROPOSED ACTIVITY

Founder's Day for our Decise Pastor (Keith Rowe) Reunite

4. DATE & HOURS OF DESIRED USE:

July 18, 2015 - 8am to 6pm

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

Booker Park

6. ROAD CLOSURES:

7. REQUEST FOR NOISE VARIANCE(Dates and Times):

July 18, 2015 11:00am to 5:00pm

8. REQUEST FOR ALCOHOL VARIANCE(Dates,Times,Location):

9. ESTIMATE OF ANTICIPATED ATTENDANCE

10. NUMBER AND TYPE OF AUXILIARY VEHICLES/EQUIPMENT

11. ARTICLE IV SPECIAL EVENT ORDINANCE: FEES

- a. CLASS A: \$300.00- 40,000 - 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 and 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)

Applications will not be processed and events dates cannot be secured without accompanying application fee.

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

13. ATTACHED ITEMS: [ ] Site Plan (To Include: Parking, Vendor Location, Street Closures, Garbage Containers, Parade/ March Route, Sound System(s) Location, Event Headquarters, and etc.)

[ ] Certificate of Insurance SEC 50-222 (See Attached Requirements)

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.





# CITY OF PALATKA PLANNING MEETING PRE-EVENT ASSESSMENT LIST

To be completed by Special Events Coordinator:

Meeting Date: 5/20/15 Special Events Coordinator: Thad Crowe

- |                          |                              |                       |                                     |
|--------------------------|------------------------------|-----------------------|-------------------------------------|
| <input type="checkbox"/> | Site Sketch Provided         | Event Classification: | <input type="checkbox"/>            |
| <input type="checkbox"/> | Tentative Schedule of Events | Class A               | <input type="checkbox"/>            |
|                          |                              | Class B               | <input checked="" type="checkbox"/> |
|                          |                              | Class C               | <input type="checkbox"/>            |

To be completed by applicant with typewriter or print legibly in dark ink.

Name of Special Event/ Production: Founder's Day

Type of Event: Memorial for Deceased Pastor "Dr. Ruth" Lowe  
Reaves

Type of Event Activities (concerts, street dances, races, contests, competitions, regattas, arts/crafts displays, still motion picture production, etc. – attach separate listing if necessary)

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Location of Event: \_\_\_\_\_

Requested dates and time of events (not including set-up and break down):

	Date	Day	Begin	End
Event Day 1	<u>7/18/15</u>	<u>Sat</u>	<u>11:00</u> <u>AM</u> / <u>PM</u>	<u>5:00</u> <u>AM</u> / <u>PM</u>
Event Day 2	_____	_____	_____ <u>AM</u> / <u>PM</u>	_____ <u>AM</u> / <u>PM</u>
Event Day 3	_____	_____	_____ <u>AM</u> / <u>PM</u>	_____ <u>AM</u> / <u>PM</u>
Event Day 4	_____	_____	_____ <u>AM</u> / <u>PM</u>	_____ <u>AM</u> / <u>PM</u>

Set-up for event will begin on (Date) July 18, 2015 at (time) 5am

Break down will be completed by (Date) July 18, 2015 at (time) 1pm

Event Sponsor/Organization \_\_\_\_\_

Name of Promoter: \_\_\_\_\_ Tax Exempt No.: \_\_\_\_\_

**Fee Worksheet (to be completed by Special Events Coordinator)**

<b>“Class A” Event</b> Daily Fees (see fee schedule) Security Fees @ \$23/hr/Officer Green Container Fees @ \$15/container Refundable Deposit \$500.00	<b>“Class B” Event</b> Daily Fees \$100.00/day Security Fees @ \$23/hr/Officer Green Container Fees @ \$15/container Public Works Employees @ \$14.00/hr (no charge during normal working hours)	<b>“Class C” Event</b> Daily Fees \$50/day Security Fees @ \$23/hr/Officer Green Container Fee @ \$15/container
--	---	--

Special Events Permit Fees      \$ 100 Per day X 1 Days      \$ 100

Law Enforcement (City)  
Police Officer(s)      \$ 23.00 Per hour X \_\_\_\_\_ Officers X \_\_\_\_\_ Hours      \$ \_\_\_\_\_

Fire Personnel      \$ 23.00 Per hour X \_\_\_\_\_ Hours      \$ \_\_\_\_\_

Building Inspector      \$ 23.00 Per hour X \_\_\_\_\_ Hours      \$ \_\_\_\_\_

Public Works Services (only-no charge during regular working hours)

Public Works Personnel      # Personnel \_\_\_\_\_ X \_\_\_\_\_ Hours @ \$23/hour      \$ \_\_\_\_\_

Electrician Services (only-no charge during regular working hours)

Electrician Personnel      \$ 23.00 Per hour X \_\_\_\_\_ Hours      \$ \_\_\_\_\_

Sanitation Equipment Fee

# Green Roll-Out Containers \_\_\_\_\_ X \$15.00 Per Container      \$ \_\_\_\_\_

Additional Charges (List)

\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_

**TOTAL SPECIAL EVENT FEES (Sponsor/Promoter)**      \$ 100

*To be completed and submitted by applicant prior to meeting with city staff.  
City staff will amend checklist as necessary.*

- Estimated peak number of participants (each day of event):  
Day 1 50  
Day 2 \_\_\_\_\_ Day 3 \_\_\_\_\_ Day 4 \_\_\_\_\_ Day 5 \_\_\_\_\_
- Type of special effects to include pyrotechnics, explosives, discharging weapons, hazardous materials and/or incendiary devices to be used: \_\_\_\_\_  
\_\_\_\_\_
- Number and location of fire protection services: \_\_\_\_\_  
\_\_\_\_\_
- Inspection(s)- date and time requested: (\$23/hour) \_\_\_\_\_  
\_\_\_\_\_
- Electrician services- date and time requested: (\$23/hour) \_\_\_\_\_  
\_\_\_\_\_
- Emergency medical services: ambulance locations(s) (note on site plan): \_\_\_\_\_  
\_\_\_\_\_
- Number of EMS personnel required: (\$23/hour) \_\_\_\_\_
- Number and location for portable toilets: (note location on site plan) \_\_\_\_\_  
\_\_\_\_\_
- Carnival location (if any) (note location on site map) \_\_\_\_\_
- Number of sanitation roll-out containers required (\$15/ container) \_\_\_\_\_
- Location of parking/transportation services, if any: \_\_\_\_\_  
\_\_\_\_\_
- Temporary parking, directional signage needed: \_\_\_\_\_  
\_\_\_\_\_
- Type transport vehicles (van, buses, etc.) \_\_\_\_\_
- Location of security and emergency vehicle parking on site: \_\_\_\_\_  
\_\_\_\_\_
- Public street barricades/street closures/detours: (note locations on site plan) \_\_\_\_\_  
\_\_\_\_\_

- Main emergency vehicle access to site (location-also note on site plan): \_\_\_\_\_
- Location of temporary structures, fences, grandstands, bandstands, judges stands, bleachers, hospitality tents, booths, etc.: (note on site plan): \_\_\_\_\_
- Number and location of arts and craft vendors, concessions and/or sponsor/promoter(s) stands (note on site map) \_\_\_\_\_
- Number and location of food vendors (note on site plan): \_\_\_\_\_
- Staff/ volunteer uniform identification: \_\_\_\_\_
- Sound system(s) location: Booiler Park under pavilion
- Number and location of special activities (launching areas, animal attractions, amusements, car shows, parade routes, and etc.): \_\_\_\_\_
- Number and location of temporary signs/banners: \_\_\_\_\_
- Number and location of promotional visual effects: \_\_\_\_\_
- Watercraft: \_\_\_\_\_
- Aircraft: \_\_\_\_\_
- Types & location of on-site advertising (banners, balloons, posters, flyers, inflatables, signs, etc.): \_\_\_\_\_

**Items Outstanding:**

- Site plan
- 501(C) (3) certificate of exemption
- Nonprofit articles of incorporation, charter and mission statement
- Consent letter (event property): property owners on which special event location is held (if not held on city property)

*Agenda  
Item*

*3d*



**CITY COMMISSION AGENDA ITEM**

---

**SUBJECT:**

**Appoint Commissioner Justin Campbell as City of Palatka Voting Delegate to Florida League of Cities 2015 Annual Conference, and Vice Mayor Brown as Alternate Voting Delegate**

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**SUMMARY:**

The Florida League of Cities has requested that the City of Palatka appoint a voting delegate to the 2015 Annual Conference. Voting Delegates attend the annual business meeting following the conference. Election of League Leadership and adoption of resolutions are undertaken during this meeting.

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**RECOMMENDED ACTION:**

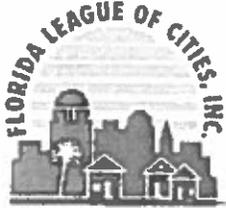
**Appoint Commissioner Justin Campbell as Palatka City Commission Voting Delegate for the 2015 FLC Annual Conference, and Vice Mayor Brown as Alternate Delegate**

**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Designation Letter	Attachment

**REVIEWERS:**

Department	Reviewer	Action	Date
City Clerk	Driggers, Betsy	Approved	6/2/2015 - 9:43 AM



301 South Bronough Street • Suite 300 • P.O. Box 1757 • Tallahassee, FL 32302-1757 • (850) 222-9684 • Fax (850) 222-3806 • www.floridaleagueofcities.com

TO: Municipal Key Official

FROM: Michael Sittig, Executive Director

DATE: May 20, 2015

SUBJECT: 89th Annual FLC Conference – *Florida Cities: A Public Conversation*  
VOTING DELEGATE INFORMATION  
August 13-15, 2015 – World Center Marriott, Orlando

As you know, the Florida League of Cities' Annual Conference will be held at the World Center Marriott, Orlando, Florida on August 13-15. This year the theme for this year's conference is *Florida Cities: A Public Conversation*, which will provide valuable educational opportunities to help Florida's municipal officials serve their citizenry more effectively.

It is important that each municipality designate one official to be the voting delegate. Election of League leadership and adoption of resolutions are undertaken during the business meeting. Voting delegates will also adopt the FLC 2016 Legislative Action Agenda because the 2016 Legislative Session will begin early next year. One official from each municipality will make decisions that determine the direction of the League.

In accordance with the League's by-laws, each municipality's vote is determined by population, and the League will use the Estimates of Population from the University of Florida for 2014.

Conference registration materials will be sent to each municipality in the month of June. Materials will also be posted on-line. Call us if you need additional copies.

If you have any questions on voting delegates, please call Gail Dennard at the League (850) 701-3619 or (800) 616-1513, extension 3619. **Voting delegate forms must be received by the League no later than August 7, 2015.**

Attachments: Form Designating Voting Delegate

**89th Annual Conference  
Florida League of Cities, Inc.  
August 13-15, 2015  
Orlando, Florida**

It is important that each member municipality sending delegates to the Annual Conference of the Florida League of Cities, designate one of their officials to cast their votes at the Annual Business Session. League By-Laws requires that each municipality select one person to serve as the municipalities voting delegate. *Municipalities do not need to adopt a resolution to designate a voting delegate.*

Please fill out this form and return it to the League office so that your voting delegate may be properly identified.

**Designation of Voting Delegate**

Name of Voting Delegate: \_\_\_\_\_

Title: \_\_\_\_\_

Municipality of: \_\_\_\_\_

**AUTHORIZED BY:**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Return this form to:

Gail Dennard  
Florida League of Cities, Inc.  
Post Office Box 1757  
Tallahassee, FL 32302-1757  
Fax to Gail Dennard at (850) 222-3806 or email [gdennard@flcities.com](mailto:gdennard@flcities.com)



## Important Information

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### **Submitting Resolutions for consideration by the FLC Resolutions Committee**

The League's Resolutions Committee will be meeting in conjunction with the FLC Annual Conference, August 13-15, 2015. Any municipality interested in submitting resolutions for consideration must submit them to the League no later than **Wednesday, July 8, 2015**, to guarantee that they will be included in the packet of proposed resolutions to the Resolutions Committee. Resolutions are limited to federal, constitutional or commemorative issues that are of statewide concern. Attached are the procedures your municipality should follow for proposing resolutions to the League membership.

If you have questions regarding resolutions, please contact Allison Payne at [apayne@flcities.com](mailto:apayne@flcities.com) or 850-701-3602 at the League office.

### **FLC Legislative Policy Committee Process**

With the Florida Legislature convening the 2016 Legislative Session in January instead of March 2016, the policy committee meetings will commence this June instead of September. This accelerated timeline means the proposed priorities adopted by each policy committee will then be submitted to the Legislative Committee and then ultimately the FLC membership for consideration and adoption at the FLC Annual Conference in August instead of the FLC Legislative Conference in November. These priorities then become the League's Legislative Action Agenda.

If you have questions regarding the legislative policy process, please contact Holly McPhail at [hmcphail@flcities.com](mailto:hmcphail@flcities.com) or 850-701-3604 at the League office.

**Procedures for Submitting Resolutions  
Florida League of Cities' 89<sup>th</sup> Annual Conference  
World Center Marriott, Orlando, Florida  
August 13 – 15, 2015**

In order to fairly systematize the method for presenting resolutions to the League membership, the following procedures have been instituted:

- (1) Proposed resolutions must be submitted in writing, to be received in the League office by July 8, 2015, to guarantee that they will be included in the packet of proposed resolutions that will be submitted to the Resolutions Committee.
- (2) Proposed resolutions will be rewritten for proper form, duplicated by the League office and distributed to members of the Resolutions Committee. (Whenever possible, multiple resolutions on a similar issue will be rewritten to encompass the essential subject matter in a single resolution with a listing of original proposers.)
- (3) Proposed resolutions may be submitted directly to the Resolutions Committee at the conference; however, a favorable two-thirds vote of the committee will be necessary to consider such resolutions.
- (4) Proposed resolutions may be submitted directly to the business session of the conference without prior committee approval by a vote of two-thirds of the members present. In addition, a favorable weighted vote of a majority of members present will be required for adoption.
- (5) Proposed resolutions relating to state legislation will be referred to the appropriate standing policy committee. Such proposals will not be considered by the Resolutions Committee at the conference; however, all state legislative issues will be considered by the standing policy committees and the Legislative Committee, prior to the membership. At that time, a state Legislative Action Agenda will be adopted.
- (6) Proposed resolutions must address either federal issues, state constitutional issues, matters directly relating to the conference, matters recognizing statewide or national events or service by League officers. All other proposed resolutions will be referred for adoption to either the Florida League of Cities Board of Directors or FLC President.

Municipalities unable to formally adopt a resolution before the deadline may submit a letter to the League office indicating their city is considering the adoption of a resolution, outlining the subject thereof in as much detail as possible, and this letter will be forwarded to the Resolutions Committee for consideration in anticipation of receipt of the formal resolution.

## **Important Dates**

### **May 2015**

Notice to Local and Regional League Presidents and Municipal Associations  
regarding the Resolutions and Legislative Committees

### **June 2015**

Appointment of Resolutions Committee Members  
June 25 – Legislative Post-Session Review (2015 Session)  
June 26 – Policy Committee Meetings (2016 Session)

### **July 2015**

July 8 – Deadline for Submitting Resolutions to the League office  
July 17 – Policy Committee Meetings (2016 Session)

### **August 2015**

August 13 – Policy Committee Meetings including the finalization of  
proposed committee statements (FLC Annual Conference)  
August 14 – Resolutions Committee Meeting  
August 14 – Legislative Committee Meeting (2016 Session)  
August 15 – Pick Up Voting Delegate Credentials Followed by Annual  
Business Session

*Agenda  
Item*

*3e*



**CITY COMMISSION AGENDA ITEM**

---

**SUBJECT:**

**Introduce Form 8B, Memorandum of Voting Conflict, into the record, which was filed by Commissioner James Norwood, Jr. on a vote taken 5/14/15 on Agenda Item #10 and vote taken 5/28/15 on Agenda Item #7**

---

**SUMMARY:**

Florida law requires elected or appointed officials serving on boards or commissions to file a Division of Ethics Form 8B, Memorandum of Voting Conflict, when that official is presented with a voting conflict of interest under Section 112.3143, Florida Statutes. This form must be filed with the Clerk and entered into the record of the meeting.

On May 14, 2015 and May 28, 2015, Commissioner Norwood declared the appearance of a voting conflict of interest citing his employment with G-P and recused himself from voting on Item 10 (5/14) and Item 7 (5/28), first and second readings of an ordinance amending Municipal Code Section 10-6 allowing alcohol use and consumption at The River Center. G-P Corporation is the entity that is providing the funds to construct the building.

---

**RECOMMENDED ACTION:**

**Incorporate Form 8B, Memorandum of Voting Conflict, into the record for votes taken 5/14/15 and 5/28/15 on behalf of Commissioner Norwood**

**REVIEWERS:**

Department	Reviewer	Action	Date
City Clerk	Driggers, Betsy	Approved	6/4/2015 - 5:50 PM



**APPOINTED OFFICERS (continued)**

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

**DISCLOSURE OF LOCAL OFFICER'S INTEREST**

I, James Norwood, Jr., hereby disclose that on May 14, 20 15 :

(a) A measure came or will come before my agency which (check one or more)

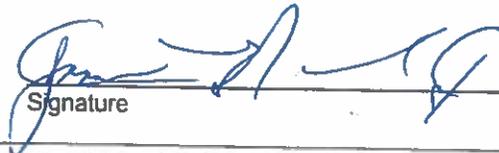
- inured to my special private gain or loss;
- inured to the special gain or loss of my business associate, \_\_\_\_\_ ;
- inured to the special gain or loss of my relative, \_\_\_\_\_ ;
- inured to the special gain or loss of Georgia-Pacific Corporation, my employer \_\_\_\_\_, by whom I am retained; or
- inured to the special gain or loss of \_\_\_\_\_, which is the parent subsidiary, or sibling organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

**Agenda Item No 10: Ordinance amending Municipal Code Section 10-6 to allow alcohol consumption in the River Center and in Riverfront Park Buildings, with proper approvals and permissions -1st Reading**

If disclosure of specific information would violate confidentiality or privilege pursuant to law or rules governing attorneys, a public officer, who is also an attorney, may comply with the disclosure requirements of this section by disclosing the nature of the interest in such a way as to provide the public with notice of the conflict.

5-28-15  
Date Filed

  
Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.



**APPOINTED OFFICERS (continued)**

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

**IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:**

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

**DISCLOSURE OF LOCAL OFFICER'S INTEREST**

I, James Norwood, Jr., hereby disclose that on May 28, 20 15 :

(a) A measure came or will come before my agency which (check one or more)

- inured to my special private gain or loss;
- inured to the special gain or loss of my business associate, \_\_\_\_\_ ;
- inured to the special gain or loss of my relative, \_\_\_\_\_ ;
- inured to the special gain or loss of Georgia-Pacific Corporation, my employer \_\_\_\_\_, by whom I am retained; or
- inured to the special gain or loss of \_\_\_\_\_, which is the parent subsidiary, or sibling organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

Agenda Item No. 7: Ordinance amending Municipal Code Section 10-6 to allow alcohol consumption in the River Center and in Riverfront Park Buildings, with propoer approvals and permissions - 2nd Reading Adopt

If disclosure of specific information would violate confidentiality or privilege pursuant to law or rules governing attorneys, a public officer, who is also an attorney, may comply with the disclosure requirements of this section by disclosing the nature of the interest in such a way as to provide the public with notice of the conflict.

6-4-15  
Date Filed

  
Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.

# *Agenda Item*

*3<sub>f</sub>*



**CITY COMMISSION AGENDA ITEM**

---

**SUBJECT:**

**Introduce Form 8B, Memorandum of Voting Conflict, into the record, which was filed by Commissioner Rufus Borom on a vote taken 5/14/15 on Agenda Item #10 and vote taken 5/28/15 on Agenda Item #7**

---

**SUMMARY:**

Florida law requires elected or appointed officials serving on boards or commissions to file a Division of Ethics Form 8B, Memorandum of Voting Conflict, when that official is presented with a voting conflict of interest under Section 112.3143, Florida Statutes. This form must be filed with the Clerk and entered into the record of the meeting.

On May 14, 2015 and May 28, 2015, Commissioner Borom declared the appearance of a voting conflict of interest citing his employment with G-P and recused himself from voting on Item 10 (5/14) and Item 7 (5/28), first and second readings of an ordinance amending Municipal Code Section 10-6 allowing alcohol use and consumption at The River Center. G-P Corporation is the entity that is providing the funds to construct the building.

---

**RECOMMENDED ACTION:**

**Incorporate Form 8B, Memorandum of Voting Conflict, into the record for votes taken 5/14/15 and 5/28/15 on behalf of Commissioner Borom**

# *Agenda Item*

*4*



**CITY COMMISSION AGENDA ITEM**

---

**SUBJECT:**

**CRA BUSINESS:**

- a. **DISCUSSION OF CRA STRUCTURE** per action taken at 5/14/15 CRA meeting
  - b. **DPI REPRESENTATIVE APPOINTMENT** - Request from DPI to appoint Sam Deputy to fill the unexpired term of Kathy Griffin (term expires 12/31/18)
- 

**SUMMARY:**

a. **DISCUSSION OF CRA STRUCTURE:** At its 5/14/15 meeting, the Community Redevelopment Agency (CRA), which is currently composed of the City Commission plus two members, voted to send a recommendation to the Commission to restructure the CRA. A motion was made, seconded and passed to restructure the CRA by giving each member of the City Commission the responsibility of appointing a member to the CRA. There was no direction as to whether the CRA would be five members (one member appointed by each Commissioner and the Mayor) or seven (five members appointed by the Commission plus the two extra members now serving - A member of the BOCC and a DPI designee in place). The Statute states the CRA shall be composed of no fewer than five, and no more than seven, members.

The City Commission takes the final action on the restructuring of the CRA Membership. Once Staff has been provided with direction, a resolution amending the structure will be presented to the Commission for action.

**BACKGROUND:** The Community Redevelopment Agency (CRA) is made up of seven members, five of which are members of the Palatka City Commission. Of the two additional members, one is a representative of Downtown Palatka, Inc. to be designated at the recommendation of its Board of Directors.

Attached is an excerpt from the Community Redevelopment Plan which covers statute governing Community Redevelopment Agency as well as information on the current structure of the City of Palatka's CRA.

**b, DOWNTOWN PALATKA, INC. REPRESENTATIVE APPOINTMENT:**

Kathy Griffin, who was appointed in April, 2014, has resigned her position as DPI's CRA Representative. Her resignation is attached.

Downtown Palatka, Inc has requested the City appoint Sam Deputy, its President, as its member representative. That recommendation is also attached.

This matter went to the CRA at its 6/11/15 meeting for information and discussion. In light of the restructuring discussion now underway, the Commission can either appoint Mr. Deputy to that position or table his appointment until the matter of the restructuring is settled.

---

**RECOMMENDED ACTION:**

- \* Discussion of CRA Structure; direction to Staff
- \* Consider appointment of Sam Deputy as DPI Representative to fill the unexpired term of Kathy Griffin

**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> CRA structure, laws governing CRA structure, Palatka CRA history	Discussion
<input type="checkbox"/> Kathy Griffin Resignation from CRA	Resolution
<input type="checkbox"/> DPI Appointment - Sam Deputy	Backup Material

**REVIEWERS:**

Department	Reviewer	Action	Date
City Clerk	Driggers, Betsy	Approved	6/2/2015 - 11:23 AM

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4a

***Current Structure***

At the time of adoption of the CRA, the City Commission declared itself, along with two other appointed members, to act as the Agency Board, which currently serves the CRA and the City of Palatka. At the recommendation of the CATFs and the City, a newly proposed structure for the Agency Board is further outlined underneath the *Proposed Structure* portion of this section of the *Plan*.

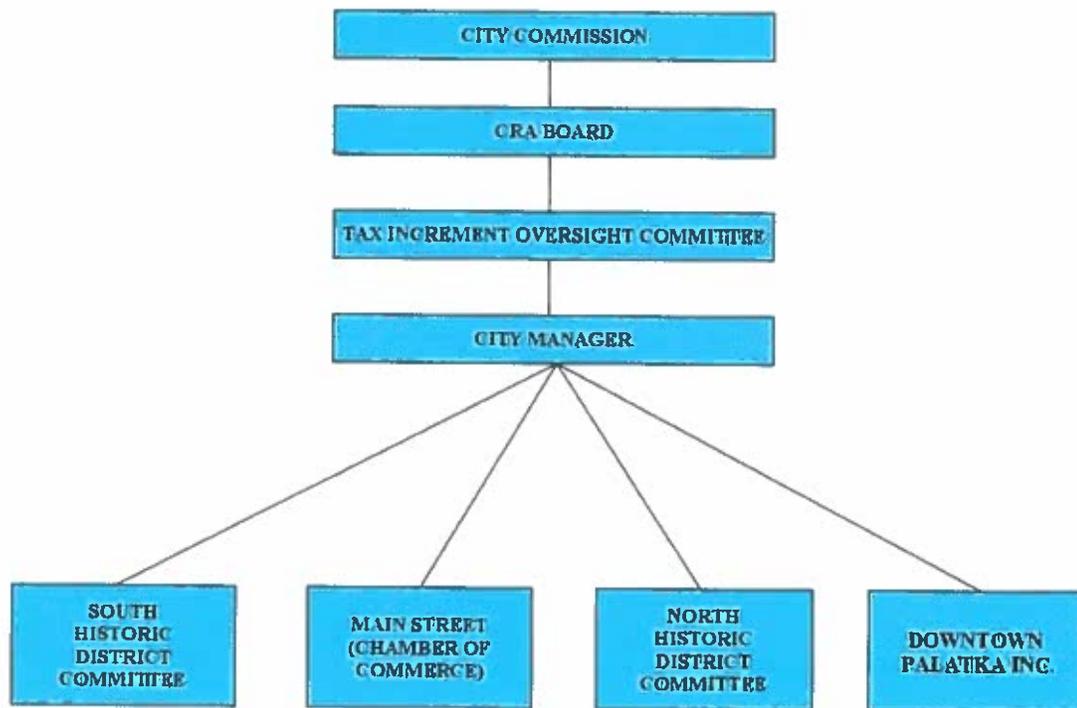
The City of Palatka contracted with the Putnam County Chamber of Commerce to serve as the CRA's Central Business District Manager. The CBD and the Main Street Program have worked together to further the efforts to preserve and improve the CBD. With several initiatives that overlapped, efforts have been combined through citizen input and involvement, multiple funding sources for implementation of improvements and promotion of annual festivals and sustainable events. The current overall CRA Structure is comprised of, in hierarchical order: the City Commission, the Agency Board (comprised of the City Commission and two appointed members, one each belonging to the Main Street Program and Downtown Palatka, Inc.), the Downtown Tax Increment Oversight Committee and the City Manager. There are four current committees that communicate with the City Manager including: the South Historic District Committee, the Main Street Program (Putnam County Chamber of Commerce), the North Historic District Committee, and Downtown Palatka, Inc. The NHD and SHD have been operating as committees in conjunction with their respective historic neighborhood associations.

***Current Structure***

At the time of adoption of the CRA, the City Commission declared itself, along with two other appointed members, to act as the Agency Board, which currently serves the CRA and the City of Palatka. At the recommendation of the CATFs and the City, a newly proposed structure for the Agency Board is further outlined underneath the *Proposed Structure* portion of this section of the *Plan*.

The City of Palatka contracted with the Putnam County Chamber of Commerce to serve as the CRA's Central Business District Manager. The CBD and the Main Street Program have worked together to further the efforts to preserve and improve the CBD. With several initiatives that overlapped, efforts have been combined through citizen input and involvement, multiple funding sources for implementation of improvements and promotion of annual festivals and sustainable events. The current overall CRA Structure is comprised of, in hierarchical order: the City Commission, the Agency Board (comprised of the City Commission and two appointed members, one each belonging to the Main Street Program and Downtown Palatka, Inc.), the Downtown Tax Increment Oversight Committee and the City Manager. There are four current committees that communicate with the City Manager including: the South Historic District Committee, the Main Street Program (Putnam County Chamber of Commerce), the North Historic District Committee, and Downtown Palatka, Inc. The NHD and SHD have been operating as committees in conjunction with their respective historic neighborhood associations.

**CURRENT CRA STRUCTURE**



***Proposed Structure***

The CATFs are proposing to amend the CRA operating structure and its recommending Agency Board; restructure the working relationship with a CBD Manager; and to dissolve the TIF Oversight Committee. The CATFs recommendation is to return the management of the CBD to the City of Palatka, along with the North Historic and South Historic TIF Districts.

*CRA Operating Structure Diagram* The proposed structure provides for an efficient flow of information and communication for citizen input to be channeled to the respective districts where suggestions, recommendations and targeted items will be vetted among the District committees. While the proposed structure (See **Proposed Structure Diagram on page 24**) provides for an additional “dashed” line of communication for citizens to

communicate directly with the City Manager, the “solid” line of communication from citizens to the respective TIF District Committees is the preferred and recommended method. The TIF District committees will then work with the City Manager’s Office to bring the proposed items before the CRA Agency Board for public input and board recommendations. These recommendations will then be presented to the City Commission for final decision.

*Community Redevelopment Agency Board* The Agency Board will serve as an advisory board making recommendations presented on behalf of the three TIF Districts to the City Commission. This Board will be comprised of seven (7) members consisting of the following: City of Palatka Commissioners, District III Putnam County Commissioner and Downtown Palatka, Inc. Board of Director Representative (See Proposed Structure Diagram on page 24).

As mentioned in the above referenced statutes, the following additional statutes outline further the duties, responsibilities and limitations of the Agency Board:

F.S. 163.358 – Each county and municipality has all powers necessary or convenient to carry out and effectuate the purposes and provisions of this part, including those powers granted under s. 163.370. A county or municipality may delegate such powers to a community redevelopment agency created under s. 163.356, *except the following*, which continue to vest in the governing body of the county or municipality:

1. determine an area to be a slum or blighted area;

2. grant final approval to community redevelopment plans and modifications;
3. authorize the issuance of revenue bonds;
4. approve the acquisition, demolition, removal, or disposal of property; or
5. approve the development of community policing innovations.

F.S. 163.360 – The community redevelopment agency may prepare a community redevelopment plan which must be submitted to the local planning agency for review and recommendations. The agency must also submit its plan to the governing body as well as each taxing authority (i.e. City of Palatka and Putnam County).

F.S. 163.361 – The agency may recommend to the governing body an amendment to the community redevelopment plan which would amend the boundaries of the redevelopment area, which must be submitted to each taxing authority, or suggest the development and implementation of community policing innovations.

F.S. 163.367 – Agency commissioners are subject to part III of chapter 112. All commissioners who may own or control property within the redevelopment area, he or she shall immediately disclose this in the manner provided in part III of chapter 112. No community redevelopment agency commissioner may hold any other public office.

F.S. 163.370 – With the approval of the governing board, the community redevelopment agency may acquire real property in the redevelopment area and pay all costs related to the acquisition, demolition, or removal, including any administrative or relocation expenses.

*CBD Operating Structure* The City of Palatka's Office of the City Manager, in cooperation with the CRA, will oversee the daily management and operating functions of the CBD. This will be done so by contracting with a CBD Manager as further described in this section. This Manager will report directly to the Office of the City Manager, being responsible for the daily operations, functions, management, reporting and communication with the CBD Committee, its members, citizens and the Office of the City Manager.

*Central Business District Committee* This Committee will be comprised of seven (7) members consisting of the following: three (3) members from Downtown Palatka, Inc.; three (3) members from the Main Street Program, comprised of two members that are property owners or business operators in the CBD and one who is an owner-occupant of a residential property in the CBD; and one (1) member representing the City of Palatka. The City Manager will designate the owner-occupant of a residential property and the City representative.

The function of the CBD Committee is to act as a review and recommending committee for property and business owners and operators, as well as any interested public, whether or not he or she resides professionally or residentially within the CBD. The Committee is intended to provide for an open public forum, on all issues, concerns, opportunities, and recommendations that the Committee is to address for the betterment of the CBD and in accordance with the vision and goals of the CRA Plan. The Committee will be responsible for representing the CBD by making recommendations on behalf of the CBD to the Agency Board. The Agency Board will take those recommendations into consideration when making their recommendations to the City Commission for final approval.

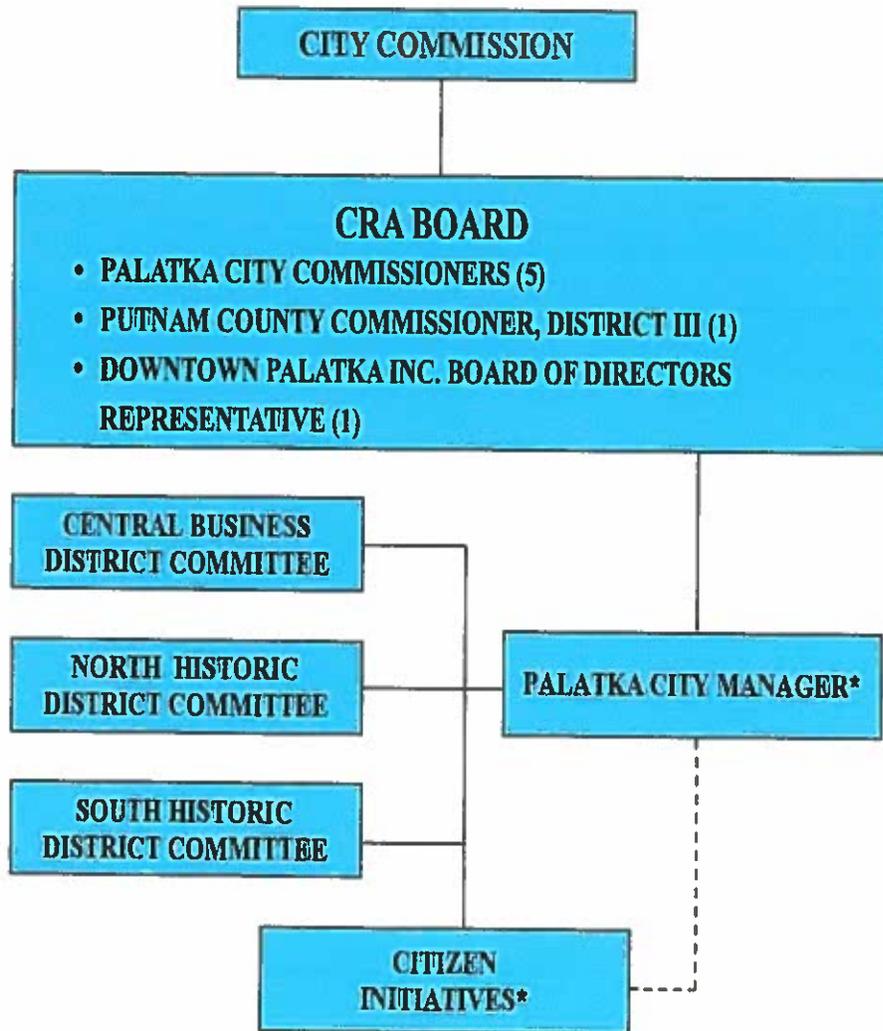
*North Historic District Committee*                      The committee for the NHD will continue as they have been, under the guise of the North Historic Neighborhood Association. Note that the boundary for the neighborhood association is not one in the same with the TIF District. The neighborhood association will continue to differ committee business from their association business.

*South Historic District Committee*                      The committee for the SHD will continue as they have been, under the guise of the South Historic Neighborhood Association. Note that the boundary for the neighborhood association is not one in the same with the TIF District. The neighborhood association will continue to differ committee business from their association business.

At the discretion of the operating District Committees, City Manager's Office and/or the CRA Agency Board, a committee member may be removed for inefficiency, neglect of duty, or misconduct. Note that the statutes do not refer to the establishment or removal of committee members, only to Agency Board Members. It is at the recommendation of the CATFs that the committee member establishment and removal rules be set.

*Central Business District/Main Street Programt Manager*                      The City of Palatka, in cooperation with the CRA, will contract separately to provide office space and administrative services for the Central Business District/Main Street Program Manager. This contract will include the use of the facility, administrative staff, office supplies and equipment.

### PROPOSED CRA STRUCTURE



\*The proposed structure provides for an additional “dashed” line of communication for citizens to communicate their initiatives directly with the City Manager, however, the “solid” line of communication from citizens to the respective TIF District Committees is the preferred and recommended process.

As outlined in further detail in the contract between the City of Palatka, in cooperation with the CRA, and the CBD and Main Street Manager (the “Manager”), the responsibilities of the Manager are to work in coordination with the committees and citizens in implementing the goals and objectives of the CRA’s CBD Committee and members and that of the Main Street Program Committee and Members. In addition, the Manager’s duties are to include but not be limited to: the development and maintenance of the organizational structure; development and implementation of the economic restructuring plan; development of a design strategy; development and maintenance of a promotional calendar of CRA and Main Street Program functions, festivals and events; research and pursuit of grant opportunities; maintenance and submittal of financial records and reports; retention of all records and documents belonging to and created for the CBD and Main Street Program; and the submittal of quarterly and annual written reports.

## TIF DISTRICTS' ROLES AND RELATIONSHIPS

The City of Palatka contains three (3) existing TIF Districts as previously discussed in this Plan, each with a unique and identifiable set of characteristics. The Districts, Central Business District, North Historic District and South Historic District, while independent of each other, have strong ties that support and enhance the viability of the other Districts. Each District is proposed to have its own committee that will directly serve the property and business owners, residents and business operators within their respective Districts. These committees are identified in the proposed CRA Structure and will serve as the direct conduit of information and recommendations to the City Manager and to the CRA Agency Board.

This *Plan* is formatted to include specific and detailed information regarding each District, its environment, physical makeup and also includes formal recommendations from each Task Force on the various Critical Elements as defined early on in the review process. Although each District provided separate recommendations, the CRA Board and ultimately the City Commission will be tasked with combining and consolidating, where possible, recommendations into one complete listing that is based on short/mid/long-range goals, prioritization of improvements and ultimately funding. While each District's recommendations are separate, there are inherent overlapping and inter-related recommendations that will be mutually beneficial to all of the Districts.

The CBD serves as the primary link between the NHD and the SHD. The CBD is a mixed use district that serves as a transition

from the main commercial corridor along St. Johns Avenue and Reid Street to the individual Districts. Both the NHD and SHD are primarily comprised of residential land use that are within easy access to the CBD, via vehicular and non-vehicular modes of travel. The NHD and SHD provide a critical resident population in close proximity that supports the efforts of the CBD. Complimentary non-residential land uses including office, commercial, retail and recreational uses are distributed throughout each District that further support the CBD. Likewise, commercial activities, annual festivals, and special events in the CBD promote increased visibility, awareness and potential investment in the NHD and SHD by residents and visitors alike.

***What is a Community Redevelopment Agency?***

- The Community Redevelopment Agency administers the activities and programs offered within a Community Redevelopment Area.
- A 5 to 7 member board created by the local government directs the Agency.
- There may be multiple areas, districts, sub-districts or similar within the CRA, but generally only one CRA board for a local government can exist.
- Each District must maintain separate trust funds to be spent only in that district.

***What is a Community Redevelopment Plan?***

- The Community Redevelopment Plan, developed and implemented by the CRA, addresses the unique needs of the targeted area and includes the overall goals as well as identifies the types of projects planned for the area.

***What is Tax Increment Financing (TIF)?***

- It is a unique financing tool used to leverage public funds to promote private sector activity in the targeted area.
- The dollar value of all real property in the Community Redevelopment Area is determined as of a fixed date, also known as the “frozen value.”
- The government continues to collect taxes based on the frozen value while any increase in real property value (known as an increment) gets taxed and put into the CRA trust fund.
- Florida taxing entities write a check to the CRA trust fund after monies are received from the tax collector.
- Any funds received from a tax increment must be used for specific redevelopment purposes.



***How does the CRA process work?***

- The business of the CRA takes place at a public meeting(s)
- Adoption of a Finding of Necessity
- Establish a CRA Board
- Creation of a Redevelopment Trust Fund
- Develop and adopt the Community Redevelopment Plan



809 St. Johns Avenue

***Florida Redevelopment Association Legislative Position***

- The Florida Redevelopment Association (FRA) advocates before the legislature for local resolution of disputes over the use of monies in the CRA tax increment trust fund.

***About the FRA***

- FRA is dedicated to the revitalization and preservation of Florida's communities.

***Summary***

- The CRA term is limited to 30 years, 40 years if extended. After that time, all revenues are retained by each taxing entity that contributed to the CRA trust fund.

## BACKGROUND

Most cities contain specific areas that have fallen into disrepair or have not experienced appropriate, continued investment necessary to ensure their sustainability. In many cases, such areas contain inadequate capital improvements such as utilities, drainage, or transportation facilities. In other cases, growth and development trends have left areas with challenges including awkward lot layout, inefficient or unconnected street patterns, aging buildings, and other non-conforming development characteristics. Regardless of the reason, these areas can lead to unattractive development or structures and also hinder investment.

### *Authority to Initiate Community Redevelopment*

This Plan has been prepared under the direction of the City of Palatka Community Redevelopment Agency Board in accordance with the Community Redevelopment Act of 1969, F.S. 163, Part III. In recognition of the need to prevent and eliminate slum and blighted conditions within the community, the Community Redevelopment Act confers upon counties and municipalities the authority and powers to engage and put into practice community redevelopment. For further understanding of the intent of this Plan, the following defines the Florida Statutes with regards to Community Redevelopment:



*Palatka City Hall*

“Community Redevelopment” or “Redevelopment” means undertakings, activities, or projects of a county, municipality, or community redevelopment agency in a community redevelopment area for the elimination and prevention of the development or spread of slums and blight or for the provision of affordable housing, whether for rent or for sale, to residents of low or

moderate income, including the elderly, and may include slum clearance and redevelopment in a community redevelopment area, or rehabilitation or conservation in a community redevelopment plan and may include the preparation of such a plan.

Findings and declarations of necessity are outlined in full length in Chapter 163.335, Florida Statutes, which in summary must identify the existence of:

1. One or more slum or blighted areas, or one or more areas in which there is a shortage of housing affordable to residents of low or moderate income, including the elderly, exist in the county or municipality; and
2. The rehabilitation, conservation or redevelopment, or a combination thereof, of such area or areas in including if appropriate, the development of housing which residents of low or moderate income, including the elderly, can afford, is necessary in the interest of the public health, safety, morals, or welfare of the residents of such county or municipality.



216 St. Johns Avenue

In addition, through the creation of the CRA, the following are objectives and responsibilities of the Agency:

1. Encouragement of private enterprise (See Section 163.345).
2. Notice to taxing authorities (See Section 163.346).
3. Develop a workable program (See Section 163.350).
4. Exercise the power of taxing authority to tax or appropriate funds to a redevelopment trust fund in order to preserve and enhance the tax base of the authority (See Section 163.353).

5. Confirmation of the finding of necessity by county or municipality (See Section 163.355).

***Creation of the Community Redevelopment Agency***

The following are summaries of the City’s Resolutions and Memorandums that outline the creation and establishment of the Community Redevelopment Agency Board and Community Redevelopment Area’s three TIF Districts:

**City of Palatka Resolution #4-7**

- Deemed a portion of Palatka area suitable for redevelopment.
- Area bounded to the north by Madison Street, on the west by SCL Railroad (now CSX Railroad), on the south by Crill Avenue and Laurel Street east of Seventh Street, and on the east by the St. Johns River [known as Palatka’s CRA Central Business District]. See “Appendix II” attached.
- Certain areas were found to be slum or blighted areas
- Areas were deemed appropriate for community redevelopment projects pursuant to the Community Redevelopment Act of 1969
- *Effective September 8, 1983*



*St. Johns Avenue*

**City of Palatka Resolution #4-11**

- Established a Need for a Community Redevelopment Agency to carry out community redevelopment purposes of Chapter 163, Part III, Florida Statutes
- *Effective November 10, 1983*

**City of Palatka Resolution #4-12**

- City Commission of the City of Palatka declared itself to be the Community Redevelopment Agency.

- *Effective November 10, 1983*

**City of Palatka Resolution #84-4**

- Added Section 14-61 to the Code of Ordinances of the City of Palatka.
- Section 14-61 Boundaries:
  - (a) The boundaries of Palatka’s CRA North Historic District shall be as follows:  
See “Appendix II” attached.
  - (b) The boundaries of Palatka’s CRA South Historic District shall be as follows:  
See “Appendix II” attached.
- *Adopted on March 22, 1984*



*The Putnam House ~ Mural*

**Memo October 25, 1994 - Re: Tax Increment District**

- Proposed incorporating the existing 1983 tax increment district and the new (historic) district(s).
- The City Commission as the Redevelopment Agency has the latitude to address projects it feels are beneficial to the district as a whole. (i.e. if there is a project on the Riverfront that would benefit the entire tax increment district the redevelopment board would have the authority to spend all its revenue there.)
- The City Commission as the Redevelopment Board can establish the district so that revenues within the historic districts can only be spent in the historic districts and the same for the downtown.

**Memo September 2003 - Re: Requests for Allocation of Tax Increment Funds**

- Established the procedure for bringing a request for allocation of tax increment funds before the Palatka City Commission
- *Adopted September 11, 2003*

**City of Palatka Resolution #7-136**

- **Creation of the Tax Increment Fund Oversight Committee**
- Membership consisting of five (5) members, nominated by Downtown Palatka, Inc. and approved and appointed by the Community Redevelopment Agency Board. Membership shall consist of one member of the South Historic District, one member from the North Historic District, one member representing the Downtown area east of 5<sup>th</sup> Street, one member representing the Downtown area west of 5<sup>th</sup> Street and one member appointed by the County Commission.
- Frequency, Time and Place of Meetings shall take place no less than on a quarterly basis and give notice of fifteen (15) days in advance of all meetings.
- Duties and Responsibilities will include: a) review of the downtown tax increment fund reports; b) provide recommendations to the CRA, at least quarterly, regarding all expenditures of downtown tax increment funds, past and future; and c) provide periodic press releases concerning the findings and recommendations of the Oversight Committee.
- *Adopted on April 28, 2005*

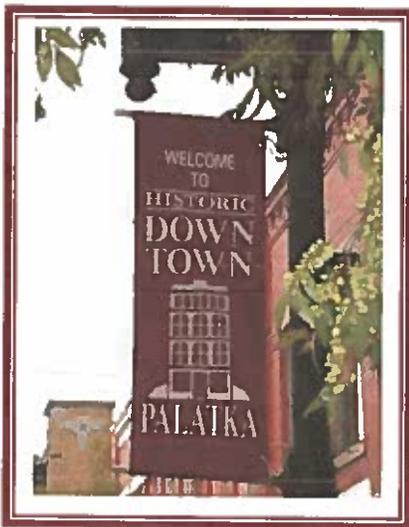
***Community Redevelopment Area – Central Business, North Historic, and South Historic Districts***

Pursuant to State Statutes, a community redevelopment area must be a slum or blighted area, or an area in which there is a shortage of housing that is affordable to residents of low or moderate income, including elderly. The City of Palatka Community Redevelopment Area consists of three (3) Tax Increment Finance (TIF) Districts: 1. the Central Business District (CBD), 2. the North Historic District and 3. the South Historic District. Maps identifying the districts' boundaries are located in the Appendices.



*440 Kirby Street*

This Plan takes into account the current conditions, in efforts with the three TIF District Task Forces, to develop an appropriate list of recommendations for improvements to be made within each District. The CBD is a portion of the central urban core of the City which has become deteriorated due to age, vacancies, and a lack of financial and social investment. While parts of the CBD have been revitalized due to efforts made by the City, the Chamber of Commerce, the Main Street Program, Downtown Palatka, Inc., citizens and private property owners, many areas of the CBD still suffer from blighted conditions and lack of occupancy.



The NHD and SHD have beautiful, historical architectural residences that are scattered throughout the neighborhoods with intermittent non-historical residences built in the 1950's and 1960's in places. The NHD has a smaller housing inventory that is more consistently preserved and maintained. The SHD covers more territory having a wide variety of historic and non-historic structures, with as wide a variety of quality preservation and restoration.

## STRUCTURE

Chapter 163, Part III, Florida Statutes outlines the creation of a Community Redevelopment Area, its structure of the Community Redevelopment Agency Board (the "Agency Board"), its powers and limitations and all its activities. Referenced below are portions of Part III, Sections 163.356 and 163.357, which more specifically reference the creation and structure of the Agency Board:

163.356(2) When the governing body adopts a resolution declaring the need for a community redevelopment agency, that body shall,

by ordinance, appoint a board of commissioners of the community redevelopment agency, which shall consist of not fewer than five (5) or more than nine (9) commissioners. The terms of office of the commissioners shall be for four (4) years, except that three (3) of the members first appointed shall be designated to serve terms of 1, 2, and 3 years, respectively, from the date of their appointments, and all other members shall be designated to serve for terms of 4 years from the date of their appointments. A vacancy occurring during a term shall be filled for the unexpired term.....including members of that taxing authority's governing body, whose membership on the board of commissioners of the agency would be considered an additional duty of office as a member of the taxing authority governing body.

163.356(3)(b)The powers of a community redevelopment agency shall be exercised.....Any person may be appointed as commissioner if he or she resides or is engaged in business, which means owning a business, practicing a profession, or performing a service for compensation, or serving as an officer or director of a corporation or other business entity so engaged, within the area of operation of the agency, which shall be coterminous with the area of operation of the county or municipality, and is otherwise eligible for such appointment under this part.

163.356(c) The governing body of the county or municipality shall designate a chair and vice chair from among the commissioners.....

163.356(4) The governing body may remove a commissioner from inefficiency, neglect of duty, or misconduct in office only after a hearing and only if he or she has been given a copy of the charges at least 10 days prior to such hearing and has had an opportunity to be heard in person or by counsel.

163.357(1)(a) As an alternative to the appointment of not fewer than five or more than nine members.....declare itself to be an agency, in which case all the rights, powers, duties, privileges, and immunities vested by this part in an agency will be vested in the governing body of the county or municipality, subject to all responsibilities and liabilities imposed or incurred.

163.357(1)(b) The members of the governing body shall be the members of the agency, but such members constitute the head of a legal entity, separate, distinct, and independent from the governing body of the county or municipality. If the governing body declares itself to be an agency which already exists, the new agency is subject to all of the responsibilities and liabilities imposed or incurred by the existing agency.

163.357(1)(c) A governing body which consists of five members may appoint two additional persons to act as members of the Agency.

The terms of office of the additional members shall be for 4 years, except that the first person appointed shall initially serve a term of 2 years. Persons appointed under this section are subject to all provisions of this part relating to appointed members of the Agency.

163.357(1)(d) As provided in an interlocal agreement between the governing body that created the agency and one or more taxing authorities, one or more members of the Agency may be representatives of a taxing authority, including members of that taxing authority's governing body, whose membership on the board of commissioners of the agency would be considered an additional duty of office as a member of the taxing authority governing body.

*Agenda  
Item*

*46*

## Betsy Driggers

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**From:** kathy griffin [kmg15@att.net]  
**Sent:** Friday, May 22, 2015 8:53 AM  
**To:** Betsy Driggers  
**Cc:** 'graphicsiii'; kmg15@att.net  
**Subject:** CRA Position

Betsey,

Please be advised that I have resigned from my position on the DPI Board. In turn this will also be my resignation from the CRA board. Sam Deputy will be assigning someone to take my place by the next scheduled meeting in June.

Thank you for assistance during my time with the board. It was a pleasure serving.

Best regards,  
Kathy Griffin



P.O. Box 832  
Palatka, FL 32178  
Phone: 386-328-0909  
[www.palatkadowntown.com](http://www.palatkadowntown.com)

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May 28, 2015

**TO WHOM IT MAY CONERN:**

The regular May meeting of the Downtown Palatka Inc. was held on Wednesday, May 27<sup>th</sup> at the Palatka Welcome Center.

During the meeting it was announced that Kathy Griffin has had to resign her position due to some personal reasons. The Executive Board will replace her position at the next meeting.

It was noted that she was also on the CRA Board as DPI's representative. It was moved by Alice Cooper from the floor to nominate Sam Deputy to fill this term. The Motion was seconded by Angela Murtagh. Question was called. Vote was unanimous. The Secretary was asked to send a letter to Betsy Driggers with the results.

A handwritten signature in cursive script that reads 'Alice F. Cooper'.

Alice Cooper

DPI Secretary

*Agenda  
Item*

5



**CITY COMMISSION AGENDA ITEM**

**SUBJECT:**

**PRESENTATION** and acceptance of FY2013/14 Audit and Comprehensive Annual Financial Report (CAFR) - Tina Robinson and John Rowe; Carr, Riggs and Ingram, Auditors

**SUMMARY:**

The audit has been completed for FY2013/14 and the Comprehensive Annual Financial Report (CAFR) has been compiled. Tina Robinson and John Rowe from our audit firm Carr, Riggs and 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 FY2013/14 Audit and Comprehensive Annual Financial Report (CAFR)**

**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Communication Letter	Cover Memo
<input type="checkbox"/> CAFR FY2013-14	Backup Material

**REVIEWERS:**

Department	Reviewer	Action	Date
Finance	Reynolds, Matt	Approved	6/1/2015 - 1:19 PM
City Clerk	Driggers, Betsy	Approved	6/2/2015 - 2:28 PM
City Manager	Driggers, Betsy	Approved	6/2/2015 - 2:28 PM
Finance	Reynolds, Matt	Approved	6/3/2015 - 2:30 PM
City Clerk	Driggers, Betsy	Approved	6/3/2015 - 2:37 PM



Carr, Riggs & Ingram, LLC  
906 South State Road 19  
Palatka, Florida 32177

(386) 325-4561  
(386) 328-1014 (fax)  
www.cricpa.com

May 11, 2015

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, 2014. 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. 65 which impacted the classification of certain assets (deferred outflows) and liabilities (deferred inflows) and the presentation of the financial statements, as well as GASB Statement No. 67 which addresses accounting and financial reporting by pension plans. 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.

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. There were no uncorrected misstatements.

Material adjustments made as part of our audit related to unavailable revenues that should have been recorded as deferred inflows in accordance with new standard GASB 65, and an entry for the loss on sale of assets. However, both of these adjustments are infrequent transaction types, not representative of the overall records. There were also other misstatements detected as a result of audit procedures and corrected by management which were not material, either individually or in the aggregate, to the financial statements taken as a whole.

### *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 77 and 78, reports that the unassigned General Fund balance is below GFOA (Government Finance Officers Association) recommended reserve balances. Your unassigned balance is sufficient to only cover about 1.2 months of normal operating expenditures, based on the level of past expenditures.

For the year ending in 2015, GASB Statement No. 68 will be effective for the City. GASB No. 68 addresses accounting and financial reporting for pensions provided to employees of local governmental employers through pension plans administered through trusts. It will require the recording of a new liability on the books, which is likely to be of significant amount.

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 supplements 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, 2014**

**PREPARED BY:**

**MATTHEW D. REYNOLDS  
FINANCE DIRECTOR**

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 September 30, 2014

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**TERRILL L. HILL**  
MAYOR - COMMISSIONER

**MARY LAWSON BROWN**  
VICE MAYOR - COMMISSIONER

**RUFUS J. BOROM**  
COMMISSIONER

**JUSTIN R. CAMPBELL**  
COMMISSIONER

**JAMES NORWOOD, JR.**  
COMMISSIONER



**BETSY JORDAN DRIGGERS**  
CITY CLERK

**MATTHEW D. REYNOLDS**  
FINANCE DIRECTOR

**JAMES A. GRIFFITH**  
INTERIM 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 29, 2015

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, 2014.

This report was completed by the Finance Director and Interim 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 10,377 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.

## **THE REPORTING ENTITY (Concluded)**

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

## **ECONOMIC CONDITION**

Palatka's population is 10,377 persons according to the University of Florida, Bureau of Economic and Business Research, Florida Estimate of Population for 2014. 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 2014-15, the City proposed a General Fund operating budget that was 1.40% less than the previous year decreasing from \$10.893 million to \$10.740 million. Many revenue sources such as ad valorem taxes, utility taxes, and telecommunication service taxes increased from the prior year, however the estimated revenues from the City's red light camera program was decreased substantially from \$1.253 million in FY2013-2014 to approximately \$775,000 in FY2014-2015. Other categories such as state shared revenues, charges for services and fines and forfeits 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 \$200,000 less than the prior year. Several capital expenditures were included in the budget; however they were small in nature and were primarily for equipment in the Cemetery and Fire Department. Operating budgets were scrutinized again as in past years and several positions which were vacated by attrition or retirement were not filled.

Taxable value increased by 1.14% which provided for a rollback rate of 9.0715; however the millage rate was maintained at 9.1749 mills. Overall, the City continues to face the challenge of maintaining the current level of service it provides its citizens without increasing the millage rate.

The General Fund total fund balance decreased by approximately \$2,063,000 due to a large transfer from the General Fund to the Golf Course Fund to eliminate the liability within the Golf Course Fund that had accumulated since FY2008-2009 due to ongoing operational losses. Another contributing factor to the large decrease in fund balance was a large transfer to establish the Better Place Plan Fund. These monies were included in the General Fund in previous fiscal years however they will now be accounted for within their own fund.

Approximately twenty-one percent (21%) of the General Fund total fund balance is non-spendable due to advances to other funds (Airport Fund), therefore the City will not have this portion available for use in the immediate future. Restricted and committed fund balances comprise an additional seventeen percent (17%) of the total fund balance. The remaining unassigned fund balance is 9.61% of the total general fund expenditures, which increased slightly from 9.35% 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.

## **ECONOMIC CONDITION (Concluded)**

The net position of the sanitation and golf course funds increased by approximately \$200,000 and \$1,546,000 respectively, while the net position of the water and airport funds decreased by approximately \$405,000 and \$688,000, respectively.

The City's golf course continues to operate at a financial deficit with money from the general fund being budgeted as a transfer 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 before any General Fund subsidies take place. The conditions at the course have continued to improve drastically in FY14-15 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 of the hotel and demolition of the interior of the historic buildings is currently underway. The hotel is expected to be completed in the fall of 2015 and restoration of the historic buildings has an estimated completion date of the winter of 2015.

The City Commission adopted a Riverfront Conceptual Master Plan in March 2010 and has successfully completed approximately two point two 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, restaurant, 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 three 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

**MAJOR INITIATIVES  
(Concluded)**

CURRENT PROJECTS (continued)

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 two million dollars and will be financed completely by Georgia Pacific with the City assuming the operational costs once it is completed. Construction of the center is underway and is expected to be completed by June of 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 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 expand apron and aircraft parking, 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 has evaluated 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 seeking funding from various in order to finance the equipment and processes which would produce a class A bio-solid which could be sold for fill and ground cover. The improvements are expected to cost three million dollars with some of the funding expected to come from State and Federal sources.

The City is seeking additional Federal and State grant funds to identify, plan and finance needed water 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 continues to work with Putnam County and Chamber of Commerce representatives to expand utility services in order to promote and facilitate economic development. The City continues to meet 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.

## **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.

### 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, 2013. This was the twenty-second year in a row 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.

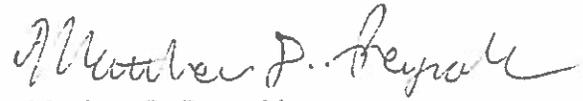
### ACKNOWLEDGMENTS

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,

  
Allen Bush  
Interim 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, 2013 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, 2013**

Executive Director/CEO

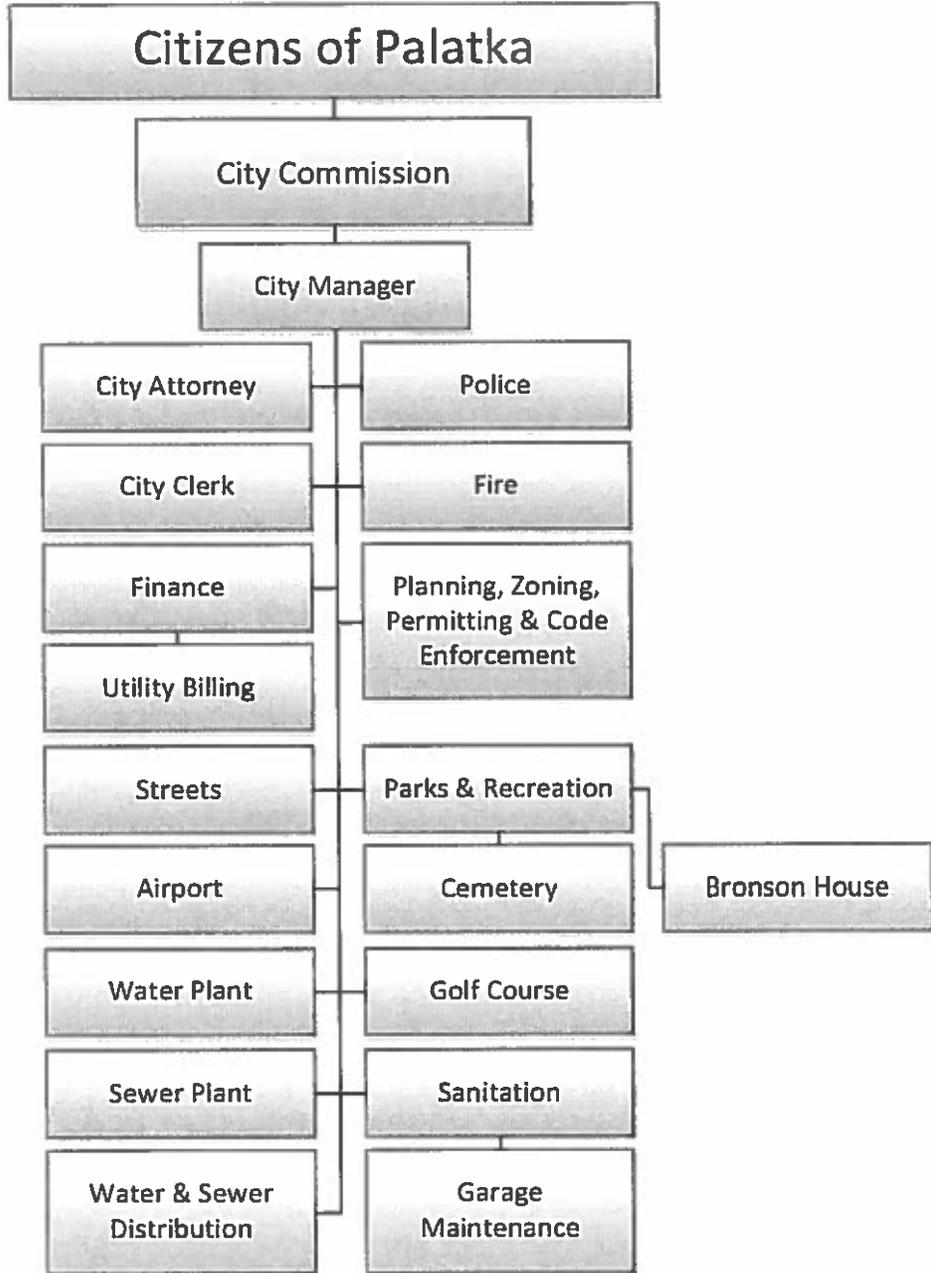
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# City of Palatka

## Organizational Chart

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**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  
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 Garage Maintenance  
Water Treatment Plant  
Wastewater Treatment Plant  
Water/Sewer Distribution

John Youell  
Thad Crowe  
Andy Heartz  
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, 2014, 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, 2014, 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.

## ***Change in Accounting Principle***

As discussed in Note 14 to the financial statements, the City implemented the provisions of GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to this matter.

## ***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. 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 29, 2015 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.

Palatka, Florida  
April 29, 2015

**City of Palatka  
Management's Discussion and Analysis  
September 30, 2014**

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, 2014. 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 \$51,461,855. Of this amount, \$2,738,122 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$2,811,341 (5.18%). Due to a loss on the sale of land and a large transfer to the Golf Course fund, governmental net position decreased by \$3,464,662 (21.30%). The Enterprise funds net position increased by \$653,321 (1.72%) due to a large transfer to the Golf Course fund from the General Fund.
- The total net position of each Enterprise fund were: Water \$19,456,031, Sanitation \$952,758, Golf \$361,435 and Airport \$17,891,030.
- As of September 30, 2014, the City's governmental funds reported combined ending fund balances of \$1,688,256, a decrease of \$2,146,763 (55.98%).
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$848,005 or 9.61% of total General Fund expenditures. Downtown Redevelopment Agency fund balance was \$468,979.
- Net position of the General, Police Officers' and Firefighters' Pension Trust Funds increased by \$977,004, \$772,020 and \$612,732, 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 in the government-wide statements. 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 four 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, the Downtown Redevelopment Agency fund, and the Better Place Plan 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 each governmental fund. Budgetary comparison schedules have been provided for the General fund and the Downtown Redevelopment special revenue fund in the required supplementary information section and for the Better Place Plan fund and the other non-major governmental fund in the 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 - 43 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 net liabilities, contributions and investment returns relating to its pension plans and the City's progress in funding its obligation for other postemployment benefits to its employees. Required supplementary information can be found on pages 44 – 54 of this report.

Supplementary information can be found on pages 55 – 57 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 \$51,461,855 at the close of the most recent fiscal year. There were deferred inflows of \$929,952 and no deferred outflows.

The majority of the City's net position (93.05%) 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, 2014

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$3,045,239	\$4,180,647	\$2,915,739	\$2,297,664	\$5,960,978	\$6,478,311
Capital assets	\$13,460,933	\$15,662,293	\$50,910,500	\$52,715,044	\$64,371,433	\$68,377,337
<b>Total assets</b>	<b>\$16,506,172</b>	<b>\$19,842,940</b>	<b>\$53,826,239</b>	<b>\$55,012,708</b>	<b>\$70,332,411</b>	<b>\$74,855,648</b>
Long-term liabilities						
Outstanding	\$3,278,540	\$3,232,049	\$14,548,180	\$16,209,729	\$17,826,720	\$19,441,778
Other liabilities	\$427,031	\$345,628	\$616,805	\$609,676	\$1,043,836	\$955,304
<b>Total liabilities</b>	<b>\$3,705,571</b>	<b>\$3,577,677</b>	<b>\$15,164,985</b>	<b>\$16,819,405</b>	<b>\$18,870,556</b>	<b>\$20,397,082</b>
Net assets:						
Net investment in capital assets	\$10,735,671	\$13,138,987	\$37,150,342	\$38,728,555	\$47,886,013	\$51,867,542
Restricted	\$507,111	\$401,999	\$330,609	\$328,594	\$837,720	\$730,593
Unrestricted	\$1,557,819	\$2,724,277	\$1,180,303	(\$863,846)	\$2,738,122	\$1,860,431
<b>Total net position</b>	<b>\$12,800,601</b>	<b>\$16,265,263</b>	<b>\$38,661,254</b>	<b>\$38,193,303</b>	<b>\$51,461,855</b>	<b>\$54,458,566</b>

An additional portion of the City's net position \$837,720 (1.63%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$2,738,122 (5.32%) 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 governmental activities and business activities of the City.

### Change in Net Position

The City's total net position decreased \$2,811,341 over the previous year with a decrease of \$3,464,662 resulting from governmental activities and an increase of \$653,321 from business activities.

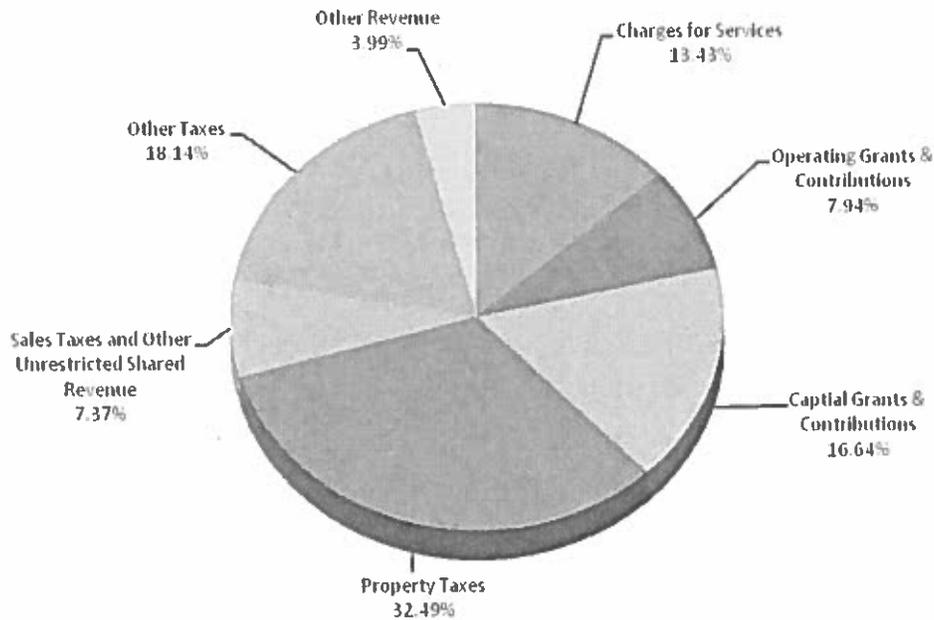
#### City of Palatka Changes in Net Position For the year ended September 30, 2014

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$1,432,730	\$921,471	\$7,584,599	\$7,254,850	\$9,017,329	\$8,176,321
Operating Grants & Contributions	\$847,158	\$981,676	\$26,500		\$873,658	\$981,676
Capital Grants & Contributions	\$1,774,920	\$736,090	\$426,812	\$1,521,529	\$2,201,732	\$2,257,619
<b>General Revenues:</b>						
Property Taxes	\$3,465,626	\$3,432,971			\$3,465,626	\$3,432,971
Sales Taxes and Other Unrestricted Shared Revenues	\$786,686	\$783,678			\$786,686	\$783,678
Other Taxes	\$1,935,024	\$1,958,853			\$1,935,024	\$1,958,853
Other Revenue	\$425,816	\$595,402	\$47,316	\$125,174	\$473,132	\$720,576
<b>Total Revenues</b>	<b>\$10,667,960</b>	<b>\$9,410,141</b>	<b>\$8,085,227</b>	<b>\$8,901,553</b>	<b>\$18,753,187</b>	<b>\$18,311,694</b>
<b>Expenses:</b>						
General Government	\$507,929	\$2,192,293			\$507,929	\$2,192,293
Public Safety	\$6,117,513	\$5,467,142			\$6,117,513	\$5,467,142
Physical Environment	\$415,967	\$0			\$415,967	\$0
Transportation	\$573,372	\$511,114			\$573,372	\$511,114
Economic Environment	\$280,156	\$184,981			\$280,156	\$184,981
Human Services	\$174,967	\$151,906			\$174,967	\$151,906
Culture/Recreation	\$1,288,402	\$427,004			\$1,288,402	\$427,004
Interest on Long-Term Debt	\$67,579	\$155,598			\$67,579	\$155,598
Water			\$4,826,439	\$4,688,134	\$4,826,439	\$4,688,134
Sanitation			\$1,387,863	\$1,397,879	\$1,387,863	\$1,397,879
Golf Course			\$977,653	\$997,958	\$977,653	\$997,958
Airport			\$1,868,470	\$1,672,638	\$1,868,470	\$1,672,638
<b>Total Expenses</b>	<b>\$9,425,885</b>	<b>\$9,090,038</b>	<b>\$9,060,425</b>	<b>\$8,756,609</b>	<b>\$18,486,310</b>	<b>\$17,846,647</b>
Increase in Net Position before Transfers	\$1,242,075	\$320,103	(\$975,198)	\$144,944	\$266,877	\$465,047
Loss on sale of land	(\$3,078,218)				(\$3,078,218)	\$0
Transfers	(\$1,628,519)	\$213,602	\$1,628,519	(\$213,602)	\$0	\$0
<b>Increase in Net Position</b>	<b>(\$3,464,662)</b>	<b>\$533,705</b>	<b>\$653,321</b>	<b>(\$68,658)</b>	<b>(\$2,811,341)</b>	<b>\$465,047</b>
Net Position-Beginning of Year	\$16,265,263	\$15,731,558	\$38,007,933	\$38,261,961	\$54,273,196	\$53,993,519
Net Position-End of Year	\$12,800,601	\$16,265,263	\$38,661,254	\$38,193,303	\$51,461,855	\$54,458,566

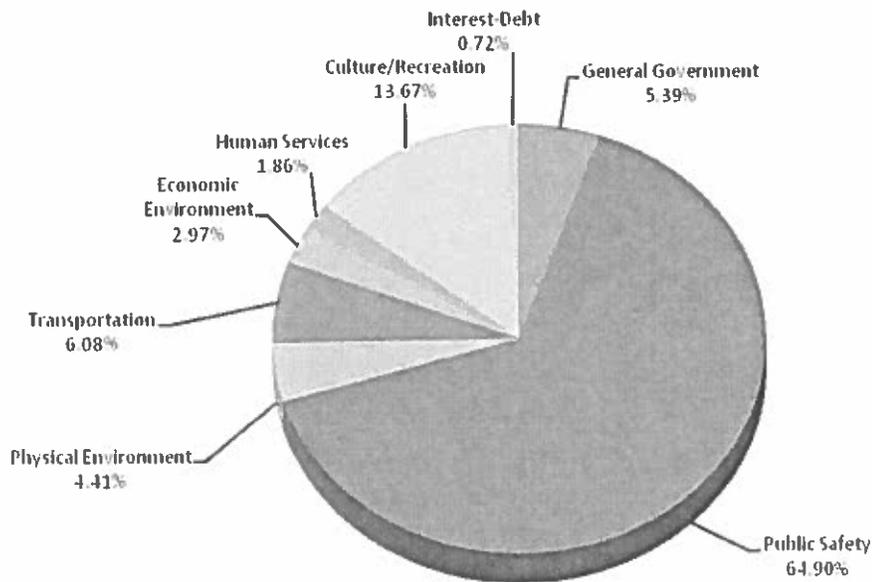
### Governmental Activities

Governmental activities decreased the City's net position by \$3,464,662 thereby accounting for 123.24% of the total decrease in the net position of the City. A key element of this decrease was the substantial loss on the sale of land as well as a large transfer from the General Fund to the Golf Course fund.

### Revenue by Source - Governmental Activity



### Expenses - Governmental Activities



### ***Business-type Activities***

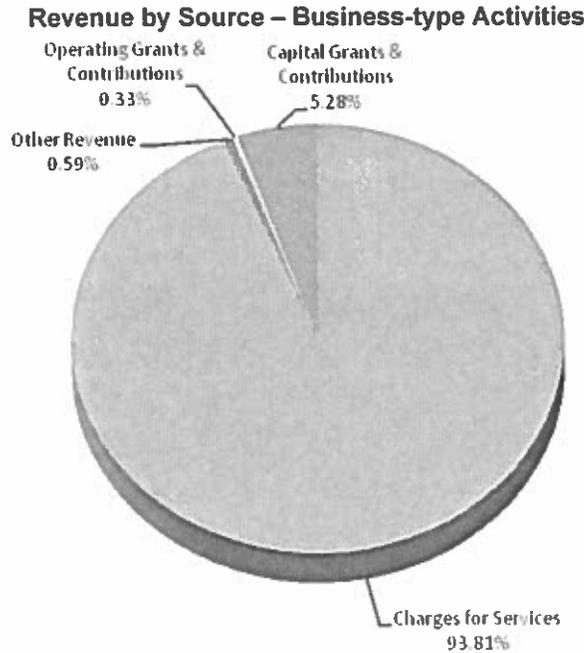
Business-type activities increased the City's net position by \$653,321 accounting for -23.24% of the total decrease in the City's net position. Key elements in this increase are as follows:

The Water fund had an operating income of \$181,556, however nonoperating revenues and expenses totaled \$558,872 resulting in a loss of \$377,316 before capital contributions and transfers. After capital contributions and transfers, the net position decreased by \$405,394. The net position at the end of the fiscal year in the Water fund totaled \$19,456,031.

The Sanitation fund net position increased by \$200,723 due to ongoing sustained charges for services which exceed the operating expenses of the fund. The net position at the end of the fiscal year in the Sanitation fund totaled \$952,758.

The Golf Course fund net position increased by \$1,546,232 due to a large transfer from the General Fund which eliminated the outstanding advance to the Golf Course fund. The net position at the end of the fiscal year in the Golf Course fund was \$361,435.

The Airport fund received state and federal grants of \$179,562 during the fiscal year. These funds were used for several capital improvement projects that included drainage rehabilitation and hangar construction. The operating loss for the Airport which includes depreciation totaled \$668,844. This loss combined with a total nonoperating expense of \$398,874 ultimately resulted in a decrease in the net position of \$688,240 after capital contributions and transfers in were factored in. The net position at the end of the fiscal year in the Airport fund totaled \$17,891,030.



### ***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 \$1,688,256, a decrease of \$2,146,763 (55.98%) in comparison to the prior year. This total includes a nonspendable fund balance of \$292,927, a restricted fund balance of \$702,624, a committed fund balance of \$33,128 and an unassigned fund balance of \$659,577 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 \$1,369,573, a decrease of \$2,063,447 (60.11%) from the prior year. This was due to a substantial transfer from the General Fund to the Golf Course Fund which substantially decreased the amount of nonspendable fund balance. Another contributor to the decrease was the creation of the Better Place Plan Fund which reduced the amount of restricted fund balance within the General Fund since there was a large transfer from the General Fund to the Better Place Plan Fund when the fund was created.

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 decreased by \$557,696 from the prior year primarily due to the creation of the Better Place Plan Fund which realized \$733,349 in taxes that were included in the taxes of the General Fund in prior years. If the taxes from the Better Place Plan Fund had been included in the General Fund, the increase in taxes from the prior year would have been \$175,653.

Ad valorem taxes, which were accounted for in the general and special revenue funds was 9.1749 mills and generated \$3,465,626, an increase of \$32,655 from the prior year.

The General Fund had a decrease of \$106,746 in expenditures due to a substantial decrease in general government, transportation, culture and recreation as well as debt service expenditures which was partially offset by a large increase in public safety expenditures.

Unassigned fund balance in the General Fund increased by \$13,037 from the prior year.

### ***Special Revenue Funds***

The Downtown Redevelopment fund balance was \$468,979, an increase of \$105,085 from the prior year. This increase was caused by an excess of tax revenues over economic environment expenditures.

The Better Place Plan fund balance did not have a beginning balance since it was created at the beginning of the fiscal year. It ended the fiscal year with a negative balance of \$188,428 due to an excess of expenditures over revenues including the transfer from the General Fund to establish the Better Place Plan Fund. There was a deferred inflow of \$914,437 which more than offsets the negative fund balance.

Other Governmental Funds fund balance was \$38,132, an increase of \$27 (0.07%) from the prior year. This was due to a slight amount of interest revenue.

### ***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, 2014, total proprietary fund net position amounted to \$38,661,254.

### ***Water Revenue Fund***

The Water Revenue Fund accounts for revenues of the City's water and sewer systems. Operating revenue increased by \$315,055 or 7.62% from the prior year while expenses increased slightly by a total of \$8,615. Unrestricted net position at the end of the fiscal year for the water revenue fund amounted to \$831,189.

### ***Sanitation Fund***

There was an increase in operating revenue of \$100,225 or 6.53% from the prior year. Expenses decreased slightly by a total of \$9,967. Unrestricted net position for the sanitation fund totaled \$511,516.

### ***Golf Course Fund***

Operating revenues increased slightly by \$22,801 or 3.25% from the prior year. Operating expenses increased slightly by \$20,217 or 2.24%, exceeding operating revenues by \$196,327. Unrestricted net position increased by \$1,473,874 to arrive at a negative unrestricted net position balance of \$41,999 for the year. This large increase in unrestricted net position was due to a substantial transfer of \$1,784,603 from the General Fund. The city has made significant improvements to the condition of the course and as a result we have seen an increase in the amount of play. This has resulted in an increase to the revenues of the Golf Course Fund and will continue to improve into the next fiscal year as well.

### ***Airport Fund***

Operating revenue decreased by \$115,758 from the prior year due to a substantial decrease in sales of 100 low lead fuel. Unrestricted net position increased by \$59,392 from the prior year. This resulted in a continued negative unrestricted net position balance of \$120,403 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 \$(362,024) (including transfers) which is a decrease of 3.57% over the original projections. This decrease was primarily attributed to an adjustment to the telecommunication service tax revenue line as well as the ad valorem taxes line to transfer a portion of taxes to the Downtown Redevelopment Fund. The variance between original and final budget amounts for the year is composed of the following:

- A decrease in ad valorem taxes of \$196,047;
- A decrease in telecommunication service taxes of \$99,273;
- Removal of a USDA grant for two fire trucks in the amount of \$76,000;
- An increase to the refunds and reimbursements line of \$4,968;
- A contribution for a new canine police officer of \$9,225.

A comparison of actual revenues versus the final budget reflects that actual revenues, excluding transfers, were \$394,245 less than budgeted.

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

- General government actual expenditures were \$122,503 less than final budget primarily due to savings in the information technology department.
- Public safety actual expenditures were \$567,497 less than final budget primarily due to the amount of red light camera tickets not meeting original estimates which resulted in reimbursements to the State of Florida being substantially below the budgeted amount.
- Additionally, \$94,624 reserved for contingencies was unspent.

**Capital Asset and Debt Administration**

**City of Palatka Capital Assets  
(Net of Depreciation)  
For the Year Ended September 30, 2014**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land and Improvements	\$3,329,027	\$6,746,180	\$4,245,409	\$10,129,294	\$7,574,436	\$16,875,474
Buildings and Improvements	\$3,271,818	\$3,465,080	\$16,840,105	\$12,056,154	\$20,111,923	\$15,521,234
Infrastructure	\$2,862,105	\$3,265,652	\$0	\$0	\$2,862,105	\$3,265,652
Equipment	\$1,924,502	\$1,414,787	\$2,220,414	\$1,897,358	\$4,144,916	\$3,312,145
Intangibles	\$158,192	\$170,500	\$0	\$0	\$158,192	\$170,500
Water/Sewer Distribution System	\$0	\$0	\$5,510,711	\$5,656,695	\$5,510,711	\$5,656,695
Plant Assets and Equipment	\$0	\$0	\$21,902,652	\$22,973,043	\$21,902,652	\$22,973,043
Construction in Progress	\$1,915,289	\$600,094	\$191,209	\$2,500	\$2,106,498	\$602,594
	<u>\$13,460,933</u>	<u>\$15,662,293</u>	<u>\$50,910,500</u>	<u>\$52,715,044</u>	<u>\$64,371,433</u>	<u>\$68,377,337</u>

**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, 2014, the governmental capital assets of the City amounted to \$13,460,933, net of depreciation. This was a decrease of \$2,201,360 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, 2014, (net of accumulated depreciation) amounts to \$64,371,433. 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 \$4,005,904.

Major capital asset events during the fiscal year were in the Better Place Plan Fund which is under the governmental activities section. The city received various grants and private contributions that paid for project costs at the City's riverfront as well as storm water improvements. The capital asset expenditures of approximately \$1.3 million were for the following:

- Boat ramp and parking improvements.
- Storm water and drainage improvements at two different locations.
- Refurbishment of two riverboats.
- Construction of an environmental center near the riverfront.

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, 2014, the City had \$2,725,262 of revenue bonds, notes payable and capital leases from specific general fund revenue sources other than ad valorem taxes. Also outstanding were \$7,105,000 Florida Municipal Loan Council Revenue Bonds, Series 2010A, payable from communication service tax revenue, half-cent sales tax revenue and public service tax revenues; \$284,458 Water Reuse System Construction loan, payable from the net revenues of the Water and Sewer system; \$3,511,826 Drinking Water State Revolving Fund Loan payable from the net revenues of the water and sewer system including connection fees; \$1,253,000 Taxable Golf Course Revenue Note payable from the net revenues of the Golf Course and non-ad valorem taxes; \$458,000 Airport Hangar Revenue notes and a \$750,000 Airport Terminal Revenue Note payable from the net revenues of the Airport and non-ad valorem taxes and a \$397,875 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 \$16,622,452. Of this amount, \$478,098 comprises debt backed by the full faith and credit of the City, \$1,166,039 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**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Revenue Bonds	\$1,479,000	\$1,890,000	\$7,105,000	\$7,074,630	\$8,584,000	\$8,964,630
Notes Payable	478,098	534,226	6,257,284	6,734,477	6,735,382	7,268,703
Capital Lease Obligations	768,164	315,228	397,875	177,382	1,166,039	492,610
Water/Sewer Agreements	0	0	137,031	137,031	137,031	137,031
<b>Total</b>	<b>\$2,725,262</b>	<b>\$2,739,454</b>	<b>\$13,897,190</b>	<b>\$14,123,520</b>	<b>\$16,622,452</b>	<b>\$16,862,974</b>

The City's total long-term debt decreased \$240,522 from the prior year, while the long-term liability for compensated absences increased by \$48,682.

**Governmental Activities:**

- The City received proceeds of \$520,700 from a capital lease for the purchase of police department vehicles.
- The City made the following principal payments during the year: revenue bonds - \$411,000; notes payable - \$56,128; and capital lease - \$67,764.
- Governmental obligations for compensated absences increased by 10.08% or \$39,000.

**Business-type activities:**

- The City received proceeds of \$257,100 from a capital lease for a sanitation truck.
- The following principal payments were made during the year: revenue bonds - \$155,000, notes payable - \$477,193; and capital lease - \$36,607.
- Compensated absences increased by 5.37% or \$9,682.

The City's bond rating was downgraded from 'A' to 'A-' by Fitch Ratings, Inc. 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 2014-15 budget document was challenging and difficult and resulted in the budgeting of approximately \$280,000 of unassigned fund balance to balance the budget. City staff is hopeful that as the fiscal year progresses, the actual revenues realized will exceed the budgeted amounts and actual expenses will be held below budget in order to minimize the use of fund balance. Our approach included holding three (3) 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 2014-15 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:

- Developing and implementing a comprehensive annexation policy;
- Increasing user fees and charges to completely cover the cost of services received;
- Developing and implementing a fire service fee special assessment;
- Comprehensive review and competitive bidding of all goods and services purchased to lower overall cost;
- 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. 2<sup>nd</sup> Street, Palatka, Florida 32177.

City of Palatka, Florida

Statement of Net Position  
September 30, 2014

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit Palatka Gas Authority
<b>Assets</b>				
Cash and equivalents	\$ 1,593,181	\$ 1,041,057	\$ 2,634,238	\$ 50,574
Investments	-	-	-	1,113,682
Accounts receivable	31,060	689,130	720,190	81,791
Internal balances	292,927	(292,927)	-	-
Due from other governments	1,128,071	311,121	1,439,192	-
Inventory	-	205,500	205,500	75,950
Prepays	-	-	-	4,003
Restricted cash and equivalents	-	88,894	88,894	-
Restricted investments	-	478,562	478,562	-
Capital assets:				
Non-depreciable	5,244,316	4,436,618	9,680,934	211,543
Depreciable, net	8,216,617	46,473,882	54,690,499	5,060,475
<b>Total assets</b>	<b>16,506,172</b>	<b>53,431,837</b>	<b>69,938,009</b>	<b>6,598,018</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	422,908	130,157	553,065	84,930
Deposits	4,123	474,940	479,063	250,925
Unearned revenue	-	11,708	11,708	-
Noncurrent liabilities:				
Due within one year	485,753	763,871	1,249,624	-
Due in more than one year	2,792,787	13,389,907	16,182,694	8,577
<b>Total liabilities</b>	<b>3,705,571</b>	<b>14,770,583</b>	<b>18,476,154</b>	<b>344,432</b>
<b>Net position</b>				
Net investment in capital assets	10,735,671	37,150,342	47,886,013	5,272,018
Restricted for:				
Downtown redevelopment	468,979	-	468,979	-
Housing and community development	38,132	-	38,132	-
Capital projects	-	8,095	8,095	-
Bond reserve	-	322,514	322,514	-
Unrestricted	1,557,819	1,180,303	2,738,122	981,568
<b>Total net position</b>	<b>\$ 12,800,601</b>	<b>\$ 38,661,254</b>	<b>\$ 51,461,855</b>	<b>\$ 6,253,586</b>

See accompanying notes.

**City of Palatka, Florida**  
**Statement of Activities**  
**Year ended September 30, 2014**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Palatka Gas Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	
<b>Primary government</b>								
Governmental activities:								
General government	\$ 507,929	\$ 115,895	\$ -	\$ -	\$ (392,034)	\$ -	\$ (392,034)	\$ -
Public safety	6,117,513	1,106,771	307,895	-	(4,702,847)	-	(4,702,847)	-
Physical environment	415,967	-	-	311,975	(103,992)	-	(103,992)	-
Transportation	573,372	51,654	528,798	-	7,080	-	7,080	-
Economic environment	280,156	-	3,000	733,349	456,193	-	456,193	-
Human services	174,967	136,137	-	-	(38,830)	-	(38,830)	-
Culture and recreation	1,288,402	22,273	7,465	729,596	(529,068)	-	(529,068)	-
Interest on long-term debt	67,579	-	-	-	(67,579)	-	(67,579)	-
<b>Total governmental activities</b>	<b>9,425,885</b>	<b>1,432,730</b>	<b>847,158</b>	<b>1,774,920</b>	<b>(5,371,077)</b>	<b>-</b>	<b>(5,371,077)</b>	<b>-</b>
Business-type activities:								
Water	4,826,439	4,443,050	-	232,922	-	(150,467)	(150,467)	-
Sanitation	1,387,863	1,633,906	25,000	-	-	271,043	271,043	-
Golf course	977,653	720,410	1,500	14,328	-	(241,415)	(241,415)	-
Airport	1,868,470	787,233	-	179,562	-	(901,675)	(901,675)	-
<b>Total business-type activities</b>	<b>9,060,425</b>	<b>7,584,599</b>	<b>26,500</b>	<b>426,812</b>	<b>-</b>	<b>(1,022,514)</b>	<b>(1,022,514)</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 18,486,310</b>	<b>\$ 9,017,329</b>	<b>\$ 873,658</b>	<b>\$ 2,201,732</b>	<b>(5,371,077)</b>	<b>(1,022,514)</b>	<b>(6,393,591)</b>	<b>-</b>
<b>Component unit</b>								
Palatka gas authority	\$ 2,078,964	\$ 1,853,033	\$ 50,000	\$ -	-	-	-	(175,931)
<b>General revenues</b>								
Property taxes					3,465,626	-	3,465,626	-
Sales tax and intergovernmental unrestricted shared revenues					786,686	-	786,686	-
Franchise taxes					810,331	-	810,331	-
Utility taxes					998,935	-	998,935	-
Communications service tax					125,758	-	125,758	-
Investment earnings					2,530	190	2,720	7,327
Contribution from component unit					300,000	-	300,000	-
Miscellaneous					123,286	47,126	170,412	3,134
Special items								
Loss on sale of land					(3,078,218)	-	(3,078,218)	-
Transfers					(1,628,519)	1,628,519	-	-
<b>Total general revenues, special items, and transfers</b>					<b>1,906,415</b>	<b>1,675,835</b>	<b>3,582,250</b>	<b>10,461</b>
<b>Change in net position</b>					<b>(3,464,662)</b>	<b>653,321</b>	<b>(2,811,341)</b>	<b>(165,470)</b>
<b>Net position - beginning of year, as restated</b>					<b>16,265,263</b>	<b>38,007,933</b>	<b>54,273,196</b>	<b>6,419,056</b>
<b>Net position - end of year</b>					<b>\$ 12,800,601</b>	<b>\$ 38,661,254</b>	<b>\$ 51,461,855</b>	<b>\$ 6,253,586</b>

See accompanying notes.

City of Palatka, Florida

Balance Sheet  
Governmental Funds  
September 30, 2014

	General Fund	Downtown Redevelopment Agency Fund	Better Place Plan Fund	Other Governmental Fund	Total Governmental Funds
<b>Assets</b>					
Cash and equivalents	\$ 939,480	\$ 468,959	\$ 146,610	\$ 38,132	\$ 1,593,181
Accounts receivable	26,989	-	4,071	-	31,060
Due from other funds	385,936	-	-	-	385,936
Due from other governments	28,391	20,515	1,079,165	-	1,128,071
Advances to other funds	292,927	-	-	-	292,927
<b>Total assets</b>	<b>\$ 1,673,723</b>	<b>\$ 489,474</b>	<b>\$ 1,229,846</b>	<b>\$ 38,132</b>	<b>\$ 3,431,175</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 300,027	\$ 4,980	\$ 117,901	\$ -	\$ 422,908
Due to other funds	-	-	385,936	-	385,936
Deposits	4,123	-	-	-	4,123
<b>Total liabilities</b>	<b>304,150</b>	<b>4,980</b>	<b>503,837</b>	<b>-</b>	<b>812,967</b>
<b>Deferred inflow of resources</b>					
Unavailable revenue	-	15,515	914,437	-	929,952
<b>Fund balances</b>					
Nonspendable	292,927	-	-	-	292,927
Restricted	195,513	468,979	-	38,132	702,624
Committed	33,128	-	-	-	33,128
Unassigned	848,005	-	(188,428)	-	659,577
<b>Total fund balances</b>	<b>1,369,573</b>	<b>468,979</b>	<b>(188,428)</b>	<b>38,132</b>	<b>1,688,256</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,673,723</b>	<b>\$ 489,474</b>	<b>\$ 1,229,846</b>	<b>\$ 38,132</b>	<b>\$ 3,431,175</b>

See accompanying notes.

Reconciliation of the Balance Sheet to the Statement of Net Position  
 Governmental Funds  
 September 30, 2014

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<b>Fund balances – total governmental funds</b>	<b>\$</b>	<b>1,688,256</b>
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		13,460,933
Long-term liabilities are not reported in the governmental funds.		
Bonds and notes payable		(1,957,098)
Capital leases		(768,164)
Compensated absences		(426,000)
Net OPEB obligation		(127,278)
The timing of revenue recognition sometimes differs between governmental funds and governmental activities.		
Unavailable revenue		929,952
<hr/>		
<b>Net position of governmental activities</b>	<b>\$</b>	<b>12,800,601</b>

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See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year ended September 30, 2014

	General Fund	Downtown Redevelopment Agency Fund	Better Place Plan Fund	Other Governmental Fund	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 4,907,847	\$ 386,220	\$ 733,349	\$ -	\$ 6,027,416
Permits, fees and special assessments	961,392	-	-	-	961,392
Intergovernmental	950,847	-	47,977	-	998,824
Charges for services	276,570	-	-	-	276,570
Fines and forfeitures	838,313	-	-	-	838,313
Miscellaneous	556,403	15,421	63,642	27	635,493
<b>Total revenues</b>	<b>8,491,372</b>	<b>401,641</b>	<b>844,968</b>	<b>27</b>	<b>9,738,008</b>
<b>Expenditures</b>					
Current:					
General government	1,113,203	-	70,801	-	1,184,004
Public safety	6,634,859	-	-	-	6,634,859
Physical environment	-	-	415,967	-	415,967
Transportation	550,065	-	3,039	-	553,104
Economic environment	-	280,156	-	-	280,156
Human services	164,899	-	-	-	164,899
Culture and recreation	292,405	-	961,037	-	1,253,442
Debt service:					
Principal retirement	67,764	-	467,128	-	534,892
Interest and fiscal charges	4,714	-	62,865	-	67,579
<b>Total expenditures</b>	<b>8,827,909</b>	<b>280,156</b>	<b>1,980,837</b>	<b>-</b>	<b>11,088,902</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(336,537)</b>	<b>121,485</b>	<b>(1,135,869)</b>	<b>27</b>	<b>(1,350,894)</b>
<b>Other financing sources (uses)</b>					
Transfers in	371,400	-	936,796	-	1,308,196
Transfers out	(2,619,010)	(165,350)	(152,355)	-	(2,936,715)
Capital lease	520,700	-	-	-	520,700
<b>Total other financing sources (uses)</b>	<b>(1,726,910)</b>	<b>(165,350)</b>	<b>784,441</b>	<b>-</b>	<b>(1,107,819)</b>
<b>Special items</b>					
Proceeds from sale of land	-	148,950	163,000	-	311,950
<b>Net change in fund balances</b>	<b>(2,063,447)</b>	<b>105,085</b>	<b>(188,428)</b>	<b>27</b>	<b>(2,146,763)</b>
<b>Fund balances – beginning of year</b>	<b>3,433,020</b>	<b>363,894</b>	<b>-</b>	<b>38,105</b>	<b>3,835,019</b>
<b>Fund balances – end of year</b>	<b>\$ 1,369,573</b>	<b>\$ 468,979</b>	<b>\$ (188,428)</b>	<b>\$ 38,132</b>	<b>\$ 1,688,256</b>

See accompanying notes.

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances to the Statement of Activities  
Governmental Funds  
Year ended September 30, 2014

**Net change in fund balances – total governmental funds** **\$ (2,146,763)**

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	2,137,099
Current year depreciation expense	(907,513)

In the statement of activities, only the gain or loss on the disposal of capital assets is reported. However in the governmental funds, proceeds from sales of capital assets are reported as revenues.

Loss on disposal of tangible capital assets	(40,778)
Loss on disposal of land	(3,078,218)
Proceeds from sale of land	(311,950)

The issuance of long-term debt provides current financial resources in governmental funds but does not effect net position of governmental activities.

Capital lease	(520,700)
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment does not effect net position of governmental activities.

Principal retirement	534,892
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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	(39,000)
Net OPEB obligation	(21,683)

The timing of revenue recognition sometimes differs between governmental funds and governmental activities.

Change in unavailable revenue	929,952
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**Change in net position of governmental activities** **\$ (3,464,662)**

See accompanying notes.

City of Palatka, Florida

Statement of Net Position  
Proprietary Funds  
September 30, 2014

	Business-type Activities – Enterprise Funds				Total Enterprise Funds
	Water Fund	Sanitation Fund	Golf Course Fund	Airport Fund	
<b>Current assets</b>					
Cash and equivalents	\$ 667,714	\$ 368,552	\$ 1,697	\$ 3,094	\$ 1,041,057
Restricted cash and equivalents	52,076	-	14,275	14,448	80,799
Accounts receivable	493,547	170,120	16,390	9,073	689,130
Due from other governments	134,921	-	14,328	161,872	311,121
Inventory	143,494	-	36,291	25,715	205,500
<b>Total current assets</b>	<b>1,491,752</b>	<b>538,672</b>	<b>82,981</b>	<b>214,202</b>	<b>2,327,607</b>
<b>Noncurrent assets</b>					
Restricted cash and equivalents	8,095	-	-	-	8,095
Restricted investments	478,562	-	-	-	478,562
Advance to other funds	20,505	80,970	-	-	101,475
Capital assets, net	29,195,701	698,342	1,797,204	19,219,253	50,910,500
<b>Total noncurrent assets</b>	<b>29,702,863</b>	<b>779,312</b>	<b>1,797,204</b>	<b>19,219,253</b>	<b>51,498,632</b>
<b>Total assets</b>	<b>31,194,615</b>	<b>1,317,984</b>	<b>1,880,185</b>	<b>19,433,455</b>	<b>53,826,239</b>
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	66,033	42,087	11,793	10,244	130,157
Deposits	454,818	-	-	20,122	474,940
Unearned revenue	-	-	11,708	-	11,708
Current portion of long-term liabilities	432,251	38,479	154,839	138,302	763,871
<b>Total current liabilities</b>	<b>953,102</b>	<b>80,566</b>	<b>178,340</b>	<b>168,668</b>	<b>1,380,676</b>
<b>Noncurrent liabilities</b>					
Net OPEB obligation	44,402	18,660	-	3,697	66,759
Advances from other funds	-	-	101,475	292,927	394,402
Other long-term liabilities	10,741,080	266,000	1,238,935	1,077,133	13,323,148
<b>Total noncurrent liabilities</b>	<b>10,785,482</b>	<b>284,660</b>	<b>1,340,410</b>	<b>1,373,757</b>	<b>13,784,309</b>
<b>Total liabilities</b>	<b>11,738,584</b>	<b>365,226</b>	<b>1,518,750</b>	<b>1,542,425</b>	<b>15,164,985</b>
<b>Net position</b>					
Net investment in capital assets	18,294,417	441,242	403,430	18,011,253	37,150,342
Restricted for capital projects	8,095	-	-	-	8,095
Restricted for bond reserve	322,330	-	4	180	322,514
Unrestricted	831,189	511,516	(41,999)	(120,403)	1,180,303
<b>Total net position</b>	<b>\$ 19,456,031</b>	<b>\$ 952,758</b>	<b>\$ 361,435</b>	<b>\$ 17,891,030</b>	<b>\$ 38,661,254</b>

See accompanying notes.

Statement of Revenues, Expenses and Changes in Fund Net Position  
 Proprietary Funds  
 Year ended September 30, 2014

	Business-type Activities – Enterprise Funds				Total Enterprise Funds
	Water Fund	Sanitation Fund	Golf Course Fund	Airport Fund	
<b>Operating revenues</b>					
User fees	\$ 4,443,050	\$ 1,633,906	\$ 720,410	\$ 787,233	\$ 7,584,599
Other operating revenues	5,305	1,830	4,544	4,415	16,094
<b>Total operating revenues</b>	4,448,355	1,635,736	724,954	791,648	7,600,693
<b>Operating expenses</b>					
Personal services	1,822,172	714,558	7,500	150,545	2,694,775
Operating expenses	1,330,928	610,750	839,359	613,182	3,394,219
Depreciation	1,113,699	62,555	74,422	696,765	1,947,441
<b>Total operating expenses</b>	4,266,799	1,387,863	921,281	1,460,492	8,036,435
<b>Operating income (loss)</b>	181,556	247,873	(196,327)	(668,844)	(435,742)
<b>Nonoperating revenues (expenses)</b>					
Investment earnings	190	-	-	-	190
Noncapital grant	-	25,000	-	-	25,000
Interest expense	(421,220)	-	(56,372)	(39,490)	(517,082)
Sale of surplus property	578	22,850	-	9,104	32,532
Loss on disposal of assets	(138,420)	-	-	(368,488)	(506,908)
<b>Total nonoperating revenues (expenses)</b>	(558,872)	47,850	(56,372)	(398,874)	(966,268)
<b>Income (loss) before capital contributions and transfers</b>	(377,316)	295,723	(252,699)	(1,067,718)	(1,402,010)
Capital contributions	232,922	-	14,328	179,562	426,812
Transfers in	-	-	1,784,603	199,916	1,984,519
Transfers out	(261,000)	(95,000)	-	-	(356,000)
<b>Change in net position</b>	(405,394)	200,723	1,546,232	(688,240)	653,321
<b>Net position – beginning of year (as restated)</b>	19,861,425	752,035	(1,184,797)	18,579,270	38,007,933
<b>Net position – end of year</b>	\$ 19,456,031	\$ 952,758	\$ 361,435	\$ 17,891,030	\$ 38,661,254

See accompanying notes.

City of Palatka, Florida

Statement of Cash Flows  
 Proprietary Funds  
 Year ended September 30, 2014

	Business-type Activities – Enterprise Funds				Total Enterprise Funds
	Water Fund	Sanitation Fund	Golf Course Fund	Airport Fund	
<b>Operating activities</b>					
Receipts from customers	\$ 4,488,827	\$ 1,618,955	\$ 711,634	\$ 717,100	\$ 7,536,516
Payments to suppliers	(1,404,247)	(627,565)	(2,298,896)	(596,227)	(4,926,935)
Payments to employees	(1,803,235)	(702,645)	(7,500)	(153,268)	(2,666,648)
<b>Net cash provided (used) by operating activities</b>	<b>1,281,345</b>	<b>288,745</b>	<b>(1,594,762)</b>	<b>(32,395)</b>	<b>(57,067)</b>
<b>Noncapital financing activities</b>					
Transfers in	-	-	1,784,603	199,916	1,984,519
Transfers out	(261,000)	(95,000)	-	-	(356,000)
Noncapital grants	-	25,000	-	-	25,000
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(261,000)</b>	<b>(70,000)</b>	<b>1,784,603</b>	<b>199,916</b>	<b>1,653,519</b>
<b>Capital and related financing activities</b>					
Debt issued	-	257,100	-	-	257,100
Capital contributions	232,922	-	14,328	179,562	426,812
Acquisitions of capital assets	(200,003)	(261,090)	(14,168)	(174,541)	(649,802)
Sale of surplus property	578	22,850	-	9,104	32,532
Principal paid on debt	(393,193)	-	(132,607)	(143,000)	(668,800)
Interest paid on debt	(421,220)	-	(56,372)	(39,490)	(517,082)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(780,916)</b>	<b>18,860</b>	<b>(188,819)</b>	<b>(168,365)</b>	<b>(1,119,240)</b>
<b>Investing activities</b>					
Interest received	190	-	-	-	190
Purchase of investments	(158)	-	-	-	(158)
<b>Net cash provided by investing activities</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32</b>
<b>Change in cash and equivalents</b>	<b>239,461</b>	<b>237,605</b>	<b>1,022</b>	<b>(844)</b>	<b>477,244</b>
<b>Cash and equivalents – beginning of year</b>	<b>488,424</b>	<b>130,947</b>	<b>14,950</b>	<b>18,386</b>	<b>652,707</b>
<b>Cash and equivalents – end of year</b>	<b>\$ 727,885</b>	<b>\$ 368,552</b>	<b>\$ 15,972</b>	<b>\$ 17,542</b>	<b>\$ 1,129,951</b>

See accompanying notes.

City of Palatka, Florida

Statement of Cash Flows  
 Proprietary Funds  
 Year ended September 30, 2014

	Business-type Activities – Enterprise Funds				Total Enterprise Funds
	Water Fund	Sanitation Fund	Golf Course Fund	Airport Fund	
<b>Operating income (loss)</b>	\$ 181,556	\$ 247,873	\$ (196,327)	\$ (668,844)	\$ (435,742)
Depreciation	1,113,699	62,555	74,422	696,765	1,947,441
Change in:					
Accounts receivable	(84,045)	(16,781)	(1,015)	(2,404)	(104,245)
Due from other governments	42,217	-	(14,328)	(71,364)	(43,475)
Inventory	(12,524)	-	(157)	19,728	7,047
Accounts payable and accrued liabilities	(56,685)	(13,917)	(3,263)	(2,547)	(76,412)
Due to other funds	-	-	-	-	-
Advance from other funds	-	-	(1,456,116)	-	(1,456,116)
Compensated absences	7,536	5,837	-	(3,696)	9,677
Net OPEB obligation	7,290	3,178	-	748	11,216
Unearned revenue	-	-	2,022	-	2,022
Customer deposits	82,301	-	-	(781)	81,520
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,281,345</b>	<b>\$ 288,745</b>	<b>\$ (1,594,762)</b>	<b>\$ (32,395)</b>	<b>\$ (57,067)</b>
Noncash capital and related financing activities:					
Asset acquired via capital lease	\$ -	\$ 257,100	\$ -	\$ -	\$ 257,100

(Concluded)

See accompanying notes.

City of Palatka, Florida

Statement of Fiduciary Net Position  
Pension Trust Funds  
September 30, 2014

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<b>Assets</b>	
Investments:	
Money market and other cash equivalents	\$ 393,031
Government bonds and notes	1,999,442
Corporate bonds and notes	4,270,865
Mutual funds - equities	28,567,886
Mutual funds (REIT)	414,740
<hr/>	
Total investments	35,645,964
Accounts receivable	129,047
<hr/>	
Total assets	35,775,011
<hr/>	
<b>Liabilities</b>	28,733
<hr/>	
<b>Net position</b>	
Restricted for pension benefits	\$ 35,746,278
<hr/>	

See accompanying notes.

City of Palatka, Florida

Statement of Changes in Fiduciary Net Position  
Pension Trust Funds  
Year ended September 30, 2014

<b>Additions</b>	
Contributions	
Employer	\$ 1,305,889
Member	309,951
State on behalf, through general fund	146,469
<b>Total contributions</b>	<b>1,762,309</b>
Investment income	
Net appreciation in fair value of investments	2,188,051
Interest	148,563
Dividends	968,215
	<b>3,304,829</b>
Less investment management fee	153,882
<b>Net investment income</b>	<b>3,150,947</b>
<b>Total additions</b>	<b>4,913,256</b>
<b>Deductions</b>	
Member benefits	2,430,951
Withdrawals	55,392
Administrative expense	65,157
<b>Total deductions</b>	<b>2,551,500</b>
<b>Change in net position</b>	<b>2,361,756</b>
<b>Net position restricted for pension benefits, beginning of year</b>	<b>33,384,522</b>
<b>Net position restricted for pension benefits, end of year</b>	<b>\$ 35,746,278</b>

See accompanying notes.

City of Palatka, Florida  
Notes to Financial Statements

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**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.

**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 2013-2014 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*.

**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.

*Better Place Plan Fund* – to account for revenues received from a discretionary surtax imposed to finance certain capital projects.

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.

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

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are 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 \$41,408 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.

City of Palatka, Florida  
Notes to Financial Statements

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

***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, 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:

	<u>Years</u>
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 2014.

***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.

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

***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.

***Property Taxes***

The Putnam County Tax Collector bills and collects property taxes for the City. At September 30, 2014, property taxes receivable was 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.

***Deferred Inflows***

Deferred inflows represent the acquisition of resources that are applicable to future reporting periods.

***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.

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

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.

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.

City of Palatka, Florida  
Notes to Financial Statements

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

***Future Accounting Pronouncements***

The Governmental Accounting Standards Board has issued statements that will become effective in 2015. The statements address:

- Accounting and financial reporting for pensions; and
- Mergers, acquisitions and transfers of operations

The City is currently evaluating the effects that these statements will have on its 2015 financial statements.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

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

	Primary Government	Component Unit
<b>Statement of net position:</b>		
Cash and equivalents	\$ 2,634,238	\$ 50,574
Investments	-	1,113,682
Restricted cash and equivalents	88,894	-
Restricted investments	478,562	-
<b>Statement of fiduciary net position:</b>		
Investments	35,645,964	-
<b>Total deposits and investments</b>	<b>\$ 38,847,658</b>	<b>\$ 1,164,256</b>

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	\$ 2,723,132	\$ 1,164,256
Investments - other than pension	478,562	-
Investments - pension	35,645,964	-
<b>Total deposits and investments</b>	<b>\$ 38,847,658</b>	<b>\$ 1,164,256</b>

***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:

City of Palatka, Florida  
Notes to Financial Statements

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

- ◆ 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.

The City's investments at September 30, 2014 are summarized in the following table:

		Maturities		
		0-5 yrs	5-10 yrs	10+ yrs
<b>Pension investments:</b>				
Money market & other cash equivalents	\$ 393,031	\$ 393,031	\$ -	\$ -
Government bonds and notes	1,999,442	1,252,742	32,991	713,709
Corporate bonds and notes	4,270,865	2,853,144	1,109,654	308,067
Mutual funds (equities)	12,959,323	12,959,323	-	-
Mutual funds (REIT)	414,740	414,740	-	-
Mutual funds (ETF Equities)	10,087,083	10,087,083	-	-
Mutual funds (taxable-equity)	5,521,480	5,521,480	-	-
Common stock	-	-	-	-
<b>Total pension investments</b>	<b>35,645,964</b>	<b>33,481,543</b>	<b>1,142,645</b>	<b>1,021,776</b>
<b>Other investments:</b>				
Government bonds and notes	478,562	-	-	-
<b>Total</b>	<b>\$ 36,124,526</b>	<b>\$ 33,481,543</b>	<b>\$ 1,142,645</b>	<b>\$ 1,021,776</b>

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

Corporate Bonds and Notes		Government Bonds and Notes	
AAA	1%	AAA	69%
A1	31%	-	-
A2	18%	-	-
A3	25%	-	-
BAA1	9%	-	-
BAA2	16%	-	-
Not rated	-	Not rated	31%
	<b>100%</b>		<b>100%</b>

The City's investments in mutual funds and money markets 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.

City of Palatka, Florida  
Notes to Financial Statements

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

*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.

**NOTE 3 – INTERFUND BALANCES AND TRANSFERS**

At September 30, 2014, interfund balances are as follows:

Fund Type/Fund	Interfund Receivable	Interfund Payable
General fund	\$ 678,863	\$ -
Major capital projects funds:		
Better place plan fund	-	385,936
Major enterprise funds:		
Water	20,505	-
Sanitation	80,970	-
Golf course	-	101,475
Airport	-	292,927
<b>Total</b>	<b>\$ 780,338</b>	<b>\$ 780,338</b>

As summarized below, the interfund balances arose because three funds had overdrawn their share of the City’s pooled cash account. All of the interfund balances, other than the amount due from the Better Place Plan Fund, are “advances,” which are not expected to be repaid within one year.

City of Palatka, Florida  
Notes to Financial Statements

**NOTE 3 – INTERFUND BALANCES AND TRANSFERS (CONTINUED)**

	Cash and Equivalents As Reported	Adjustment for Overdraft	True Balance
General fund	\$ 939,480	\$ 678,863	\$ 1,618,343
Major capital projects funds:			
Better place plan fund	146,610	(385,936)	(239,326)
Major enterprise fund:			
Water	727,885	20,505	748,390
Sanitation	368,552	80,970	449,522
Golf course	15,972	(101,475)	(85,503)
Airport	17,542	(292,927)	(275,385)
<b>Total</b>	<b>\$ 2,216,041</b>	<b>\$ -</b>	<b>\$ 2,216,041</b>

Interfund transfers for the year ended September 30, 2014 consisted of the following:

Fund Type/Fund	Transfers In	Transfers Out
General fund	\$ 371,400	\$ 2,619,010
Downtown redevelopment agency fund	-	165,350
Better place plan fund	936,796	152,355
Major enterprise funds:		
Water	-	261,000
Sanitation	-	95,000
Golf course	1,784,603	-
Airport	199,916	-
<b>Total</b>	<b>\$ 3,292,715</b>	<b>\$ 3,292,715</b>

The interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer, with the exception of transfers from the General fund received by both the Better Place Plan fund and the Golf fund. \$787,846 was transferred from the General fund to separate activities now accounted for in the Better Place Plan fund. \$1,631,248 was transferred to the Golf fund for forgiveness of prior period advances from the General fund.

City of Palatka, Florida  
Notes to Financial Statements

**NOTE 4 – CAPITAL ASSET ACTIVITY**

During the year ended September 30, 2014, the following changes in capital assets occurred:

<b>Primary Government</b>	Balance October 1, 2013	Increases	Decreases	Balance September 30, 2014
<b>Governmental activities</b>				
<b>Capital assets not being depreciated:</b>				
Land and improvements	\$ 6,746,180	\$ -	\$ 3,417,153	\$ 3,329,027
Construction in progress	600,094	1,321,641	6,446	1,915,289
<b>Total capital assets not being depreciated</b>	<b>7,346,274</b>	<b>1,321,641</b>	<b>3,423,599</b>	<b>5,244,316</b>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	6,910,245	68,474	8,633	6,970,086
Infrastructure	10,067,543	-	38,695	10,028,848
Furniture and equipment	3,699,531	773,156	435,705	4,036,982
Intangibles	234,827	12,523	-	247,350
<b>Total capital assets being depreciated</b>	<b>20,912,146</b>	<b>854,153</b>	<b>483,033</b>	<b>21,283,266</b>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	3,445,165	257,680	4,577	3,698,268
Infrastructure	6,801,891	364,852	-	7,166,743
Furniture and equipment	2,284,744	260,150	432,414	2,112,480
Intangibles	64,327	24,831	-	89,158
<b>Total accumulated depreciation</b>	<b>12,596,127</b>	<b>907,513</b>	<b>436,991</b>	<b>13,066,649</b>
<b>Total capital assets being depreciated, net</b>	<b>8,316,019</b>	<b>(53,360)</b>	<b>46,042</b>	<b>8,216,617</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 15,662,293</b>	<b>\$ 1,268,281</b>	<b>\$ 3,469,641</b>	<b>\$ 13,460,933</b>

City of Palatka, Florida  
Notes to Financial Statements

**NOTE 4 – CAPITAL ASSET ACTIVITY (CONTINUED)**

<b>Primary Government</b>	Balance October 1, 2013	Increases	Decreases	Balance September 30, 2014
<b>Business-type activities</b>				
<b>Capital assets not being depreciated:</b>				
Land and improvements	\$ 10,129,294	\$ -	\$ 5,883,885	\$ 4,245,409
Construction in progress	2,500	188,709	-	191,209
<b>Total capital assets not being depreciated</b>	<b>10,131,794</b>	<b>188,709</b>	<b>5,883,885</b>	<b>4,436,618</b>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	21,377,880	5,883,885	4,326,869	22,934,896
Furniture and equipment	4,037,252	303,992	354,169	3,987,075
Water and sewer distribution system	9,827,457	-	-	9,827,457
Plant assets and equipment	34,744,575	171,271	335,746	34,580,100
<b>Total capital assets being depreciated</b>	<b>69,987,164</b>	<b>6,359,148</b>	<b>5,016,784</b>	<b>71,329,528</b>
<b>Less accumulated depreciation for:</b>				
Building and improvements	9,321,726	736,265	3,963,200	6,094,791
Furniture and equipment	2,139,894	88,926	462,159	1,766,661
Water and sewer distribution system	4,170,762	216,334	70,350	4,316,746
Plant assets and equipment	11,771,532	905,916	-	12,677,448
<b>Total accumulated depreciation</b>	<b>27,403,914</b>	<b>1,947,441</b>	<b>4,495,709</b>	<b>24,855,646</b>
<b>Total capital assets being depreciated, net</b>	<b>42,583,250</b>	<b>4,411,707</b>	<b>521,075</b>	<b>46,473,882</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 52,715,044</b>	<b>\$ 4,600,416</b>	<b>\$ 6,404,960</b>	<b>\$ 50,910,500</b>

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	\$ 604,841
Public safety	234,286
Transportation	20,865
Human services	7,199
Culture and recreation	40,322
<b>Total depreciation expense - governmental activities</b>	<b>\$ 907,513</b>

Business-type activities:	
Water and sewer	\$ 1,113,699
Sanitation	62,555
Golf course	696,765
Airport	74,422
<b>Total depreciation expense - business-type activities</b>	<b>\$ 1,947,441</b>

***Discretely Presented Component Unit***

Capital assets activity for the Gas Authority for the year ended September 30, 2014 follows:

	Balance October 1, 2013	Increases	Decreases	Balance September 30, 2014
<b>Capital assets not being depreciated:</b>				
Land	\$ 211,543	\$ -	\$ -	\$ 211,543
<b>Capital assets being depreciated:</b>				
Buildings and improvements	1,413,600	2,527	-	1,416,127
Furniture and equipment	718,248	120,008	39,494	798,762
Plant assets and equipment	4,931,101	858,518	191,917	5,597,702
<b>Total capital assets being depreciated</b>	<b>7,062,949</b>	<b>981,053</b>	<b>231,411</b>	<b>7,812,591</b>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	215,966	35,393	-	251,359
Furniture and equipment	428,984	59,903	39,494	449,393
Plant assets and equipment	2,134,341	108,940	191,917	2,051,364
<b>Total accumulated depreciation</b>	<b>2,779,291</b>	<b>204,236</b>	<b>231,411</b>	<b>2,752,116</b>
<b>Total capital assets being depreciated, net</b>	<b>4,283,658</b>	<b>776,817</b>	<b>-</b>	<b>5,060,475</b>
<b>Gas Authority capital assets, net</b>	<b>\$4,495,201</b>	<b>\$ 776,817</b>	<b>\$ -</b>	<b>\$ 5,272,018</b>

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. \$ 478,098

\$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 \$1,582,929. During the current year, the City recognized infrastructure surtax revenues of \$733,349 and made \$454,096 principal and interest payments. 1,479,000

Total \$ 1,957,098

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 \$12,284,469. During the current year, the City recognized pledged revenues of \$1,499,861, and made \$467,663 principal and interest payments. \$ 7,105,000

\$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 \$295,931. During the current year, the City recognized net revenues of \$1,292,838, and made \$53,822 principal and interest payments. 284,458

\$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 \$4,260,892. During the current year, the City recognized net revenues of \$1,292,838, and paid principal and interest payments in the amount of \$284,953. 3,511,826

City of Palatka, Florida  
Notes to Financial Statements

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**NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)**

\$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 \$539,900. During the current year, the City recognized net revenues of \$37,025 and made \$71,714 principal and interest payments.

458,000

\$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 \$841,889. During the current year, the City recognized net revenues of \$37,025 and made \$110,776 principal and interest payments.

750,000

\$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 \$1,520,899. During the current year, the City had net revenues of \$(121,905) and made \$152,372 principal and interest payments.

1,253,000

Total

\$ 13,362,284

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
2015	\$ 320,320	\$ 50,794	\$ 652,812	\$ 492,093
2016	329,576	42,333	661,599	473,175
2017	337,983	33,570	680,530	452,615
2018	346,424	24,008	694,608	430,655
2019	348,988	15,484	724,807	408,017
2020-2024	273,807	9,344	3,390,380	1,682,938
2025-2029	-	-	2,572,548	1,208,545
2030-2034	-	-	1,565,000	814,678
2035-2039	-	-	1,970,000	378,788
2040	-	-	450,000	41,163
<b>Totals</b>	<b>\$ 1,957,098</b>	<b>\$ 175,533</b>	<b>\$ 13,362,284</b>	<b>\$ 6,382,667</b>

**Governmental Activities**

	Balance October 1, 2013			Balance September 30, 2014		Due Within One Year
		Additions	Deductions			
Revenue bonds and notes	\$ 2,424,226	\$ -	\$ 467,128	\$ 1,957,098	\$ 320,320	
Capital leases	315,228	520,700	67,764	768,164	66,433	
Compensated absences	387,000	262,000	223,000	426,000	99,000	
Net OPEB obligation	105,595	21,683	-	127,278	-	
<b>Total</b>	<b>\$ 3,232,049</b>	<b>\$ 804,383</b>	<b>\$ 757,892</b>	<b>\$ 3,278,540</b>	<b>\$ 485,753</b>	

**Capital Leases**

The City has a \$26,009, 8.9% capital lease for computer equipment due in monthly installments of \$826, a \$300,000, 1.68% for police vehicles due in monthly installments of \$5,304 and a \$520,700, 1.62% for police vehicles due in semi-annual installments of approximately \$54,000. All three leases are payable from the General Fund and reported in governmental activities.

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)**

Additionally, the City has a \$257,100, 1.62% capital lease for a sanitation truck due in semi-annual payments of approximately \$20,000. The lease is payable from the Sanitation Fund and is reported in business-type activities.

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

Year Ending September 30,	Governmental Business-type	
	Activities	Activities
2015	\$ 180,472	\$ 71,118
2016	172,110	81,950
2017	172,149	77,022
2018	166,728	71,056
2019	108,502	40,768
2020-2024	-	81,523
Less: amount representing interest	(31,797)	(25,562)
<b>Present value of net minimum lease payments</b>	<b>\$ 768,164</b>	<b>\$ 397,875</b>

***Business-type Activities***

	Balance		Deductions	Balance		Due Within One Year
	October 1, 2013	Additions		September 30, 2014		
Florida Municipal Loan Council revenue						
bonds series 2010A	\$ 7,260,000	\$ -	\$ 155,000	\$ 7,105,000	\$ 155,000	
Drinking water state revolving fund loan	3,700,506	-	188,680	3,511,826	194,634	
Water reuse loan	333,971	-	49,513	284,458	50,178	
Golf revenue note series 2013A	1,349,000	-	96,000	1,253,000	117,000	
Airport revenue note series 2013B	511,000	-	53,000	458,000	52,000	
Airport revenue note series 2013C	840,000	-	90,000	750,000	84,000	
<b>Total revenue bonds and notes</b>	<b>13,994,477</b>	<b>-</b>	<b>632,193</b>	<b>13,362,284</b>	<b>652,812</b>	
Capital lease	177,382	257,100	36,607	397,875	62,839	
County water/sewer agreement	125,738	-	-	125,738	-	
SJRWMD water/sewer agreement	11,293	-	-	11,293	-	
Compensated absences	180,147	125,982	116,300	189,829	48,220	
Net OPEB obligation	55,543	11,216	-	66,759	-	
<b>Total</b>	<b>\$ 14,544,580</b>	<b>\$ 394,298</b>	<b>\$ 785,100</b>	<b>\$ 14,153,778</b>	<b>\$ 763,871</b>	

City of Palatka, Florida  
Notes to Financial Statements

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**NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED)**

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.

**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
<hr/>	
Restricted assets:	
Cash and equivalents	\$ 88,894
Investments	478,562
<hr/>	
Total	567,456
<hr/>	
Liabilities payable from restricted assets:	
Current portion of debt service:	
Principal	56,738
Interest	180,109
<hr/>	
Total	236,847
<hr/>	
Restricted net position	\$ 330,609
<hr/>	

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	322,514
<hr/>	
Total	\$ 330,609

**NOTE 7 -- FUND BALANCE CLASSIFICATIONS**

	General Fund	Downtown Redevelopment Agency Fund	Better Place Plan Fund	Other Governmental Fund	Total Governmental Funds
<b>Nonspendable:</b>					
Advances	\$ 292,927	\$ -	\$ -	\$ -	\$ 292,927
<hr/>					
<b>Restricted for:</b>					
Special needs recreation	5,000	-	-	-	5,000
Law enforcement	57,790	-	-	-	57,790
Fire safety education	24,142	-	-	-	24,142
Fire protection	5,841	-	-	-	5,841
Cemetery improvements	102,740	-	-	-	102,740
Downtown redevelopment	-	468,979	-	-	468,979
Housing and community development	-	-	-	38,132	38,132
<hr/>					
Total restricted	195,513	468,979	-	38,132	702,624
<hr/>					
<b>Committed for:</b>					
Law enforcement	6,058	-	-	-	6,058
Demolition and lot cleanup	27,070	-	-	-	27,070
<hr/>					
Total committed	33,128	-	-	-	33,128
<hr/>					
Unassigned	848,005	-	(188,428)	-	659,577
<hr/>					
Total fund balances	\$1,369,573	\$ 468,979	\$(188,428)	\$ 38,132	\$ 1,688,256

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**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 General Pension Board consists of five members, including the City Manager, two City Commission appointees, one member elected by a majority of the other covered General employees, and one citizen having financial experience appointed by the City Commission. The Police Officer Pension Board and Firefighters Pension Board each consist of two City Commission appointees, two members of the Plan elected by a majority of the other covered members and a fifth member elected by the other four board trustees and appointed by the City Commission. 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, 2014 the City recognized \$66,189 and \$80,280 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. General plan members are eligible for retirement at the earlier of: 1) age 55 and 7 years of credited service, or 2) 30 years of credited service, regardless of age. General members who will attain age 50 on or before September 30, 2014 shall be allowed to retire at age 50 with 7 years of service. Police officer members are eligible at the earlier of: 1) age 50 and 7 years of credited service, 2) age 55 and 10 years of credited service, 3) age 52 and 25 years of credited service, or 4) 30 years of credited service, regardless of age. Firefighter members are eligible at the earlier of: 1) age 50 and 7 years of credited service, 2) age 55 and 10 years of credited service, or 3) 25 years of credited service, regardless of age. The Plan also provides for disability, retirement, termination 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, 2012, are equal to total years of service times 2.5% of final average compensation (highest 3 consecutive years of the last 5). In addition, police officer and firefighter members also will receive a supplement funded with Chapter 185 or 175, F.S., as applicable, Premium Tax monies equal to 0.61% and 0.79%, respectively, of final average compensation times credited service. No other changes in benefit provisions have been made for the plan year beginning October 1, 2012. 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

City of Palatka, Florida  
Notes to Financial Statements

**NOTE 8 – PENSION PLANS (CONTINUED)**

all members is 25% of final average compensation. A member who terminates with less than 7 years' service may withdraw his or her member contributions.

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, 2014 is as follows:

	General	Police Officers	Fire Fighters	Total
Inactive plan members or beneficiaries				
currently receiving benefits	97	19	12	128
Inactive plan members entitled to but				
not yet receiving benefits	10	8	2	20
Active plan members	88	32	20	140
<b>Total</b>	<b>195</b>	<b>59</b>	<b>34</b>	<b>288</b>

*Contributions.* Contributions consist of the remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

*Investment Policy.* The following was the Board's adopted asset allocation policy as of September 30, 2014:

Asset class	General	Police Officers & Firefighters
	Target Allocation	Target Allocation
Domestic equity	27%	32%
International equity	15%	15%
Bonds	34%	25%
High yields bonds	5%	5%
Convertibles	8%	8%
REITS	5%	5%
MLPs	5%	5%
Cash	1%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>

*Concentrations.* As of September 30, 2014, the Plans did not hold investments in any one organization that represents 5% or more of the Plans' fiduciary net position.

Notes to Financial Statements

**NOTE 8 – PENSION PLANS (CONTINUED)**

*Rate of Return.* For the year ended September 30, 2014 the annual money-weighted rate of return on General, Police Officers and Firefighters Pension Plans investments, net of pension plan investment expense was 9.51%, 9.66%, and 9.69%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

*Deferred Retirement Option Program (DROP).* Eligibility is met with satisfaction of normal retirement requirements. Participation is not to exceed five years, or for police officers and firefighters, beyond attaining 35 or 34 years, respectively, of credited service, if earlier. General DROP participants may choose actual net rate of return as reported by the Fund's monitor each September 30 or a fixed 6.5% per annum compounded monthly. Effective year ending September 30, 2008 the rate of return was limited to 0% for general members in DROP. Rate of return for police officer DROP participants is the rate reported by the Fund's monitor each September 30. Rate for Firefighter DROP participants is the greater of: 1) net rate of investment return or 2) 5.0%. The DROP balance as of September 30, 2014 was \$501,092, \$20,017 and \$619,869, respectively, for general, police officer and firefighters.

*Net Pension Liability.* The components of the net pension liability for the plans at September 30, 2014 were as follows:

	General	Police Officers	Firefighters
Total pension liability	\$ 21,608,977	\$ 10,239,856	\$ 8,907,156
Plan fiduciary net position	(18,151,051)	(10,217,860)	(7,377,367)
Net pension liability	\$ 3,457,926	\$ 21,996	\$ 1,529,789

Plan fiduciary net position as a percentage of the total pension li	84.00%	99.79%	82.83%
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*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of October 1, 2013, updated to September 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

	General	Police Officers	Firefighters
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%
Post Retirement COLA	0.0%	0.0%	0.0%
Mortality Rates	RP-2000 Table	RP-2000 Table	RP-2000 Table

**NOTE 8 – PENSION PLANS (CONTINUED)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in all three pension plans' target asset allocations as of September, 30 2014 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	7.80%
International equity	2.20%
Bonds	3.70%
High yields bonds	5.20%
Convertibles	5.30%
REITS	8.20%
MLPs	12.70%
Cash	1.20%

*Discount Rate.* The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the discount rate of 8.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1 percentage point higher (9.00%) than the current rate:

Net Pension Liability	Current Discount		
	1% Decrease 7.00%	Rate 8.00%	1% Increase 9.00%
General	\$ 5,715,679	\$ 3,457,926	\$ 1,549,157
Police officers'	1,245,008	21,996	(998,244)
Firefighters'	2,471,286	1,529,789	743,457

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 the most recent valuation date, October 1, 2013 was as follows:

	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
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%

*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	27.0%	19.4%	49.8%
Plan members	6.0%	6.0%	6.0%
Annual pension cost	\$ 778,233	\$ 291,403	\$ 390,581
Contributions made	\$ 778,233	\$ 291,403	\$ 390,581
Actuarial valuation date	10/1/2012	10/1/2012	10/1/2012
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	30 years	30 years	30 years
Asset valuation method	4 year average	4 year average	4 year average

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	9/30/2014	\$ 778,233	100%	\$ -
	9/30/2013	789,508	100%	-
	9/30/2012	630,970	100%	-
Police Officers	9/30/2014	\$ 291,403	100%	\$ -
	9/30/2013	302,296	100%	-
	9/30/2012	300,169	100%	-
Firefighters	9/30/2014	\$ 390,581	100%	\$ -
	9/30/2013	335,316	100%	-
	9/30/2012	263,494	100%	-

**Combining Statement of Fiduciary Net Position**

	General Retirement Fund	Police Officers' Retirement Fund	Firefighters' Retirement Fund	Total
<b>Assets</b>				
Investments:				
Money market and other cash equivalents	\$ 67,874	\$ 147,689	\$ 177,468	\$ 393,031
Government bonds and notes	-	1,209,281	790,161	1,999,442
Corporate bonds and notes	-	2,487,632	1,783,233	4,270,865
Mutual funds - equities	18,013,246	6,112,915	4,441,725	28,567,886
Mutual funds (REIT)	-	242,428	172,312	414,740
Total investments	18,081,120	10,199,945	7,364,899	35,645,964
Receivables	74,377	24,647	30,023	129,047
<b>Total assets</b>	<b>18,155,497</b>	<b>10,224,592</b>	<b>7,394,922</b>	<b>35,775,011</b>
<b>Liabilities</b>	<b>4,446</b>	<b>6,732</b>	<b>17,555</b>	<b>28,733</b>
<b>Net position:</b>				
Restricted for pension benefits	\$ 18,151,051	\$ 10,217,860	\$ 7,377,367	\$ 35,746,278

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
<b>Additions:</b>				
<b>Contributions:</b>				
Employer	\$ 774,136	\$ 221,593	\$ 310,160	\$ 1,305,889
Member	172,782	90,128	47,041	309,951
State on behalf, through general fund	-	66,189	80,280	146,469
<b>Total contributions</b>	<b>946,918</b>	<b>377,910</b>	<b>437,481</b>	<b>1,762,309</b>
<b>Investment income:</b>				
Net appreciation in fair value of investments	926,256	735,269	526,526	2,188,051
Interest	-	96,531	52,032	148,563
Dividends	724,135	129,492	114,588	968,215
	1,650,391	961,292	693,146	3,304,829
<b>Less investment management fee</b>	<b>49,786</b>	<b>60,012</b>	<b>44,084</b>	<b>153,882</b>
<b>Net investment income</b>	<b>1,600,605</b>	<b>901,280</b>	<b>649,062</b>	<b>3,150,947</b>
<b>Total additions</b>	<b>2,547,523</b>	<b>1,279,190</b>	<b>1,086,543</b>	<b>4,913,256</b>
<b>Deductions:</b>				
Member benefits	1,533,991	438,050	458,910	2,430,951
Withdrawals	5,830	49,562	-	55,392
Administrative expense	30,698	19,558	14,901	65,157
<b>Total deductions</b>	<b>1,570,519</b>	<b>507,170</b>	<b>473,811</b>	<b>2,551,500</b>
<b>Change in net position</b>	<b>977,004</b>	<b>772,020</b>	<b>612,732</b>	<b>2,361,756</b>
<b>Net position restricted for pension benefits, beginning of year</b>	<b>17,174,047</b>	<b>9,445,840</b>	<b>6,764,635</b>	<b>33,384,522</b>
<b>Net position restricted for pension benefits, end of year</b>	<b>\$18,151,051</b>	<b>\$ 10,217,860</b>	<b>\$7,377,367</b>	<b>\$35,746,278</b>

***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

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**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, 2014, participants consisted of:

Active employees	138
Retirees participants	16
Covered spouses	7
<u>Total</u>	<u>161</u>

***Annual OPEB Cost and Net OPEB Obligation***

The City had an actuarial valuation performed for the OPEB Plan as of October 01, 2013 to determine the annual required contribution (ARC) for the fiscal year ended September 30, 2014. The City's annual OPEB cost and changes in the net OPEB obligation are summarized below:

Annual required contribution	\$ 61,739
Interest on net OPEB obligation	6,446
Adjustments to ARC	(6,828)
<u>Annual OPEB cost (expense)</u>	<u>61,357</u>
Contributions made	(28,458)
<u>Increase in net OPEB obligation</u>	<u>32,899</u>
<u>Net OPEB obligation - beginning of year</u>	<u>161,138</u>
<u>Net OPEB obligation - end of year</u>	<u>\$ 194,037</u>

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, 2014	\$61,357	\$28,458	46.4%	\$ 194,037
September 30, 2013	47,165	24,486	51.9%	161,138
September 30, 2012	54,997	20,043	36.4%	138,459

***Funded Status***

The funded status of the OPEB Plan as of September 30, 2014 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
\$ 533,953	\$ -	\$533,953	0.0%	\$4,956,792	10.8%

***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.

**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	4%
Payroll growth/inflation	3%
Healthcare inflation	7.5%; grading down to 4.5% in 2019

**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, 2014, the Better Place Plan Fund had a deficit fund balance of \$188,428. The deficit balance resulted from certain costs claimable as grant reimbursements, but not yet claimed. The claims are expected to be made and collected in the 2015 fiscal year.

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, 2014 were \$196,603. Future lease payments are as follows:

	Governmental Activities	Business-type Activities
2015	\$ 38,851	\$ 28,538
Total	\$ 38,851	\$ 28,538

**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.

**NOTE 14 – RESTATEMENT**

Effective October 1, 2013, the City restated certain beginning balances in order to implement the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The effects of these restatements are summarized below.

	Business-type Activities	Water Fund
Net position, September 30, 2013 as previously reported	\$ 38,193,303	\$ 20,046,795
Bond issuance cost restatement	(185,370)	(185,370)
Net position, October 1, 2013, as restated	\$ 38,007,933	\$ 19,861,425

## Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual – General Fund  
Year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 5,090,425	\$ 4,795,107	\$ 4,907,847	\$ 112,740
Permits, fees & special assessments	917,262	917,262	961,392	44,130
Intergovernmental	1,059,498	982,836	950,847	(31,989)
Charges for services	307,839	307,839	276,570	(31,269)
Fines and forfeitures	1,353,236	1,353,236	838,313	(514,923)
Miscellaneous	515,344	529,537	556,403	26,866
<b>Total revenues</b>	<b>9,243,604</b>	<b>8,885,817</b>	<b>8,491,372</b>	<b>(394,445)</b>
<b>Expenditures</b>				
Current:				
General government	1,239,403	1,235,706	1,113,203	122,503
Public safety	7,381,726	7,202,356	6,634,859	567,497
Transportation	512,663	512,662	550,065	(37,403)
Human services	121,779	121,779	164,899	(43,120)
Culture and recreation	282,409	319,702	292,405	27,297
Reserve for contingencies	275,721	94,624	-	94,624
Debt service:				
Principal retirement	68,824	68,824	67,764	1,060
Interest and fiscal charges	4,729	4,729	4,714	15
<b>Total expenditures</b>	<b>9,887,254</b>	<b>9,560,382</b>	<b>8,827,909</b>	<b>732,473</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(643,650)</b>	<b>(674,565)</b>	<b>(336,537)</b>	<b>338,028</b>
<b>Other financing sources (uses)</b>				
Transfers in	370,000	370,000	371,400	1,400
Transfers out	(196,047)	(2,619,011)	(2,619,010)	1
Capital lease	524,937	520,700	520,700	-
<b>Total other financing sources (uses)</b>	<b>698,890</b>	<b>(1,728,311)</b>	<b>(1,726,910)</b>	<b>1,401</b>
<b>Net change in fund balances</b>	<b>55,240</b>	<b>(2,402,876)</b>	<b>(2,063,447)</b>	<b>339,429</b>
<b>Fund balances – beginning of year</b>	<b>1,291,714</b>	<b>3,241,846</b>	<b>3,433,020</b>	<b>191,174</b>
<b>Fund balances – end of year</b>	<b>\$ 1,346,954</b>	<b>\$ 838,970</b>	<b>\$ 1,369,573</b>	<b>\$ 530,603</b>

See accompanying notes.

City of Palatka, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual – Downtown Redevelopment Agency Fund  
 Year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 379,307	\$ 379,307	\$ 386,220	\$ 6,913
Intergovernmental	25,000	20,000	-	(20,000)
Miscellaneous	-	-	15,421	15,421
<b>Total revenues</b>	<b>404,307</b>	<b>399,307</b>	<b>401,641</b>	<b>2,334</b>
<b>Expenditures</b>				
Economic environment	659,293	714,929	280,156	434,773
Reserve for contingencies	29,048	26,872	-	26,872
<b>Total expenditures</b>	<b>688,341</b>	<b>741,801</b>	<b>280,156</b>	<b>461,645</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(284,034)</b>	<b>(342,494)</b>	<b>121,485</b>	<b>463,979</b>
<b>Other financing uses</b>				
Transfers out	(16,400)	(166,400)	(165,350)	1,050
<b>Special items</b>				
Proceeds from sale of land	-	150,000	148,950	(1,050)
<b>Net change in fund balances</b>	<b>(300,434)</b>	<b>(358,894)</b>	<b>105,085</b>	<b>463,979</b>
<b>Fund balances – beginning of year</b>	<b>300,434</b>	<b>358,894</b>	<b>363,894</b>	<b>5,000</b>
<b>Fund balances – end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 468,979</b>	<b>\$ 468,979</b>

See accompanying notes.

## City of Palatka, Florida

### Notes to Budgetary Comparison Schedules

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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.

Schedule of Changes in Net Pension Liability and Related Ratios  
General Pension Plan  
September 30, 2014

	2014	2013
<b>Total pension liability</b>		
Service cost	\$ 352,477	\$ 326,368
Interest	1,657,695	1,638,624
Change in excess state money	-	-
Share plan allocation	-	-
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Change of assumptions	-	-
Contributions-buy back	-	-
Benefit payments, including refunds of employee contributions	(1,539,820)	(1,965,592)
<b>Net change in total pension liability</b>	<b>470,352</b>	<b>(600)</b>
<b>Total pension liability-beginning</b>	<b>21,138,625</b>	<b>21,139,225</b>
<b>Total pension liability-ending (a)</b>	<b>\$ 21,608,977</b>	<b>\$ 21,138,625</b>
<b>Plan fiduciary net position</b>		
Contributions		
Employer	\$ 774,136	\$ 790,325
State	-	-
Employee	172,782	177,921
Buy back	-	-
Net investment income	1,600,605	1,741,522
Benefit payments including refunds of employee contributions	(1,539,821)	(1,965,591)
Administrative expense	(30,698)	(21,905)
Other	-	-
<b>Net change in plan fiduciary net position</b>	<b>977,004</b>	<b>722,272</b>
<b>Plan fiduciary net position-beginning</b>	<b>17,174,047</b>	<b>16,451,775</b>
<b>Plan fiduciary net position-ending (b)</b>	<b>\$ 18,151,051</b>	<b>\$ 17,174,047</b>
<b>Net pension liability-ending (a)-(b)</b>	<b>\$ 3,457,926</b>	<b>\$ 3,964,578</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>84.00%</b>	<b>81.24%</b>
<b>Covered employee payroll</b>	<b>\$ 2,879,693</b>	<b>\$ 2,965,343</b>
<b>Net pension liability as a percentage of covered employee payroll</b>	<b>120.08%</b>	<b>133.70%</b>

## Note to Schedule

The schedule will present ten years comparative data in the future. GASB 67 was implemented in fiscal year 2014.

Schedule of Changes in Net Pension Liability and Related Ratios  
Police Officers Pension Plan  
September 30, 2014

	2014	2013
<b>Total pension liability</b>		
Service cost	\$ 285,022	\$ 263,909
Interest	776,568	733,062
Change in excess state money	-	-
Share plan allocation	-	-
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Change of assumptions	-	-
Contributions-buy back	-	-
Benefit payments, including refunds of employee contributions	(487,612)	(460,915)
<b>Net change in total pension liability</b>	<b>573,978</b>	<b>536,056</b>
<b>Total pension liability-beginning</b>	<b>9,665,878</b>	<b>9,129,822</b>
<b>Total pension liability-ending (a)</b>	<b>\$ 10,239,856</b>	<b>\$ 9,665,878</b>
<b>Plan fiduciary net position</b>		
Contributions		
Employer	\$ 221,593	\$ 240,401
State	66,189	59,256
Employee	90,128	88,479
Buy back	-	-
Net investment income	901,280	1,042,891
Benefit payments including refunds of employee contributions	(487,612)	(460,916)
Administrative expense	(19,558)	(18,312)
Other	-	-
<b>Net change in plan fiduciary net position</b>	<b>772,020</b>	<b>951,799</b>
<b>Plan fiduciary net position-beginning</b>	<b>9,445,840</b>	<b>8,494,041</b>
<b>Plan fiduciary net position-ending (b)</b>	<b>\$ 10,217,860</b>	<b>\$ 9,445,840</b>
<b>Net pension liability-ending (a)-(b)</b>	<b>\$ 21,996</b>	<b>\$ 220,038</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>99.79%</b>	<b>97.72%</b>
<b>Covered employee payroll</b>	<b>\$ 1,502,132</b>	<b>\$ 1,474,649</b>
<b>Net pension liability as a percentage of covered employee payroll</b>	<b>1.46%</b>	<b>14.92%</b>

**Note to Schedule**

The schedule will present ten years comparative data in the future. GASB 67 was implemented in fiscal year 2014.

Schedule of Changes in Net Pension Liability and Related Ratios  
Firefighters Pension Plan  
September 30, 2014

	2014	2013
<b>Total pension liability</b>		
Service cost	\$ 168,142	\$ 155,687
Interest	676,786	648,419
Change in excess state money	-	-
Share plan allocation	-	-
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Change of assumptions	-	-
Contributions-buy back	-	-
Benefit payments, including refunds of employee contributions	(458,910)	(465,041)
<b>Net change in total pension liability</b>	<b>386,018</b>	<b>339,065</b>
<b>Total pension liability-beginning</b>	<b>8,521,138</b>	<b>8,182,073</b>
<b>Total pension liability-ending (a)</b>	<b>\$ 8,907,156</b>	<b>\$ 8,521,138</b>
<b>Plan fiduciary net position</b>		
Contributions		
Employer	\$ 310,160	\$ 252,906
State	80,280	78,504
Employee	47,041	44,711
Buy back	-	-
Net investment income	649,062	757,642
Benefit payments including refunds of employee contributions	(458,910)	(465,042)
Administrative expense	(14,901)	(15,407)
Other	-	-
<b>Net change in plan fiduciary net position</b>	<b>612,732</b>	<b>653,314</b>
<b>Plan fiduciary net position-beginning</b>	<b>6,764,635</b>	<b>6,111,321</b>
<b>Plan fiduciary net position-ending (b)</b>	<b>\$ 7,377,367</b>	<b>\$ 6,764,635</b>
<b>Net pension liability-ending (a)-(b)</b>	<b>\$ 1,529,789</b>	<b>\$ 1,756,503</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>82.83%</b>	<b>79.39%</b>
<b>Covered employee payroll</b>	<b>\$ 784,020</b>	<b>\$ 745,184</b>
<b>Net pension liability as a percentage of covered employee payroll</b>	<b>195.12%</b>	<b>235.71%</b>

**Note to Schedule**

The schedule will present ten years comparative data in the future. GASB 67 was implemented in fiscal year 2014.

Schedule of Employer Contributions  
General Pension Plan  
September 30, 2014

	2014	2013
Actuarially determined contribution	\$ 777,517	\$ 788,781
Contributions in relation to the actuarially determined contributions	777,517	788,781
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>
Covered employee payroll	\$ 2,879,693	\$ 2,965,343
Contributions as a percentage of covered employee payroll	27.00%	26.60%

**Note to Schedule**

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which the contributions are reported.

*Methods and assumption used to determine contribution rates:*

Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percentage of Payroll, closed
Remaining amortization period:	30 years (as of 10/01/2012)
Actuarial asset method:	4 year average
Inflation:	3.00%
Salary increases:	5.50%
Interest rate:	8.00%
Payroll growth:	None, for purposes of amortizing the unfunded actuarial liability
Retirement age:	Earlier of: 1) age 55 with 7 years of credited service; or 2) 30 years of service, regardless of age, or age 50 with 7 years service if age 50 is attained on or before September 30, 2014.
Termination rates:	See following table.
Disability rates:	See following table. It is assumed that 75% of disablements and active members deaths are service related.
Mortality:	RP-2000 Table

Age	Percent	
	Terminating during the year	Percent becoming disabled during the year
20	34.40%	0.07%
30	30.00%	0.11%
40	16.40%	0.19%
50	3.40%	0.51%

The schedule will present ten years comparative data in the future. GASB 67 was implemented in fiscal year 2014.

Schedule of Employer Contributions  
Police Officers Pension Plan  
September 30, 2014

	2014	2013
Actuarially determined contribution	\$ 291,414	\$ 302,303
Contributions in relation to the actuarially determined contributions	291,414	302,303
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>
Covered employee payroll	\$ 1,502,132	\$ 1,474,649
Contributions as a percentage of covered employee payroll	19.40%	20.50%

**Note to Schedule**

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumption used to determine contribution rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percentage of Payroll, closed
Remaining amortization period:	30 years (as of 10/01/2012)
Actuarial asset method:	4 year average
Inflation:	3.00%
Salary increases:	5.50%
Interest rate:	8.00%
Payroll growth:	Up to 3.0% annually (3.0% for 10/1/12 valuation).
Retirement age:	Earlier of: 1) age 50 with 7 years of credited service, 2) age 55 with 10 years of credited service, 3) age 52 with 25 years of service, or 4) 30 years of service, regardless of age. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
Termination rates:	See following table.
Disability rates:	See following table.
Mortality:	RP-2000 Table

Age	Percent	
	Terminating during the year	Percent becoming disabled during the year
20	17.20%	0.07%
30	15.00%	0.11%
40	8.20%	0.19%
50	1.70%	0.51%

The schedule will present ten years comparative data in the future. GASB 67 was implemented in fiscal year 2014.

Schedule of Employer Contributions  
Firefighters Pension Plan  
September 30, 2014

	2014	2013
Actuarially determined contribution	\$ 390,441	\$ 335,333
Contributions in relation to the actuarially determined contributions	390,441	335,333
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>
Covered employee payroll	\$ 784,020	\$ 745,184
Contributions as a percentage of covered employee payroll	49.80%	45.00%

**Note to Schedule**

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumption used to determine contribution rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percentage of Payroll, closed
Remaining amortization period:	30 years (as of 10/01/2012)
Actuarial asset method:	4 year average
Inflation:	3.00%
Salary increases:	5.00%
Interest rate:	8.00%
Payroll growth:	Up to 5.0% annually (1.1% for the 10/1/12 valuation).
Retirement age:	Earlier of: 1) age 50 with 7 years of credited service, 2) age 55 with 10 years of credited service, or 3) 25 years of service, regardless of age. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
Termination rates:	See following table.
Disability rates:	See following table. It is assumed that 75% of disablements and active members deaths are service related.
Mortality:	RP-2000 Table

Age	Percent	
	Terminating during the year	Percent becoming disabled during the year
20	6.00%	0.07%
30	5.00%	0.11%
40	2.60%	0.19%
50	0.80%	0.51%

The schedule will present ten years comparative data in the future. GASB 67 was implemented in fiscal year 2014.

City of Palatka, Florida

Schedules of Investment Returns  
Pension Plans  
September 30, 2014

<b>General Plan</b>		
	<b>2014</b>	<b>2013</b>
Annual money-weighted rate of return, net of investment expense	9.51%	10.92%
<b>Police Officers' Plan</b>		
	<b>2014</b>	<b>2013</b>
Annual money-weighted rate of return, net of investment expense	9.66%	12.34%
<b>Firefighters' Plan</b>		
	<b>2014</b>	<b>2013</b>
Annual money-weighted rate of return, net of investment expense	9.69%	12.50%

**Note to Schedule**

The schedule will present ten years comparative data in the future. GASB 67 was implemented in fiscal year 2014.

Other Postemployment Benefits Plan  
Year ended September 30, 2014

**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
10/1/2013	\$ -	\$ 533,953	\$ 533,953	0.0%	\$ 4,956,792	10.8%
10/1/2012	-	433,544	433,544	0.0%	5,109,582	8.5%
10/1/2010	-	454,493	483,795	0.0%	5,354,492	8.5%

**Schedule of Employer Contributions**

Year Ended	Annual Required Contribution	Percentage Contributed
9/30/2014	\$ 61,357	46.4%
9/30/2013	47,165	51.9%
9/30/2012	54,997	36.4%

Notes:

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

## Supplementary Information

## NON-MAJOR GOVERNMENTAL FUND

### SPECIAL REVENUE FUND

A Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The City maintains the following non-major Special Revenue Fund:

Community Development Block Grant Fund- to account for grant revenues received and expended to assist low to moderate income individuals with housing rehabilitation.

### MAJOR GOVERNMENTAL CAPITAL PROJECTS FUND

A Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The City maintains the following Capital Projects Fund:

Better Place Plan Fund- is used to account for revenues received from a discretionary surtax imposed to finance certain capital projects.

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual – Community Development Block Grant Fund  
 Year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 750,000	\$ -	\$ -	\$ -
Miscellaneous	6	6	27	21
<b>Total revenues</b>	<b>750,006</b>	<b>6</b>	<b>27</b>	<b>21</b>
<b>Expenditures</b>				
Current:				
Reserve for contingencies	-	38,113	-	38,113
<b>Excess of revenues over (under) expenditures</b>	<b>750,006</b>	<b>(38,107)</b>	<b>27</b>	<b>38,134</b>
<b>Other financing sources (uses)</b>				
Transfers out	(788,113)	-	-	-
<b>Net change in fund balances</b>	<b>(38,107)</b>	<b>(38,107)</b>	<b>27</b>	<b>38,134</b>
<b>Fund balances – beginning of year</b>	<b>38,107</b>	<b>38,107</b>	<b>38,105</b>	<b>(2)</b>
<b>Fund balances – end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,132</b>	<b>\$ 38,132</b>

Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual – Better Place Plan Fund  
Year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 695,762	\$ 695,762	\$ 733,349	\$ 37,587
Intergovernmental	1,851,077	1,958,078	47,977	(1,910,101)
Miscellaneous	781,962	781,962	63,642	(718,320)
<b>Total revenues</b>	<b>3,328,801</b>	<b>3,435,802</b>	<b>844,968</b>	<b>(2,590,834)</b>
<b>Expenditures</b>				
Current:				
General government	285,004	78,004	70,801	7,203
Physical environment	611,217	761,803	415,967	345,836
Transportation	5,720	5,720	3,039	2,681
Culture and recreation	2,388,971	2,815,946	961,037	1,854,909
Reserve for contingencies	69,178	189,463	-	189,463
Debt service:				
Principal retirement	302,048	465,048	467,128	(2,080)
Interest and fiscal charges	64,806	64,806	62,865	1,941
<b>Total expenditures</b>	<b>3,726,944</b>	<b>4,380,790</b>	<b>1,980,837</b>	<b>2,399,953</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(398,143)</b>	<b>(944,988)</b>	<b>(1,135,869)</b>	<b>(190,881)</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	934,343	936,796	2,453
Transfers out	(152,355)	(152,355)	(152,355)	-
<b>Total other financing sources (uses)</b>	<b>(152,355)</b>	<b>781,988</b>	<b>784,441</b>	<b>2,453</b>
<b>Special items</b>				
Proceeds from sale of land	-	163,000	163,000	-
<b>Net change in fund balances</b>	<b>(550,498)</b>	<b>-</b>	<b>(188,428)</b>	<b>(188,428)</b>
<b>Fund balances – beginning of year</b>	<b>550,498</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances – end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (188,428)</b>	<b>\$ (188,428)</b>

**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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>59</b>
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>63</b>
These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	
<b>Debt Capacity</b>	<b>67</b>
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.	
<b>Demographic and Economic Information</b>	<b>72</b>
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.	
<b>Operating Information</b>	<b>74</b>
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.	

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										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
<b>Governmental Activities</b>											
Net Investment in Capital Assets	\$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	\$10,735,671	
Restricted	\$416,950	\$598,837	\$1,042,741	\$1,437,259	\$1,592,936	\$1,128,395	\$576,702	\$510,476	\$401,999	\$507,111	
Unrestricted	\$1,460,887	\$1,496,520	\$1,328,481	\$1,693,797	\$1,303,783	\$1,301,177	\$1,968,903	\$2,029,287	\$2,724,277	\$1,557,819	
<b>Total Governmental Activities Net Position</b>	<b>\$7,264,923</b>	<b>\$7,602,006</b>	<b>\$12,837,915</b>	<b>\$13,745,608</b>	<b>\$14,178,626</b>	<b>\$14,345,344</b>	<b>\$15,090,686</b>	<b>\$15,731,558</b>	<b>\$16,265,263</b>	<b>\$12,800,601</b>	
<b>Business-Type Activities</b>											
Net Investment in Capital Assets	\$15,725,064	\$17,072,755	\$18,066,125	\$15,276,203	\$23,384,736	\$31,509,858	\$32,510,103	\$38,156,884	\$38,728,555	\$37,150,342	
Restricted	\$830,601	\$779,907	\$773,851	\$792,708	\$810,484	\$519,204	\$386,787	\$327,972	\$328,594	\$330,609	
Unrestricted	\$655,193	-\$17,020	\$802,248	\$8,827,626	\$7,441,249	\$969,128	\$486,050	-\$222,895	-\$863,846	\$1,180,303	
<b>Total Business-Type Activities Net Position</b>	<b>\$17,210,858</b>	<b>\$17,835,642</b>	<b>\$19,642,224</b>	<b>\$24,896,537</b>	<b>\$31,636,469</b>	<b>\$32,998,190</b>	<b>\$33,382,940</b>	<b>\$38,251,961</b>	<b>\$38,193,303</b>	<b>\$38,661,254</b>	
<b>Primary Government</b>											
Net Investment in Capital Assets	\$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	\$47,886,013	
Restricted	\$1,247,551	\$1,378,744	\$1,816,592	\$2,229,967	\$2,403,420	\$1,647,599	\$963,489	\$838,448	\$730,593	\$837,720	
Unrestricted	\$2,116,080	\$1,479,500	\$2,130,729	\$10,521,423	\$8,745,032	\$2,270,305	\$2,454,953	\$1,806,392	\$1,860,431	\$2,738,122	
<b>Total Primary Government Net Position</b>	<b>\$24,475,781</b>	<b>\$25,437,648</b>	<b>\$32,480,139</b>	<b>\$38,642,145</b>	<b>\$45,815,095</b>	<b>\$47,343,534</b>	<b>\$48,473,626</b>	<b>\$53,993,519</b>	<b>\$54,458,566</b>	<b>\$51,461,855</b>	

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$957,628	\$882,002	\$677,251	\$652,906	\$768,892	\$1,472,469	\$1,630,295	\$1,795,179	\$2,192,293	\$507,829
Public Safety	\$4,873,998	\$5,611,944	\$6,203,873	\$6,210,601	\$6,005,490	\$5,968,153	\$5,611,920	\$5,336,015	\$5,487,142	\$6,117,513
Physical Environment	\$16,191	\$14,028	\$481,343	\$295,624	\$1,129,653	\$697,212	\$681,907	\$577,407	\$511,114	\$573,372
Transportation	\$1,142,443	\$1,382,910	\$1,262,350	\$973,566	\$459,661	\$816,722	\$1,471,467	\$349,296	\$184,981	\$280,156
Economic Environment	\$63,715	\$134,348	\$102,299	\$148,148	\$266,804	\$209,327	\$177,551	\$150,327	\$151,906	\$174,967
Human Services	\$176,399	\$212,165	\$227,525	\$232,009	\$266,804	\$303,327	\$340,862	\$505,572	\$427,004	\$1,288,402
Culture and Recreation	\$443,796	\$505,841	\$561,238	\$822,826	\$1,048,560	\$838,150	\$430,962	\$505,572	\$427,004	\$1,288,402
Interest on Long-Term Debt	\$27,577	\$23,797	\$37,155	\$49,532	\$104,215	\$182,996	\$165,174	\$148,904	\$155,598	\$67,579
Total Governmental Activities Expenses	\$7,701,947	\$8,767,035	\$9,573,034	\$9,585,412	\$10,002,275	\$9,885,034	\$9,439,276	\$8,662,700	\$9,090,038	\$9,425,885
<b>Business-type Activities:</b>										
Airport	\$659,324	\$954,457	\$974,382	\$1,127,150	\$1,273,476	\$1,593,744	\$1,627,231	\$1,626,167	\$1,672,638	\$1,668,470
Water	\$3,461,247	\$3,692,108	\$3,809,776	\$4,342,447	\$4,550,364	\$4,978,295	\$4,750,830	\$4,784,638	\$4,698,134	\$4,826,439
Golf	\$803,434	\$933,787	\$1,004,007	\$1,014,105	\$908,883	\$982,862	\$1,017,307	\$1,005,000	\$997,958	\$977,853
Sanitation	\$1,481,355	\$1,391,125	\$1,430,766	\$1,473,689	\$1,393,713	\$1,347,455	\$1,359,544	\$1,379,559	\$1,379,879	\$1,397,863
Total Business-type Activities Expenses	\$6,405,360	\$6,871,457	\$7,218,931	\$8,126,436	\$8,902,356	\$8,754,912	\$8,785,365	\$8,756,609	\$8,756,609	\$9,060,425
<b>Total Primary Government Expenses</b>	\$14,107,307	\$15,638,492	\$16,791,965	\$17,542,803	\$18,128,711	\$18,787,390	\$18,194,188	\$17,658,065	\$17,846,647	\$18,486,310
<b>Program Revenue</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
Airport	\$108,424	\$102,416	\$100,431	\$116,431	\$102,882	\$105,351	\$106,446	\$92,185	\$114,051	\$115,895
General Government	\$278,116	\$322,191	\$234,747	\$235,176	\$298,767	\$248,591	\$296,395	\$285,578	\$608,594	\$1,106,771
Public Safety	\$179,965	\$167,965	\$182,337	\$165,217	\$165,217	\$229,365	\$210,316	\$178,434	\$198,828	\$210,064
Other	\$573,201	\$532,506	\$912,670	\$705,287	\$1,163,584	\$1,341,212	\$1,390,057	\$877,019	\$981,676	\$847,158
Operating Grants and Contributions	\$765,763	\$874,390	\$1,090,723	\$1,288,027	\$1,288,027	\$2,016,675	\$1,299,627	\$1,877,074	\$736,090	\$1,774,920
Capital Grants and Contributions	\$1,908,369	\$2,299,468	\$2,910,766	\$2,329,954	\$3,016,522	\$3,941,134	\$3,302,841	\$3,110,290	\$2,639,237	\$4,054,808
<b>Total Governmental Activities Program Revenue</b>	\$3,634,878	\$4,177,576	\$4,449,707	\$4,848,807	\$5,785,075	\$6,692,153	\$5,988,166	\$5,743,347	\$5,338,242	\$6,924,451
<b>Business-type Activities:</b>										
Charges for Services:										
Airport	\$396,036	\$567,899	\$506,385	\$709,468	\$572,594	\$704,750	\$895,300	\$851,615	\$885,597	\$787,233
Water	\$3,134,799	\$3,113,687	\$3,459,388	\$3,616,813	\$3,628,361	\$3,780,615	\$3,878,206	\$3,976,734	\$4,122,596	\$4,443,050
Golf	\$711,672	\$762,061	\$751,903	\$754,328	\$726,113	\$620,594	\$619,202	\$593,578	\$701,468	\$720,410
Sanitation	\$1,426,784	\$1,430,572	\$1,516,191	\$1,500,141	\$1,533,927	\$1,522,561	\$1,497,397	\$1,545,053	\$1,535,189	\$1,633,906
Operating Grants and Contributions	\$139,118	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$26,500
Capital Grants and Contributions	\$981,176	\$1,423,874	\$2,451,966	\$8,242,870	\$2,413,721	\$2,281,761	\$8,615,111	\$1,521,529	\$426,612	\$4,266,612
<b>Total Business-type Activities Program Revenue</b>	\$6,778,585	\$7,298,393	\$8,694,830	\$12,801,813	\$14,703,665	\$9,042,261	\$9,165,866	\$13,579,091	\$8,776,379	\$8,037,911
<b>Total Primary Government Program Revenue</b>	\$8,665,954	\$9,597,861	\$11,605,639	\$15,211,767	\$17,720,387	\$12,983,395	\$12,468,707	\$16,689,381	\$11,415,616	\$12,092,719
<b>Net (Expense)/Revenue</b>	(\$5,795,578)	(\$6,467,567)	(\$6,662,248)	(\$7,255,456)	(\$6,985,753)	(\$5,943,900)	(\$6,136,435)	(\$5,752,410)	(\$6,450,801)	(\$5,371,077)
<b>Governmental Activities</b>	\$374,225	\$426,938	\$1,475,922	\$4,924,422	\$6,577,429	\$1,039,905	\$410,954	\$4,783,726	\$19,770	(\$1,022,514)
<b>Business-type Activities</b>	(\$5,421,353)	(\$6,040,631)	(\$5,186,326)	(\$2,331,038)	(\$408,324)	(\$5,803,895)	(\$5,725,481)	(\$868,684)	(\$8,431,031)	(\$6,393,591)
<b>Total Primary Government Net Expense</b>	(\$5,047,128)	(\$5,613,693)	(\$3,710,404)	(\$2,406,616)	(\$430,895)	(\$4,763,990)	(\$5,314,527)	(\$3,674,858)	(\$8,411,261)	(\$7,416,105)
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Taxes:										
Property Taxes	\$2,765,692	\$3,334,384	\$3,805,051	\$3,942,201	\$3,836,383	\$3,774,261	\$3,743,535	\$3,497,854	\$3,432,971	\$3,465,626
Sales Tax and Other State Shared Revenue	\$848,661	\$888,739	\$894,912	\$663,426	\$803,775	\$785,219	\$737,011	\$761,613	\$763,678	\$766,666
Franchise Fees	\$684,678	\$911,188	\$915,447	\$698,638	\$931,985	\$878,660	\$886,166	\$662,190	\$904,958	\$810,331
Other Taxes	\$1,307,119	\$1,504,315	\$1,743,359	\$2,114,826	\$1,632,411	\$1,409,048	\$1,189,645	\$1,035,332	\$1,053,895	\$1,124,693
Investment Earnings	\$50,519	\$64,090	\$82,975	\$81,319	\$55,790	\$5,689	\$1,384	\$220	\$220	\$2,530
Contribution from component unit	\$54,804	\$79,721	\$65,774	\$50,031	\$31,900	\$60,637	\$149,036	\$83,791	\$595,182	\$300,000
Miscellaneous	\$135,297	\$22,214	\$142,873	\$212,910	\$126,527	(\$803,896)	\$175,000	\$352,321	\$213,602	(\$3,078,218)
Loss on sale of land	\$5,846,770	\$5,804,650	\$7,650,391	\$8,163,151	\$7,418,771	\$6,110,618	\$6,881,777	\$6,393,282	\$6,984,506	\$1,906,415
Transfers	\$11,071	\$19,859	\$17,786	\$421,634	\$56,140	\$108,945	\$446	\$450	\$255	\$190
<b>Business-type Activities:</b>										
Investment Earnings	\$72,754	\$200,203	\$455,747	\$121,167	\$210,716	\$229,975	\$148,350	\$447,166	\$124,919	\$47,126
Miscellaneous	(\$135,297)	(\$22,214)	(\$142,873)	(\$212,910)	(\$126,527)	\$803,896	(\$175,000)	(\$352,321)	(\$213,602)	\$1,828,519
Transfers	(\$51,472)	\$197,848	\$330,660	\$329,891	\$162,503	\$1,221,816	(\$28,204)	\$95,295	(\$88,428)	\$1,675,835
<b>Total Business-type Activities</b>	\$5,785,298	\$7,002,498	\$7,981,051	\$8,493,042	\$7,581,274	\$7,332,434	\$6,855,573	\$6,486,577	\$6,885,078	\$3,582,250
<b>Total Primary Government</b>	\$51,192	\$337,063	\$988,143	\$907,693	\$433,018	\$166,718	\$745,342	\$640,872	\$533,705	(\$3,464,662)
<b>Changes in Net Position</b>	\$322,753	\$624,784	\$1,806,582	\$5,254,313	\$6,739,932	\$1,361,772	\$394,750	\$4,079,021	(\$68,696)	\$653,321
<b>Business-type Activities</b>	\$373,945	\$961,867	\$2,794,725	\$6,162,006	\$7,172,950	\$1,130,092	\$465,047	\$465,047	\$465,047	\$2,811,341
<b>Total Primary Government</b>	\$702,698	\$1,588,651	\$4,603,368	\$11,416,319	\$13,912,882	\$2,491,864	\$860,797	\$930,094	\$930,094	\$3,464,662

Table 3  
City of Palatka, Florida

Fund Balances, Governmental Funds - Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Fiscal Years Ending September 30 ---</b>										
<b>General Fund</b>										
Nonspendable	-	-	-	-	-	-	\$867,346	\$1,296,287	\$1,749,044	\$292,927
Restricted	-	-	-	-	-	-	\$511,570	\$483,518	\$826,352	\$195,513
Committed	-	-	-	-	-	-	\$17,246	\$106,948	\$22,656	\$33,128
Assigned	-	-	-	-	-	-	\$107,416	\$0	\$0	\$0
Unassigned	-	-	-	-	-	-	\$858,214	\$608,254	\$834,968	\$848,005
Reserved	\$0	\$0	\$1,269,605	\$0	\$0	\$414,758	-	-	-	-
Unreserved	\$1,785,860	\$1,767,288	\$414,620	\$2,006,861	\$1,682,108	\$1,262,722	-	-	-	-
<b>Total General Fund</b>	<b>\$1,785,860</b>	<b>\$1,767,288</b>	<b>\$1,684,225</b>	<b>\$2,006,861</b>	<b>\$1,682,108</b>	<b>\$1,677,480</b>	<b>\$2,361,792</b>	<b>\$2,495,007</b>	<b>\$3,433,020</b>	<b>\$1,369,573</b>
<b>All Other Governmental Funds</b>										
Nonspendable	-	-	-	-	-	-	\$0	\$0	\$0	\$0
Restricted	-	-	-	-	-	-	\$576,702	\$510,476	\$401,999	\$507,111
Committed	-	-	-	-	-	-	\$0	\$0	\$0	\$0
Assigned	-	-	-	-	-	-	\$0	\$0	\$0	\$0
Unassigned	-	-	-	-	-	-	\$0	\$0	\$0	-\$188,428
Reserved	\$0	\$0	\$0	\$0	\$0	\$0	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	\$490,642	\$681,477	\$1,042,741	\$1,437,259	\$1,592,936	\$1,128,395	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$490,642</b>	<b>\$681,477</b>	<b>\$1,042,741</b>	<b>\$1,437,259</b>	<b>\$1,592,936</b>	<b>\$1,128,395</b>	<b>\$576,702</b>	<b>\$510,476</b>	<b>\$401,999</b>	<b>\$318,683</b>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$5,844,778	\$6,939,634	\$7,681,577	\$8,090,897	\$7,445,473	\$7,232,476	\$6,342,763	\$5,871,626	\$5,844,953	\$6,027,416
License and Permits	\$194,268	\$219,316	\$199,194	\$191,364	\$207,494	\$179,539	\$998,436	\$758,887	\$990,001	\$961,392
Intergovernmental	\$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	\$998,824
Charges for Services	\$156,139	\$138,910	\$196,549	\$176,968	\$176,629	\$267,914	\$249,991	\$209,738	\$245,095	\$276,570
Fines and Forfeitures	\$146,437	\$151,038	\$75,607	\$85,850	\$112,850	\$65,042	\$94,444	\$106,623	\$427,324	\$838,313
Miscellaneous	\$115,696	\$225,377	\$227,782	\$234,367	\$291,894	\$195,792	\$285,574	\$219,412	\$719,469	\$635,493
<b>Total Revenues</b>	<b>\$7,797,215</b>	<b>\$9,088,293</b>	<b>\$10,433,247</b>	<b>\$10,300,484</b>	<b>\$10,358,872</b>	<b>\$10,855,648</b>	<b>\$10,021,385</b>	<b>\$9,195,291</b>	<b>\$9,412,237</b>	<b>\$9,738,008</b>
<b>Expenditures</b>										
General Government	\$799,618	\$669,487	\$1,022,291	\$3,900,803	\$1,442,668	\$1,608,841	\$1,973,380	\$2,330,934	\$1,651,710	\$1,184,004
Public Safety	\$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	\$6,634,859
Physical Environment	\$16,191	\$14,028	\$481,343	\$295,824	-	-	-	-	-	\$415,967
Transportation	\$1,165,634	\$1,387,665	\$1,393,241	\$759,315	\$780,123	\$663,316	\$650,468	\$548,073	\$486,426	\$553,104
Economic Environment	\$129,128	\$134,348	\$102,299	\$148,148	\$579,661	\$816,722	\$741,467	\$349,296	\$184,981	\$280,156
Human Services	\$226,867	\$217,471	\$257,208	\$227,715	\$284,172	\$209,228	\$167,569	\$140,296	\$142,233	\$164,899
Culture and Recreation	\$454,624	\$571,372	\$708,890	\$897,530	\$1,038,817	\$703,621	\$453,438	\$465,756	\$449,550	\$1,253,442
Debt Service										
Principal Retirement	\$155,134	\$148,626	\$146,794	\$633,924	\$449,966	\$384,042	\$339,846	\$330,468	\$335,816	\$534,892
Interest and Fiscal Charges	\$27,577	\$23,797	\$37,155	\$49,532	\$203,215	\$182,996	\$165,174	\$149,483	\$155,598	\$67,579
<b>Total Expenditures</b>	<b>\$7,866,158</b>	<b>\$8,938,244</b>	<b>\$11,695,518</b>	<b>\$13,040,042</b>	<b>\$10,654,475</b>	<b>\$10,520,921</b>	<b>\$10,063,766</b>	<b>\$9,505,632</b>	<b>\$9,119,636</b>	<b>\$11,088,902</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(\$68,943)</b>	<b>\$150,049</b>	<b>(\$1,262,271)</b>	<b>(\$2,739,558)</b>	<b>(\$295,603)</b>	<b>\$334,727</b>	<b>(\$42,381)</b>	<b>(\$311,341)</b>	<b>\$292,601</b>	<b>(\$1,350,894)</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds From Borrowing	-	-	\$1,379,225	\$3,243,802	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	\$26,009	\$300,000	\$520,700
Transfers In	\$282,766	\$332,837	\$247,957	\$259,048	\$275,000	\$193,850	\$757,243	\$1,085,468	\$685,099	\$1,308,196
Transfers Out	(\$147,469)	(\$310,623)	(\$86,710)	(\$46,138)	(\$148,473)	(\$997,746)	(\$582,243)	(\$736,147)	(\$471,497)	(\$2,936,715)
Debt Issued	-	-	-	-	-	-	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-	-	-	-	-	(\$1,866,667)	-
Issuance of refunding bonds	-	-	-	-	-	-	-	-	\$1,890,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$135,297</b>	<b>\$22,214</b>	<b>\$1,540,472</b>	<b>\$3,456,712</b>	<b>\$126,527</b>	<b>-\$803,896</b>	<b>\$175,000</b>	<b>\$378,330</b>	<b>\$536,935</b>	<b>(\$1,107,819)</b>
<b>Special items</b>										
Proceeds from sale of land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$311,950
<b>Total Special items</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$311,950</b>
<b>Net Change in Fund Balances</b>	<b>\$66,354</b>	<b>\$172,263</b>	<b>\$278,201</b>	<b>\$717,154</b>	<b>(\$169,076)</b>	<b>(\$469,169)</b>	<b>\$132,619</b>	<b>\$66,989</b>	<b>\$829,536</b>	<b>(\$2,146,763)</b>
<b>Acquisitions of Capital Assets</b>	<b>\$356,524</b>	<b>\$275,970</b>	<b>\$2,459,657</b>	<b>\$3,359,965</b>	<b>\$1,021,747</b>	<b>\$1,051,693</b>	<b>\$1,165,834</b>	<b>\$1,157,811</b>	<b>\$245,613</b>	<b>\$2,137,099</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	<b>2.43%</b>	<b>1.99%</b>	<b>1.99%</b>	<b>7.06%</b>	<b>6.78%</b>	<b>5.99%</b>	<b>5.68%</b>	<b>5.75%</b>	<b>5.54%</b>	<b>6.73%</b>

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, 2014

Fiscal Year	REAL PROPERTY		PERSONAL PROPERTY *		TOTALS		Ratio	
	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value	Total Direct Tax Rate	Total Taxable Value to Estimated Actual Value
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	\$268,616,535	\$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	\$741,200,986	\$71,887,265	\$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	\$86,657,926	\$364,305,909	\$718,163,006	9.1749	50.73%
2013-14	\$318,343,135	\$645,989,098	\$53,586,092	\$96,712,360	\$371,929,227	\$742,701,458	9.1749	50.08%

\* 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, 2014

<b>Fiscal Year</b>	<b><u>Total Tax Levy</u></b>	<b><u>Current Tax Collections</u></b>	<b>Percent of Levy</b>	<b><u>Delinquent Tax Collections</u></b>	<b><u>Total Tax Collections</u></b>	<b><u>% of Total Collections to Levy</u></b>
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
2014	\$3,419,455	\$3,262,179	0.9540	\$5,509	\$3,267,687	0.9556

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
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	0.3313	25.078
2013	9.1749	0.0000	9.1749	8.5765	0.0000	8.5765	7.356	0.000	7.356	0.3313	25.439
2014	9.1749	0.0000	9.1749	8.9000	0.0000	8.9000	7.356	0.000	7.356	0.3283	25.759

Source: Florida Department of Revenue, St. Johns River Water Management Dis

Table 8  
City of Palatka, Florida

Principal Taxpayers  
Current and Nine Years Ago

Taxpayer	Fiscal Year 2014-----			Fiscal Year 2005 -----		
	Taxable		Percentage of Total City Assessed Value	Taxable		Percentage of Total City Assessed Value
	Assessed Value	Rank		Assessed Value	Rank	
Putnam Community Medical Center	\$16,624,158	1	4.56%	\$18,039,026	1	4.62%
Wal-Mart Inc.	\$12,962,078	2	3.56%	\$13,182,559	2	3.38%
Revenue Properties Town & Country	\$9,473,101	3	2.60%	-	-	-
Florida Power & Light	\$8,005,824	4	2.20%	\$8,065,160	4	2.07%
Home Depot	\$6,574,372	5	1.80%	-	-	-
Lowe's Home Centers	\$6,508,442	6	1.79%	-	-	-
Bellsouth Telecommunications	\$5,182,267	7	1.42%	\$8,853,530	3	2.27%
FWI 5 LLC	\$4,289,754	8	1.18%	\$6,456,260	8	1.65%
Palatka Mall LLC	\$4,269,363	9	1.17%	\$6,242,404	9	1.60%
STAG II Palatka LLC	\$4,009,266	10	1.10%	-	-	-
<b>Total</b>	<b>\$77,898,625</b>		<b>21.38%</b>	<b>\$60,838,939</b>		<b>15.59%</b>

Source: Putnam County Property Appraiser

Table 9  
City of Palatka, Florida

Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
September 30, 2014

Fiscal year	Tax Increment Bond	Road Improvement Bond	Total	Net GBD to Personal Income	Net GBD Per Capita
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
2014	\$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, 2014

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, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
<b>Debt repaid with property taxes</b>			
Putnam County School District			
SBE 2005-A New Money	\$5,000	11.05%	\$552
SBE 2005-A Refunding	\$100,000	11.05%	\$11,046
SBE 2005-B	\$140,000	11.05%	\$15,465
SBE 2008-A	\$560,000	11.05%	\$61,859
SBE 2009-A Refunding	\$90,000	11.05%	\$9,942
SBE 2011-A Refunding	\$190,000	11.05%	\$20,988
SBE 2014-A Refunding	\$317,000	11.05%	\$35,017
Putnam County Board of County Commissioners			
Suntrust Vehicles	\$62,150	11.05%	\$6,865
<b>Debt repaid with non-ad valorem taxes</b>			
Putnam County Board of County Commissioners			
Communications Improvement	\$617,017	14.92%	\$92,079
MSBU Special Assessments	\$652,164	14.92%	\$97,324
<b>Debt repaid with sales surtax revenue</b>			
Putnam County Board of County Commissioners			
Better Place Plan	\$3,755,000	12.56%	\$471,616
Better Place Plan	\$1,570,000	12.56%	\$197,187
<i>Subtotal, overlapping debt</i>			\$1,019,940
<b>City direct debt</b>			\$2,725,262
<b>Total direct and overlapping debt</b>			\$3,745,202

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			
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	8.93%	\$2,350
2010	\$3,381,920	-	\$14,322	\$8,421,514	\$7,444,872	-	\$19,262,628	6.36%	\$1,763
2011	\$3,056,396	-	-	\$7,761,469	\$7,346,458	-	\$18,164,323	6.06%	\$1,720
2012	\$2,728,652	-	\$23,285	\$7,138,784	\$7,213,044	\$20,260	\$17,124,025	5.97%	\$1,678
2013	\$2,424,226	-	\$315,228	\$6,734,477	\$7,074,630	\$177,382	\$16,725,943	5.63%	\$1,635
2014	\$1,957,098	-	\$768,164	\$6,257,284	\$7,105,000	\$397,875	\$16,485,421	5.32%	\$1,589

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

Pledged Revenue Coverage  
Last Ten Fiscal Years

Fiscal Year	Airport Revenue Notes					Water Revenue Bonds and Notes					
	Airport Gross Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Utility Gross Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest				Coverage	Principal	Interest
2005	\$386,028	\$386,746	(\$718)	\$17,369	\$3,503	\$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	\$3,299,223	\$2,678,856	\$620,367	\$244,495	\$312,594	111.36%
2007	\$506,385	\$637,292	(\$130,907)	\$14,375	\$1,899	\$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	\$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	\$3,891,996	\$2,998,960	\$893,036	\$346,314	\$839,404	75.32%
2010	\$730,486	\$866,960	(\$136,474)	\$133,333	\$98,103	\$3,886,540	\$3,024,702	\$861,838	\$18,876,104	\$951,673	4.35%
2011	\$919,491	\$855,822	\$63,669	\$133,333	\$91,056	\$3,889,028	\$2,915,779	\$973,249	\$1,349,230	\$482,845	53.12%
2012	\$865,806	\$858,383	\$7,423	\$133,333	\$84,282	\$4,018,770	\$2,991,037	\$1,027,733	\$372,266	\$443,637	125.96%
2013	\$907,406	\$856,688	\$50,718	\$1,526,668	\$81,774	\$4,133,555	\$3,126,815	\$1,006,740	\$382,662	\$429,950	123.89%
2014	\$800,752	\$763,727	\$37,025	\$143,000	\$39,490	\$4,445,938	\$3,153,100	\$1,292,838	\$393,193	\$421,220	158.74%

Fiscal Year	Golf Revenue Bonds					Infrastructure Surtax Revenue Note					
	Golf Gross Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Sales Surtax	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest				Coverage	Principal	Interest
2005	\$711,672	\$685,303	\$26,369	\$48,880	\$16,236	\$0	\$0	\$0	\$0	\$0	n/a
2006	\$762,181	\$815,457	(\$53,276)	\$51,683	\$13,433	\$0	\$0	\$0	\$0	\$0	n/a
2007	\$782,670	\$934,609	(\$151,939)	\$54,622	\$10,493	\$0	\$0	\$0	\$0	\$0	n/a
2008	\$755,011	\$934,572	(\$179,561)	\$58,849	\$7,590	\$802,482	\$0	\$0	\$0	\$0	n/a
2009	\$726,513	\$722,239	\$4,274	\$28,125	\$111,586	\$732,946	\$266,667	\$166,080	\$266,667	\$166,080	169.37%
2010	\$624,462	\$800,372	(\$175,910)	\$62,033	\$107,431	\$715,264	\$266,667	\$152,240	\$266,667	\$152,240	170.75%
2011	\$613,217	\$845,986	(\$232,769)	\$79,366	\$102,778	\$676,948	\$266,667	\$138,400	\$266,667	\$138,400	167.12%
2012	\$593,718	\$838,545	(\$244,827)	\$141,804	\$97,560	\$683,697	\$266,667	\$124,560	\$266,667	\$124,560	174.76%
2013	\$702,153	\$829,833	(\$127,680)	\$1,400,989	\$96,895	\$699,302	\$2,133,334	\$133,651	\$2,133,334	\$133,651	30.85%
2014	\$724,954	\$846,859	(\$121,905)	\$96,000	\$56,372	\$733,349	\$411,000	\$43,096	\$411,000	\$43,096	161.50%

Source: Finance department, audited financial statements

Table 14  
City of Palatka, Florida

Demographic Statistics  
Last Ten Fiscal Years  
September 30, 2014

Fiscal Year	Population (1)	Personal Income(million of dollars) (2)	Per Capita Personal Income (3)	School (4) Enrollment	Unemployment Rate (5)
2005	11,100	\$259	\$23,434	5371	4.1%
2006	11,417	\$277	\$24,383	5508	3.8%
2007	11,470	\$291	\$25,508	5555	4.8%
2008	11,264	\$297	\$26,479	4101	8.4%
2009	11,133	\$292	\$26,312	4768	12.1%
2010	10,926	\$302	\$27,725	4860	12.5%
2011	10,558	\$297	\$28,379	5642	11.9%
2012	10,203	\$291	\$28,090	5585	11.0%
2013	10,230	\$297	\$29,048	4888	8.9%
2014	10,377	\$310	\$29,845	4959	8.1%

Sources:

- (1) University of Florida, Bureau of Economic and Business Research, Florida Estimate of Population (2005-2010, 2012-2014), 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 2014</u>			<u>Fiscal Year 2005</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>
Putnam County School District	1,756	1	33.84%	684	2	12.32%
Putnam Community Medical Center, LLC	482	2	9.29%	533	4	9.60%
St. Johns River State College	478	3	9.21%	225	6	4.05%
St Johns River Water Management District	379	4	7.30%	686	1	12.36%
Walmart Supercenter	351	5	6.76%	523	5	9.42%
Putnam County Board of County Commissioners	289	6	5.57%	656	3	11.82%
Putnam County Sheriff's Office	246	7	4.74%	-	-	-
Palatka Healthcare Center	225	8	4.34%	-	-	-
City of Palatka	159	9	3.06%	179	7	3.23%
Publix Super Market	127	10	2.45%	120	8	2.16%
<b>Total</b>	<b>4,492</b>		<b>86.58%</b>	<b>2,922</b>		<b>52.65%</b>

Note: Percentages were derived from 50% of population of the City of Palatka  
Source: Individual employers, Chamber of Commerce, Career Source of Northeast Florida

Table 16  
City of Palatka, Florida

Operating Indicators by Function/Program  
Last Ten Fiscal Years

	<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>	<u>2014</u>
<b>Function/Program</b>										
<b>General Government:</b>										
Building permits issued	982	884	804	621	80	596	618	595	583	561
Building inspections conducted	1905	1843	1987	1543	1499	1359	1360	1257	898	913
Code enforcements	532	281	547	311	701	200	165	184	214	150
Occupational license issued	1014	904	1072	1013	1258	1092	1220	1078	675	239
<b>Police:</b>										
Calls for service	30,595	36,196	32,350	31,933	31,264	34,559	29,847	32,709	30,616	30,595
Physical arrests	1,989	2,264	2,003	1,798	1,450	1,528	1,119	1,047	788	788
Citations	1,989	2,747	2,299	1,217	1,269	2,060	1,616	1,660	1,470	1,904
<b>Fire:</b>										
Emergency responses	1,987	1,958	2,063	2,590	2,610	2,412	2,687	2,498	2,173	1,789
Fires extinguished	1,020	923	721	457	538	98	10	41	125	222
<b>Refuse collection:</b>										
Customers	4,998	5,062	5,027	4,935	3,469	3,850	3,819	3,869	3,827	3,867
<b>Other public works:</b>										
Street resurfaced (miles)	6	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Potholes repaired	125	100	100	98	100	100	110	58	63	65
<b>Parks and recreation:</b>										
Community center rentals	75	68	68	142	147	197	58	83	129	65
<b>Human Services:</b>										
Interments	113	150	145	133	103	146	122	107	117	79
<b>Water:</b>										
Water main breaks	12	12	30	16	10	7	16	7	26	64
Average daily consumption (thousands of gallons)	1,905	2,366	1,735	2,229	2,030	2,000	2,044	1,811	1,684	1,706
Peak daily consumption (thousands of gallons)	2,757	3,189	2,300	2,997	2,870	2,720	2,757	2,908	2,139	2,634
<b>Wastewater:</b>										
Average daily treatment (thousands of gallons)	2,500	2,500	2,500	2,500	2,500	1,940	1,490	2,040	1,540	1,700
<b>Airport:</b>										
Rentals-T Hangars	49	49	49	49	54	54	54	54	54	55
Building	2	2	2	1	1	1	1	1	2	2
Land leases	2	2	2	1	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>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>	<u>2014</u>
<b>Police:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	25	25	26	24	22	22	24	24	22	21
Fire station	2	2	2	2	2	2	2	2	2	2
Firefighters	17	20	20	20	23	23	23	23	23	23
<b>Refuse collection:</b>										
Collection trucks	6	6	6	6	6	6	6	6	6	6
<b>Other public works:</b>										
Streets(miles)	71.18	71.18	71.18	71.18	71.18	71.18	71.18	71.18	71.18	60.00
Traffic signals	16	16	22	22	22	22	22	21	21	9
<b>Parks and recreation:</b>										
Acreage	24.26	24.26	24.26	24.26	24.26	24.26	24.26	26.67	26.67	45.36
Playgrounds	10	10	10	10	10	10	10	10	10	5
Baseball/softball diamonds	5	5	5	5	5	5	5	5	5	4
Community Centers	1	1	1	1	1	1	1	1	1	2
<b>Water:</b>										
Water mains (miles)	105	106	106	106	106	108	108	108	108	108
Fire hydrants	450	455	455	565	570	578	578	578	578	581
Storage capacity (in millions)	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
<b>Wastewater:</b>										
Sanitary sewers (miles)	75	76	80	80	80	80	80	80	80	80
Storm sewers (miles)	60	60	60	60	60	60	60	60	60	61
Treatment capacity(millions of gals.)	912	912	912	1095	1095	1278	1278	1278	1278	6,000
<b>Golf Courses:</b>										
Acreage	99	99	99	99	99	99	99	99	99	124
<b>Airports:</b>										
Runways	3	3	3	3	3	3	3	3	3	2

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>	<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>	<u>2014</u>
<b>General Government</b>										
General Administration	9	9	8	8	9	8	8	8	8	8
Attorney	1	1	1	1	1	1	1	1	0.5	0.5
General Service Director	0	1	0	0	0	0	0	0	0	0
Mainstreet	1	1	0	0	1	0	1	1	1	1
Information Technology	0	0	0	0	0	0	0	0	1	1
<b>Public Safety</b>										
Building & Zoning	6	7	7	6	4	5	4	4	4	4.5
Police Officers	32	39	39	39	37	36	34	35	34	36
Police Clerical	8	7	7	7	6	6	7	7	6.5	6.5
Code Enforcement	1	1	1	1	1	1	1	1	1	1
Firefighters	17	20	20	20	23	23	23	23	23.5	23.5
<b>Transportation</b>										
Streets	9	9	9	7	6	6	6	6	6	6
<b>Human Services</b>										
Cemeteries	5	5	5	5	4	3	2	2	2	2
Culture/Recreation	6	7	7	7	8	7	5	5	5	6
<b>Business Type Activities:</b>										
Airport	4	4	4	4	3	3	2	3	3	3
Water	36	37	37	37	33	33	31	32	32	30
Golf	8	7	10	9	8	0	0	0	0	0
Sanitation	19	19	19	19	16	14	14	13	17	14

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, 2014, and have issued our report thereon dated April 29, 2015. 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(8). 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, we did note that the general operating reserves of the City are currently below the recommended minimum level, but are estimated to be sufficient to cover approximately 1.2 months of normal expenditures.

***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, 2014, 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, 2014.

***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.

Palatka, Florida  
April 29, 2015

**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, 2014, 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 29, 2015.

**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.

Palatka, Florida  
April 29, 2015

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415,  
FLORIDA STATUTES**

The Honorable Mayor and City Commissioners  
City of Palatka, Florida

We have examined the City of Palatka, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Carly Riggs & Ingram, L.L.C.*

Palatka, Florida  
April 29, 2015

City of Palatka, Florida

Schedule of Expenditures of Federal Awards  
Year ended September 30, 2014

Federal Awards	Federal CFDA Number	Identifying Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Community Facilities Loans and Grants	10.766	PM	\$ 5,836
Community Facilities Loans and Grants	10.766	PV	40,239
<b>Program total</b>			<b>46,075</b>
Rural Business Enterprise Grants	10.769	GC	14,168
<b>U.S. Department of the Interior</b>			
Passed through Florida Wildlife Commission Sport Fish Restoration Program	15.605	FL-F-199-B-1	493,862
<b>U.S. Department of Justice</b>			
Passed through Office of Attorney General Crime victim assistance	16.575	V13045	37,694
Bulletproof Vest Partnership Program	16.607		5,814
Passed through Florida Department of Law Enforcement Byrne Justice Assistance Grant Program	16.738	JAG 2013-DJ-BX-0134	10,986
Byrne Justice Assistance Grant Program	16.738	2014-JAGC-PUTN-2-ES-010	16,219
<b>Program total</b>			<b>27,205</b>
<b>U.S. Department of Transportation</b>			
FAA Airport Improvement Program	20.106	AIP 3-12-0061023-2013	64,800
FAA Airport Improvement Program	20.106	AIP 3-12-006122-2012	14,447
<b>Program total</b>			<b>79,247</b>
Passed through Florida Department of Transportation Highway Planning and Construction	20.205	41057219401, 41057219490, 41057229401	112,100
Pipeline and Hazardous Materials Safety Administration Passed through Palatka Gas Authority Technical Assistance Grant	20.710		50,000
<b>National Endowment for the Arts</b>			
Promotion of the Arts- Grants to Organizations & Individuals	45.024		36,030
<b>National Endowment for the Humanities</b>			
Promotion of the Humanities Federal/State Partnership	45.129	GR 0313 3881 2302	8,892
<b>Department of Homeland Security, Federal Emergency Management Agency</b>			
Hazard Mitigation Grant	97.039	11HM-3H-04-64-02-007	161,784
Hazard Mitigation Grant	97.039	11HM-3E-04-64-02-015	150,191
<b>Program total</b>			<b>311,975</b>
<b>Total expenditures of federal awards</b>			<b>\$ 1,223,062</b>

**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 each of its major federal programs for the year ended September 30, 2014. The City's major federal programs are 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 each of the City's major federal programs 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 programs. 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 each of its major federal programs for the year ended September 30, 2014.

## 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 each 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.

Palatka, Florida  
April 29, 2015

Schedule of Findings and Questioned Costs

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**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 programs.
5. The report on compliance with requirements applicable to the major federal award programs expressed an unmodified opinion.
6. No findings were disclosed relative to the major federal programs.
7. The City's major federal programs were:

	<u>Federal CFDA Number</u>
Sport Fish Restoration Program	15.605
Hazard Mitigation Grant	97.039

8. A threshold of \$300,000 was used to distinguish between Type A and Type B programs.
9. The City qualifies 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 programs.

City of Palatka, Florida

Summary Schedule of Prior Audit Findings

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There were no prior audit findings relating to Federal or State financial assistance programs.

TERRILL L. HILL  
MAYOR - COMMISSIONER  
MARY LAWSON BROWN  
VICE MAYOR - COMMISSIONER  
RUFUS J. BOROM  
COMMISSIONER  
JUSTIN R. CAMPBELL  
COMMISSIONER  
JAMES NORWOOD, JR.  
COMMISSIONER



BETSY JORDAN DRIGGERS  
CITY CLERK  
MATTHEW D. REYNOLDS  
FINANCE DIRECTOR  
JAMES A. GRIFFITH  
INTERIM 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 29, 2015

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, 2014.

**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*

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**CITY COMMISSION AGENDA ITEM**

**SUBJECT:**

**REQUEST** to Authorize execution of an Interlocal Agreement with Putnam County BOCC regarding maintenance of a sewer main extension to service Veritas Steel - Putnam County Board of County Commissioners and Putnam County Chamber of Commerce

**SUMMARY:**

The City of Palatka was approached by Putnam County and the Chamber of Commerce regarding extension of a sewer line to provide service for Veritas Steel at the Putnam County Barge Port.

The County is pursuing a USDA Economic Development grant to fund the entire cost of the extension of the sewer main that will serve Veritas Steel as well as other businesses along the path of the sewer main.

Putnam County does not wish to own and maintain a section of sewer main that is connected to the City's system, therefore they have requested the City execute an Interlocal Agreement with the BOCC that will pass ownership of the sewer main to the City once it has been constructed and approved.

A proposed Interlocal Agreement is attached. This Agreement has been scrutinized by the City Attorney, who has approved it as to legality and content.

**RECOMMENDED ACTION:**

**Staff recommends approval and execution of an Interlocal Agreement with Putnam County BOCC to accept ownership of the sewer line once constructed.**

**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Interlocal Agreement	Backup Material

**REVIEWERS:**

Department	Reviewer	Action	Date
Finance	Reynolds, Matt	Approved	6/2/2015 - 2 22 PM
City Clerk	Driggers, Betsy	Approved	6/2/2015 - 3 06 PM
City Manager	Driggers, Betsy	Approved	6/2/2015 - 3 06 PM
Finance	Reynolds, Matt	Approved	6/3/2015 - 2 30 PM
City Clerk	Driggers, Betsy	Approved	6/3/2015 - 2 36 PM

## INTERLOCAL AGREEMENT

BY THIS DOCUMENT, the City of Palatka, Florida, a municipal subdivision of the State of Florida, hereinafter referred to as the "City", whose address is 201 North Second Street, Palatka, Florida, 32177, and Putnam County, Florida, a political subdivision of the State of Florida, hereinafter referred to as the "County", whose address is 2509 Crill Avenue, Palatka, Florida, 32177, have this \_\_\_\_ day of \_\_\_\_\_, 2015, in exchange for mutual considerations and benefits which each find to be of good and sufficient value to bind their agreement, entered into this Interlocal Agreement, with the understanding and intent that the terms hereof shall be binding and enforceable.

WHEREAS, the City owns and operates a central sanitary sewer system and treatment facility which services residences and businesses within its municipal boundaries and, on a limited basis, further services residences and businesses located outside of its municipal boundaries; and,

WHEREAS, the County desires the City to provide sanitary sewer service to a geographical area located outside of the City's boundaries but in close proximity thereto, which area currently receives potable water from the County, who purchases such water in bulk from the City; and,

WHEREAS, both the City and the County have determined that the terms and conditions set forth below will be mutually beneficial and in the best interest of their respective constituency.

NOW, THEREFORE, the City and the County contract and agree as follows:

1. Subject to the County's receipt of a CDBG Grant, the County will install a four inch diameter sanitary sewer connector line from the City's existing sewer lines in the vicinity of Comfort Road for a distance of approximately 4,500 feet, terminating at the Veritas Steel facility. The line and its installation shall be subject to the City's inspection and acceptance.
2. The County shall pay all costs of installation of such sewer connector line.
3. Upon completion of the installation of the sewer line and its connection to the Veritas Steel facility, the City will thereafter pay all costs of maintaining and repairing the line.
4. The sewer line shall be considered and deemed to be the property of the City.
5. Usage of the sewer line and of the City's Wastewater Treatment System shall be restricted to DOMESTIC WASTE ONLY. No user of the line or of the City's facilities shall be permitted to deposit or discharge industrial, commercial, or hazardous waste into the line.
6. The line and the service available through the line may be accessed/connected to any business or entity located within that development commonly known as the "Barge Port", provided the business or entity to be connected to the City's sanitary sewer system is also connected to either the City's or the County's potable water service and possesses a meter which measures and records potable water usage. Each user of the

sanitary sewer line shall pay for sanitary sewer usage at the rate at which this service is offered to other "out of City" users and based upon the consumption of potable water by the user. Within 10 days after the end of each calendar month, the County will provide to the City the water meter readings of the County's potable water customers in this area so that the City can calculate the amounts due from such customers for the City's sewer service, and the City shall bill such customers directly.

7. The sewer line and service which is the subject of this Agreement shall not be extended to other unincorporated areas of the County without specific approval and consent of both parties. The parties agree that the extension contemplated in this agreement is not intended to operate as an abrogation of the City's established policy which generally prohibits extending the City's sewer service beyond the corporate limits of the City.
8. All infrastructure activities will be conducted utilizing CDBG funds. No local funds are being committed by either jurisdiction.
9. The project is not inconsistent with the local comprehensive plans of Putnam County or Palatka, Florida.

The undersigned have set forth their signature and seal as evidence of their intent to be bound by this Agreement.

PUTNAM COUNTY, FLORIDA

By: \_\_\_\_\_  
Karl N. Flagg, Chairman

ATTEST:

\_\_\_\_\_  
Tim Smith, Clerk of Courts

(SEAL)

CITY OF PALATKA

(SEAL of the CITY OF PALATKA)

By: \_\_\_\_\_  
Its Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

*Agenda  
Item*

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**CITY COMMISSION AGENDA ITEM**

**SUBJECT:**

**RESOLUTION** authorizing execution of an Employment Agreement with Terry K. Suggs for the position of Palatka City Manager

**SUMMARY:**

On May 26th the five finalist candidates for the position of City Manager appeared for final interviews before the City Commission. After deliberation, a motion was made, seconded and passed by majority vote to negotiate a contract with candidate Terry K. Suggs for the position of City Manager.

Mr. Suggs met with Mr. Bush, Mayor Hill and Staff, and worked out the terms of the contract. City Attorney Holmes has reviewed the contract and made one revision, which was presented at the Commission's May 28th meeting, after which a motion was made and seconded to table approval of the contract to June 11th.

Mr. Suggs has advised he will be able to begin his new position as Palatka City Manager effective July 2, 2015 and has agreed to an annual salary of \$88,965.98 with a 5% increase at the end of six months.

**RECOMMENDED ACTION:**

**Adopt a resolution authorizing execution of the employment agreement with Terry K. Suggs for the position of City Manager**

**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Resolution	Resolution
<input type="checkbox"/> T. Suggs Resume	Attachment

**REVIEWERS:**

Department	Reviewer	Action	Date
City Clerk	Driggers, Betsy	Approved	6/2/2015 - 4:06 PM
City Clerk	Driggers, Betsy	Approved	6/2/2015 - 4:06 PM
City Manager	Driggers, Betsy	Approved	6/2/2015 - 4:06 PM
Finance	Reynolds, Malt	Approved	6/3/2015 - 2:30 PM
City Clerk	Driggers, Betsy	Approved	6/3/2015 - 2:42 PM

**RESOLUTION NO. 2015-11-**

**A RESOLUTION OF THE CITY OF PALATKA, FLORIDA,  
APPOINTING TERRY K. SUGGS AS CITY MANAGER OF  
THE CITY OF PALATKA AND AUTHORIZING EXECUTION  
OF THAT CERTAIN CITY MANAGER EMPLOYMENT  
AGREEMENT EFFECTIVE JULY 2, 2015**

**WHEREAS**, the pursuant to Article III, Section 36 of the Palatka City Charter, the Palatka City Commission (CITY), by a majority vote, shall appoint a city manager for an indefinite term and fix the manager's compensation; and

**WHEREAS**, the CITY desires to employ the services of TERRY K. SUGGS (EMPLOYEE) as City Manager of the City of Palatka, Florida, based upon the action taken by the Palatka City Commission at a duly called special meeting on May 26, 2015, and as provided for in Article III, Section 36 of the City Charter of the City of Palatka; and

**WHEREAS**, it is the desire of the CITY, through the City Commission, to provide for certain benefits, and to establish certain conditions of employment and to set certain working conditions of said EMPLOYEE; and

**WHEREAS**, the EMPLOYEE desires to accept employment as City Manager of the City of Palatka under the terms and conditions set forth in that certain Employment Agreement, the terms of which were negotiated between and mutually agreed upon by the CITY and the EMPLOYEE, and a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference.

**NOW, THEREFORE**, be it resolved by the City Commission of the City of Palatka, Florida, as follows:

1. That Terry K. Suggs is hereby appointed as City Manager of the City of Palatka effective July 2, 2015;
2. That the Mayor and City Clerk are hereby authorized to execute and attest that certain Employment Agreement with Terry K. Suggs, which is attached hereto as Exhibit "A" and incorporated herein by reference.

**PASSED AND ADOPTED** this 11<sup>th</sup> day of June, 2015, by the City Commission of the City of Palatka, Florida.

**CITY OF PALATKA**

**By:** \_\_\_\_\_  
**Its MAYOR**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**

**APPROVED AS TO FORM AND  
LEGALITY:**

\_\_\_\_\_  
**CITY ATTORNEY**

**EXHIBIT "A"**

**EMPLOYMENT AGREEMENT**

THIS AGREEMENT, made and entered into this July 2, 2015, by and between the CITY OF PALATKA, a Florida municipal corporation, (hereinafter "CITY"), as party of the first part, and TERRY K. SUGGS (hereinafter "EMPLOYEE"), as party of the second part, pursuant to the following terms and conditions:

**WITNESSETH:**

WHEREAS, the CITY desires to employ the services of TERRY K. SUGGS (EMPLOYEE) as City Manager of the City of Palatka, Florida, based upon the action taken by the Palatka City Commission at a duly called special meeting on May 26, 2015, and as provided for in Article III, Section 36 of the City Charter of the City of Palatka; and

WHEREAS, it is the desire of the CITY, through the City Commission, to provide for certain benefits, and to establish certain conditions of employment and to set certain working conditions of said EMPLOYEE; and

WHEREAS, the EMPLOYEE desires to accept employment as City Manager of the City of Palatka under the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

**Section 1. Duties**

The CITY hereby agrees to employ said TERRY K. SUGGS (EMPLOYEE) as the City Manager of the City of Palatka, to perform the functions and duties specified in the City Charter and the Code of Ordinances of the City of Palatka, and to perform such other legally permissible and proper duties and functions as the City Commission of the City of Palatka shall assign.

**Section 2 Term**

- A. Nothing in this Employment Agreement shall prevent, limit, interfere with or otherwise restrict the rights of the City Commission to terminate the services of the EMPLOYEE at any time, with or without cause, subject only to the provisions set forth in Section 3 of this Agreement, and those contained in the City Charter of the City of Palatka.
- B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of EMPLOYEE to resign at any time from his position with the CITY, subject only to the provisions set forth in Section 3.
- C. The EMPLOYEE agrees to remain in the exclusive employ of the CITY and not become employed by any other employer while employed by the CITY unless termination is effected as hereinafter provided. The term "employed" shall not be construed to prevent EMPLOYEE from engaging in teaching, writing, consulting, or other activity not in conflict with EMPLOYEE'S full-time position as City Manager. Any such teaching, writing, consulting, or other activity shall be performed on EMPLOYEE'S time off and shall not conflict in any way whatsoever with City business. Prior to engaging in any teaching, writing, consulting, or other professional activity, the EMPLOYEE shall obtain approval of the City Commission.
- D. This Agreement shall commence on July 2, 2015, and shall continue in full force and effect thereafter until terminated by the parties pursuant to this Section 3.

**Section 3. Termination and Severance Pay**

- A. In the event the EMPLOYEE is terminated or forced to resign by the City Commission, without just cause, the CITY agrees to pay the EMPLOYEE a lump sum amount equal to five (5) month's current salary and benefits. The lump sum payment shall be due and payable in full within ten (10) days of the termination or forced resignation. The CITY will provide, at their cost, insurance coverage as provided herein for the EMPLOYEE and his dependents pursuant to Section 10 for a period of five (5) months upon said separation of employment and continue to contribute toward the EMPLOYEE'S retirement benefits as specified in Section 11 for the same five month period. All of same shall be considered "Aggregate Severance Pay". However, in the event the EMPLOYEE is terminated because of his being found guilty by a court of competent jurisdiction of an illegal act involving personal gain to him, or of any felony or misdemeanor involving moral turpitude ("just cause"), then, in that event, the CITY shall have no obligation to pay any aggregate severance pay designated in this section. Notwithstanding anything else contained herein, the first one hundred-eighty (180) days of the EMPLOYEE'S tenure with the CITY shall be considered a Probationary Period. For and during this period, the employee may be terminated, with or without cause by the CITY, and if termination occurs during this period, the CITY shall not be obligated to pay salary or benefits to the EMPLOYEE as accrued or due for any period after the date of the EMPLOYEE'S termination (Aggregate Severance Pay).
- B. If the EMPLOYEE is due aggregate severance pay in accord with the terms set forth above, the EMPLOYEE shall accept same in full payment of any claim, right, or entitlement which the EMPLOYEE might otherwise have asserted against the CITY arising from his termination or forced resignation, including but not limited to any claim which might otherwise have been asserted arising from the EMPLOYEE'S potential classification as a public employee as defined by applicable law and cases of the State of Florida and United States of America in the context of job rights. It is the specific intent of the parties that the EMPLOYEE be considered an "at will" employee, subject to termination or forced resignation at the discretion of the CITY and without payment by the CITY of penalty or other compensation arising from their exercise of this discretion, other than the aggregate severance pay described above if otherwise applicable.
- C. EMPLOYEE may terminate this Agreement by giving the City Commission fourteen (14) days written notice of his desire to terminate this Agreement; provided, however, the City Commission may require the EMPLOYEE to continue employment for a period not to exceed sixty (60) days beyond the date of termination if any litigation to which the CITY is a party would be prejudiced by earlier termination of this Agreement. Upon termination of the Agreement hereunder, the EMPLOYEE shall be entitled to such salary and benefits accrued to the effective date of termination.

**Section 4. Salary**

The CITY agrees to pay the EMPLOYEE, commencing upon July 2, 2015 for his services rendered pursuant hereto, at an annual salary of Eighty-eight thousand, nine hundred sixty-five dollars and ninety-eight cents (\$88,965.98), payable in installments at the same time as other general employees of the CITY are paid. A five percent (5%) increase will be given at the end of the six (6) months. In addition the CITY agrees to adjust said base salary and/or other benefits of the EMPLOYEE to such amounts and to such extent as the City Step in Grade Plan specifies. Any

salary increase after six (6) months must be approved by the City Commission.

**Section 5. Performance Evaluation**

On or about July 2, 2016 and then every July thereafter, the City Commission shall review and evaluate the performance of the EMPLOYEE. The City Commission shall provide the EMPLOYEE with an adequate opportunity for the EMPLOYEE to discuss the evaluation with the CITY Commission, whether individually or as a body. The performance evaluation should be constructive in nature to enable the EMPLOYEE to improve his abilities and service to the CITY.

**Section 6. Hours of Work**

The EMPLOYEE shall be at work routinely during the normal business hours of the CITY, and shall devote such additional time as is necessary to perform assigned responsibilities but shall have a flexible work schedule keeping in mind the best interest of the CITY.

**Section 7. Automobile and Cellular Phone**

The EMPLOYEE is required to be on call for twenty four hour service. In recognition thereof, the CITY shall provide, maintain, insure, and fuel a late model vehicle for the EMPLOYEE'S business and personal use. All personal use will be reported according to IRS regulations on the EMPLOYEE'S W-2. The EMPLOYEE shall also receive a cellular phone (smart phone) which shall be provided and paid for by the CITY.

**Section 8. Vacation and Sick Leave**

The EMPLOYEE shall receive vacation leave, which shall accrue at the rate of 4.0 weeks per year of which two (2) weeks are immediately available for usage by the EMPLOYEE for purposes of relocation and planned family vacations. The EMPLOYEE shall receive sick leave, which shall accrue at a rate of 1.0 day per month. Upon separation, the EMPLOYEE shall be compensated for accrued and unused vacation leave and twenty-five (25%) of unused sick leave.

**Section 9. Holidays**

The EMPLOYEE shall be entitled to the same holiday time off as is provided to the other general employees of the CITY not otherwise covered by a collective bargaining agreement.

**Section 10. Disability, Health, Vision, Dental and Life Insurance**

The EMPLOYEE shall be entitled to the same participation in the group health plan provided to all other city employees. The CITY agrees to pay 75% of the cost of the premiums for the EMPLOYEE and dependents for health and dental and 100% of vision insurance coverage. The CITY will pay the entire cost of life insurance for the EMPLOYEE at the same level and amount as is provided for all other CITY employees.

**Section 11. Retirement**

The CITY agrees to pay, on an annual basis, an amount equal to 10% of the salary to the retirement program of choice. Such payments shall be payable in installments at the same time as other retirement benefits are paid for other employees of the CITY.

**Section 12. Benefits**

All benefits provided herein shall be applied effective upon the commencement hereof as specified in Section 2. As any new benefits are created or existing benefits are enhanced under the Executive Benefit Plan or the City's Personnel Rules and Regulations, the EMPLOYEE'S benefits shall be adjusted accordingly. The CITY shall not at any time during the

term of this agreement reduce the salary, compensation or other benefits of the EMPLOYEE, except to the degree of such a reduction, across-the-board for all employees of the CITY or unless agreed by the EMPLOYEE. In the event that the CITY reduces salary or benefits to the EMPLOYEE, the EMPLOYEE may consider this act a forced resignation by the CITY and said EMPLOYEE shall be eligible for separation pay and benefits as provided herein.

**Section 13. Professional Development**

- A. The CITY agrees to budget and to pay for the professional dues, licenses and subscriptions of the EMPLOYEE necessary for his continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for his continued professional participation, growth and advancement, and for the good of the CITY.
- B. The CITY agrees to budget for and pay the reasonable and necessary travel and subsistence expenses of the EMPLOYEE for professional and official travel, meetings and occasions adequate to continue the professional development of the EMPLOYEE, and to adequately pursue necessary official and other functions for the City, such as the Florida League of Cities, or, International City and County Manager's Association Annual-Conference, or, other regional, state and local governmental groups and committees thereof on which the EMPLOYEE serves as a member.
- C. The CITY also agrees to budget and to pay for the reasonable and necessary travel and subsistence expenses of the EMPLOYEE for short courses, institutes, certifications(s) requirements and seminars that are necessary for his professional development and for the good of the CITY.

**Section 14. Indemnification**

- A. The CITY shall provide a legal defense, save harmless, and indemnify the EMPLOYEE against any tort, professional liability claim or demand or any other legal action, arising out of an alleged act or omission occurring within the scope of EMPLOYEE'S employment and performance of EMPLOYEE'S duties and functions, under the same terms and conditions as provided to the other employees of the City of Palatka in accordance with the requirement and provisions of the City Charter and Code of Ordinances of the City of Palatka and Florida law. The CITY shall have the right to compromise and settle and such claim or suit and pay the amount of any such settlement or judgment rendered thereon, in its sole discretion. Said indemnification shall extend beyond the termination of employment and the expiration of this agreement to provide protection for any such acts undertaken or committed in the EMPLOYEE'S capacity as City Manager, regardless of whether the notice of claim or filing of a lawsuit occurs during or following employment with the CITY.
- B. The CITY shall bear the full cost of any fidelity or other bonds, which may in the future be required of the EMPLOYEE by law or ordinance.

**Section 15. Relocation Expenses**

- A. The EMPLOYEE agrees to establish residency within the corporate limits of the CITY within thirty (30) days of employment and to maintain his residency within the corporate limits of the City as long as he is employed by the CITY.
- B. The CITY shall reimburse the EMPLOYEE up to one thousand dollars (\$1,000.00) for costs associated with the relocation to the CITY.
- C. Should the EMPLOYEE resign within two (2) years from the date of the Agreement to accept a position elsewhere, he will repay the CITY any expenses it has paid to assist with the relocation. Reimbursement of relocation expenses is not required if the EMPLOYEE should die within the first two (2) years or resign within such time due to disability.

**Section 16. Code of Ethics**

Inasmuch as the EMPLOYEE is an active full member of the International City and County Management Association (ICMA), the Code of Ethics promulgated by the ICMA is incorporated herein, and by this reference made a part hereof. Said Code of Ethics shall furnish principles to govern the EMPLOYEE'S conduct and actions as City Manager of the CITY.

**Section 17. Other Terms and Conditions of Employment**

The City Commission, in consultation and agreement with the EMPLOYEE, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the EMPLOYEE, provided such terms and conditions are not inconsistent with or in direct conflict with the provisions of this Agreement, the City Charter, the City Code of Ordinances, or any other applicable law.

**Section 18. General Provisions**

- A. The text herein shall constitute the entire agreement between parties, and shall supersede any and all prior agreements or understandings between the parties.
- B. This Agreement shall become effective commencing on the 2<sup>nd</sup> day of JULY 2015.
- C. If any provision, or any portion thereof, contained in this Employment Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.
- D. This Agreement contains the entire Agreement of the parties. It may not be changed verbally, but only by an Agreement in writing signed by the parties.
- E. Florida law shall govern this Agreement and any litigation that may arise from this Agreement, shall be filed and litigated in Putnam County, Florida.
- F. The agreement shall be binding upon and inure to the benefit of the heirs at law or personal representative of the EMPLOYEE, if applicable.
- G. The parties acknowledge that each has shared equally in the drafting and preparation of this Agreement and, accordingly, no court construing this Agreement shall construe it more strictly against one

party than the other and every covenant, term, and provision of this Agreement shall be construed simply according to its fair meaning.

H. This Agreement may be executed in duplicate or counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same instrument. No term, condition, or covenant of this Agreement shall be binding on either party until both parties have signed it.

**IN WITNESS WHEREOF**, the City of Palatka, Florida, has caused this Agreement to be signed and executed on its behalf by its Mayor, and duly attested to by its City Clerk and approved as to form by the City Attorney, and the **EMPLOYEE** has signed and executed this Agreement both in duplicate, on the day and year first written.

**APPROVED** by the City Commission of the City of Palatka on the 11<sup>th</sup> day of June, 2015.

**ATTEST:**

**CITY OF PALATKA**

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
**BY: Terrill L. Hill**  
Its **MAYOR**

(Seal)

Witnesses:

Terry K. Suggs

\_\_\_\_\_  
**EMPLOYEE**

\_\_\_\_\_  
**APPROVED AS TO FORM**  
**AND LEGALITY:**

\_\_\_\_\_  
City Attorney

April 21, 2015

Allen R. Bush  
Interim City Manager  
City of Palatka  
201 N. Second Street  
Palatka, FL 32177

Dear Mr. Bush:

I would like to request your consideration of my qualifications for the position of City Manager. The published job announcement described a specific set of skills and abilities the City Commission would like for the incoming manager to possess, and I believe I possess those preferred skills. I hold Master's Degree in Public Administration and a Certified Public Manager designation from Florida State University. My public service career spans more than 18 years.

I am a highly energetic manager who works well with a variety of groups including elected officials, civic leaders, the business community and citizens. My personal approach to management is "Management by Walking Around," a style where I get to interact with frontline employees, solicit ideas on improvement opportunities, and work with staff to resolve identified concerns resulting in better performance. I believe in offering education and training for staff and empowering them to perform. While available to monitor and provide guidance, I respect them as professionals and therefore do not micromanage. This style of management combined with open and honest dialogue has proven successful for me.

I have a comprehensive working knowledge in all areas of municipal operations and have a clear understanding of the City Manager role in relationship to the governing body. I believe in sharing all information with the Mayor and Commission to maximize effectiveness and to better assist staff in the implementation of adopted policies.

I recognize the significance of community involvement, and am currently involved with Rotary International, Kiwanis, Salvation Army and several local outreach organizations, as well as serving on committees of professional organizations such as Florida City/County Management Association and Florida Association of Code Enforcement. I enjoy being out in the community observing staff, solving problems and working with citizens.

My fiscal experience includes creating, implementing and administering municipal budgets and enterprise funds utilizing various software programs, development and oversight of capital improvement projects and roadway infrastructure. I have worked for local governments with budgets ranging from \$3 million to \$100 million. I have executed an infrastructure improvement plan that will save my current city an estimated \$11 million over the next 20 years. I have secured nearly \$700,000 in grants for my community and the Keystone Municipal Airpark has been awarded multiple grants for renovations and infrastructure upgrades.

I have over 10 years' experience in human resource management from selection and hiring of new staff, to coaching and mentoring, evaluating, union negotiations and goal setting. I have authored policies related to personnel and contract management.

In my role as Community Redevelopment Administrator I have updated the City's CRA Plan, prioritized projects and events, developed regional partnerships and timelines, and projected costs. I manage the tax increment funding revenue, oversee the recruitment of new business, and amend zoning and land development regulations to promote sensible and sustainable growth within the City's CRA District.

In closing, this position offers the opportunity of making a meaningful contribution to a community known for its diversity, values and character. I am an excellent communicator, self-motivated, and a team player. I will bring passion tempered with wisdom, commitment to community and my record of fiscal constraint and accountability to the position.

My desired salary is negotiable and would be within the advertised range. My current salary is \$65,000. I welcome the opportunity to meet with the Mayor and Commission to discuss the position and my ability to meet their needs.

In public service,

A handwritten signature in black ink, appearing to read "Terry K. Suggs". The signature is written in a cursive, flowing style.

Terry K. Suggs, MPA, CPM, FCCMA, ICMA

# TERRY K. SUGGS

3312 Virginia Lane, Green Cove Springs, Florida 32043

Phone: 352-283-4605 Email: [teke00@msn.com](mailto:teke00@msn.com)

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Professional with broad array talent and municipal management experience seeking a challenging position in a well reputed organization with an opportunity to utilize financial, economic development, planning and problem solving skills for the benefit of the community and organization.

## Areas of Expertise

Financial Management  
Long Term Planning  
Roadway Infrastructure

Community Redevelopment Agency  
Staff Performance  
Cemetery

Growth Management  
Municipal Airport  
Enterprise Funds

## Work History

City Manager

September 2011 - Present

City of Keystone Heights, FL

Preparation of all annual budgets to ensure compliance with City Councils vision and long-term planning.

Produce and analyze monthly revenue and expenditure reports to identify current and future trends affecting financial condition.

Responsible for all aspects of human resources management including recruitment, wage and salary administration, benefits, payroll, classifications, program development and establish performance objectives and performance measures.

Director Community Redevelopment District and Growth Management.

Conduct annual city council elections, serve as a chair of the canvassing board, and maintain statistics on election results, voting history and voter registration.

City Council liaison on the Keystone Municipal Airpark Authority Board.

Maintain official records and oversee maintenance and programs of City owned cemetery.

## Successes:

Crafted City's first formal comprehensive long term strategic plan unanimously approved be Council.

Secured \$683,000 in Housing Rehab and Recreation Grants

Municipal Airpark received \$900,000 for Airport FBO.

Implemented street preservation plan to extend the life of roadway network by an additional 20 years and save an estimated \$11 million.

Received the Small Cities Comprehensive Plan Update Award.

Negotiated cost sharing agreements with Board of County Commissioners and County School Board on mutually beneficial capital projects.

Concluded fiscal years 2012, 2013, and 2014 financial audits with no management comments.

### **Education**

Master of Public Administration, Barry University: 2013  
Certified Public Manager, Florida State University: 2010

### **Professional Organizations**

Florida City/County Management Association – Education Committee 2015 Conference  
Florida Association of Code Enforcement – President 2009/10  
International City/County Management Association

### **Community Organizations**

Keystone Heights Kiwanis Club  
Keystone Heights Rotary Club – President 2014/15  
Salvation Army Kettle Program  
University of Florida Non-Profit Scholarship Endowment Organization – President 2012

### **References**

Rob Bradley  
Florida Senator  
Legislator  
904-994-4847

Donnie Bowles  
Michael Baker Corporation  
Engineer  
904-380-2508

Frances Childers  
Non-Profit Board  
Treasurer  
352-475-5129

Susan Fraser  
SLF Consulting  
Planner  
904-591-8942

Robert Hamilton, J.D.  
Florida Association of Code Enforcement  
Board Attorney  
407-857-7067

Rich Komando  
Kopelousos, Bradley & Garrison  
City of Keystone Heights Attorney  
904-269-1111

Shawn O'Rourke, CEP  
City of Oviedo  
Code Compliance Manager  
407-971-5786

Richard Wolf  
Alachua County  
Asst. Director Growth Management  
352-374-5247

# *Agenda Item*

8



**CITY COMMISSION AGENDA ITEM**

**SUBJECT:**

**ORDINANCE** amending the Code of Ordinances, Chapter 26, Elections, Section 26-5, to amend the residency requirement for qualification from one year to six months prior to qualification - 1st Reading

**SUMMARY:**

On December 11, 2014 the Palatka City Commission adopted an ordinance which requires a year of city residency prior to qualification for office for candidates for City Commission.

During discussion on a matter brought before the Commission on May 28 concerning the residency requirement, the Commission directed Staff to bring forth an ordinance amending the residency requirement in Section 26-5 to six months, from one year, for first reading on June 11.

An ordinance has been drafted and advertised for first reading on June 11th and adoption on June 25, 2015.

During the discussion, which concerned providing direction to the Supervisor of Elections as to verification of residency, there was concurrence to look to the Voter Registration information on file with the Supervisor of Elections for verification of residency. The revised language calls for the candidate to have been a "qualified elector (voter) of the city" for a period of six months.

**RECOMMENDED ACTION:**

**Pass on first reading an ordinance amending Section 26-5 of the Code of Ordinances to revise the residency requirement for qualification to run from one year to six months.**

**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Draft Ordinance	Ordinance

**REVIEWERS:**

Department	Reviewer	Action	Date
City Clerk	Driggers, Betsy	Approved	6/2/2015 - 2:27 PM
City Clerk	Driggers, Betsy	Approved	6/2/2015 - 2:27 PM
City Manager	Driggers, Betsy	Approved	6/2/2015 - 2:28 PM
Finance	Reynolds, Matt	Approved	6/3/2015 - 2:30 PM
City Clerk	Driggers, Betsy	Approved	6/3/2015 - 2:37 PM

This instrument prepared by  
Betsy J. Driggers  
201 N 2<sup>nd</sup> Street  
Palatka FL 32177

**ORDINANCE No. 15 -**

**Entitled**

**AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA, AMENDING CHAPTER 26 OF THE CODE OF ORDINANCES OF THE CITY OF PALATKA, TO AMEND SECTION 26-5, QUALIFYING FOR OFFICES; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, in accordance with cost-savings measures adopted as part of that certain double-taxation Interlocal Agreement between the City of Palatka and the Putnam County Board of County Commissioners, on June 23, 1983 the Palatka City Commission adopted Ordinance No. 83 - 14 appointing the County Supervisor of Elections as the City Supervisor of Elections; and

**WHEREAS**, on December 11, 2015 the Commission adopted Ordinance No. 14-33 setting forth a one-year residency requirement for persons qualifying for City offices; and

**WHEREAS**, the City Commission now finds it reasonable and appropriate to amend its Code of Ordinances to reduce its residency requirement to six months of residency prior to qualifying to run for City office and to use information obtained from the Voter Registration information on file with the Supervisor of Elections' office as the method of verification of residency.

**NOW THEREFORE, BE IT ENACTED BY THE PEOPLE OF THE CITY OF PALATKA:**

**Section 1:** That Section 26-5 of the Code of Ordinances of the City of Palatka be amended to read as follows:

***Sec. 26-5. - Qualifying for offices.***

Anyone who has been a ~~qualified elector of the state for a period of one year prior to the date of qualification~~ duly registered elector (voter) of the city for at least six (6) months prior to the beginning of the qualifying period for office may become a candidate at any

time prior to the election for which he/she wishes his/her name placed upon the ballot. Other than as provided in this chapter, the provisions of F.S. § 106.021 shall apply to all persons desiring his/her name placed upon the primary ballot.

A person desiring his/her name placed upon the ballot to be voted upon at the primary or general election (depending on the number of candidates filing) for any office to be voted on at a city general election shall file a written, signed statement of candidacy designating the office sought with the supervisor of elections for the county between 12:00 noon of the first day of qualifying, which shall be as follows: the 71st day prior to the primary election; but no later than 12:00 noon of the 67th day prior to the primary election, per F.S. § 99.061, or as such other times as may be provided within those Florida Statutes governing elections.

**Section 2:** If any provision of this ordinance or the application thereof to any person or any circumstance is held to be invalid, the invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of the ordinance are declared severable.

**Section 3:** 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 4:** This ordinance shall become effective immediately upon its final passage by the City Commission of the City of Palatka, Florida.

**PASSED AND ADOPTED** by the City Commission of the City of Palatka, Florida, this 25th day of June, 2015.

**CITY OF PALATKA**

\_\_\_\_\_  
**By: Its MAYOR**

**ATTEST:**

\_\_\_\_\_

**CITY CLERK**

**APPROVED AS TO FORM AND  
CORRECTNESS:**

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**CITY ATTORNEY**

*Agenda  
Item*

9



**CITY COMMISSION AGENDA ITEM**

**SUBJECT:**  
**SUMMER MEETING SCHEDULE & TRIM Calendar Dates**

**SUMMARY:**

During the summer months the City Commission meets in special session for budget workshops. The Commission also attends the FLC Annual Conference, which is scheduled for August 13, 14 and 15. The city also begins the TRIM (Truth In Millage) process and follows the State's TRIM calendar, which is set by the State Department of Revenue. The Commission has also historically set aside at least 30 days wherein no Commission Meetings are held in order to allow the Commission & Staff to take vacation where ever possible.

As to budget workshops, the City normally begins those in June, but because the new City Manager will be in place on July 2nd, it is Staff's recommendation to begin those workshops in July.

It is Staff's recommendation to set the following tentative schedule:

- June 19 @ 4:00 p.m. - Visioning Workshop with Department Heads (Palatka Golf Club)
- June 25 @ 6:00 p.m. - Regular City Commission Meeting
- July 1 - TRIM Calendar Begins (Tax Roll Valuations Delivered)
- July 9 @ 3:00 p.m. - First Budget Workshop (Enterprise Funds)
- July 9 @ 6:00 p.m. - Regular City Commission Meeting
- July 23 @ 3:00 p.m. - Second Budget Workshop (General Fund)
- July 23 @ 6:00 p.m. - Regular City Commission Meeting (Set tentative millage rate)
- August 6 - CRA and Regular City Commission Meetings
- August 13 - 15 - Annual Conference
- Sept. 10 - Regular City Commission Meeting (1st Public Hearing on Budget Adoption)
- Sept. 24 - Regular City Commission Meeting (2nd and final Public Hearing to adopt Budget)

The calendar can always be revised to add or move budget workshops if need be.

**RECOMMENDED ACTION:**  
**Discuss and set Summer Meeting Schedule**

**REVIEWERS:**

Department	Reviewer	Action	Date
City Clerk	Driggers, Betsy	Approved	6/2/2015 - 4:12 PM
City Clerk	Driggers, Betsy	Approved	6/2/2015 - 4:12 PM
City Manager	Driggers, Betsy	Approved	6/2/2015 - 4:15 PM
Finance	Reynolds, Matt	Approved	6/3/2015 - 2:31 PM
City Clerk	Driggers, Betsy	Approved	6/3/2015 - 3:05 PM