

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.

MINUTES
CITY OF PALATKA
June 11, 2015

Proceedings of a regular meeting of the City Commission of the City of Palatka, Florida, held on the 11th day of June, 2015.

PRESENT: Mayor Terrill L. Hill
Commissioner Mary Lawson Brown
Commissioner Rufus Borom
Commissioner Justin Campbell
Commissioner James Norwood, Jr.

Also Present: City Attorney Donald E. Holmes; City Clerk Betsy Jordan Driggers; Finance Director Matt Reynolds; Interim Police Chief James Griffith; Fire Chief Mike Lambert, Projects Manager Jonathan Griffith

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

INVOCATION – Dr. Ken Johnson, Executive Director; Rodeheaver Boys Ranch

PLEDGE OF ALLEGIANCE – Merissa Missick

APPROVAL OF MINUTES – 5/26/15 CM Interviews & 5/28/15 Regular Meeting – Commissioner Brown moved to adopt the minutes as read. Commissioner Campbell seconded the motion, which passed unopposed.

1. PUBLIC RECOGNITION/PRESENTATIONS

PROCLAMATION – Juneteenth Celebration Days – June 13 thru 19, 2015 – Angel Dukes was present to receive the Proclamation, which was read and issued by Mayor Hill. Mrs. Dukes said “Juneteenth” is the celebration of President Lincoln’s official declaration of the end of slavery in the United States. In 2012, she helped organize Crescent City’s first Juneteenth celebration. This year they brought all the mayors of the municipalities together to help with the June 13, 2015 Juneteenth Celebration at Crescent City’s Eva Lyons Park. The public is invited to attend. Mayor Hill thanked her for bringing unity into the community.

EMPLOYEE RECOGNITION – Germaine Douglas, Parks Department – Mr. Douglas’ wife joined him as he received recognition as Employee of the Quarter. Mayor Hill noted he is a hard worker and never says no. Jonathan Griffith said Mr. Douglas makes him look good. He provides aid to other departments, fills in for Streets Department, helps with special events, and works extra and odd hours. He displays a high level of diplomacy and tact when dealing with the public. Mr. Douglas was presented with a certificate of recognition and a \$50 Visa Card

ACADEMIC ACHIEVEMENT RECOGNITION – Merissa Missick, PHS Early Graduate, was joined by her family to receive congratulations on having graduated high school a week after turning 16 years old as a sophomore. She graduated from high school two years early and is headed to the University of Alabama. She exemplifies what they want their young people to be and achieve. He thanked her for being a shining example to others and presented her with a Certificate of Academic Excellence. Ms. Missick said she will major in Psychology and intends to then go on to earn a law degree.

2. **PUBLIC COMMENTS**

Askew Vickers, N.17th Street, asked how they came to be the poorest county in Florida and 9th poorest in the US. He said this is due to poor management of tax dollars. Taxes are too high.

Roxanne Weeks, 205 Nellie Street, Palatka, produced a copy of the 2014 FDLE Crime Stats, saying she came before the Commission a few months ago and spoke about the falsified crime stats last year. She said they have been falsified again. The Sheriff's Office claimed one murder and the PD claimed none. There are five documented murders for 2014 – three in Putnam County and two in the City of Palatka. This is misleading citizens and giving them a false sense of safety, and constitutes a 3rd degree felony, which is being done to qualify for safety grants and other funds. She is obtaining the CAD reports for the entire year for the County and City and will be comparing them to this report. The 23.8% reduction in crime is not to be believed. She left a copy with the Clerk and asked her to distribute it to the members of the Commission (filed/distributed). Mayor Hill said he knows there were several murders in the City during 2014.

Jerry Hafner, 122 Hilty Lane, E. Palatka, said he was very proud of the Mayor and Commissioner Campbell when they urged the Community to help clean up the City. This will take cooperation from all citizens, business owners and others. Main Street is heavily involved in community clean ups. Mayor Hill said there is a clean-up scheduled for the entire Dunham Street area next Saturday; he invited Mr. Hafner to join the Commission in the clean up.

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

Commissioner Borom asked to remove Item A for discussion. Commissioner Brown moved to pass all other items on the Consent Agenda as recommended. Commissioner Campbell seconded the motion, which passed unopposed.

- 3(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 – Mr. Borom asked as to the requirements for maintenance on the system, saying it looks like Windows 7 and 8 are required, and windows 7 is about to go out. On the server side they will also have some additional cost for licensing. Mr. Reynolds said they have built the additional licensing into the IT budget. Commissioner Borom said he would like to see what the overall cost is before considering this item and moved to table execution of the contract pending all costs associated with this item being presented. Commissioner Brown seconded the motion, which passed unopposed following discussion.

4. **CRA BUSINESS:**

DISCUSSION ON CRA STRUCTURE per action taken at 5/14/15 CRA Meeting - Mayor Hill said this conversation is about whether or not the Commission wants to continue to serve as the CRA Board, as discussions are redundant. They are also considering changing the date to a Monday meeting. He has spoken to other communities with CRAs. The feedback he has received is that sometimes it creates some difficulties when having a different board sit as the CRA. Other cities have the Commission sit as the CRA Board along with other members. This is an opportunity to continue in that manner and bring in other delegates if they want to expand the Board. It is incumbent upon the Commission to be involved in that process. Per discussion, Mayor Hill said the CRA makes recommendations; the Commission has ultimate approval. Commissioner Brown said other boards only make recommendations to the Commission that they ultimately approve. Anyone chosen to serve on these boards can't get the benefit from the TIF fund grants. She had hoped to have other organizations participate. Commissioner Campbell said he does not believe expanding to more than 7 members is the answer. He believes they need to move the meeting date off of the City Commission meeting date. Commissioner Norwood concurred that his main concern was having the meeting on the same day. He wants adequate time to discuss the issues. As to restructuring and appointing more committees, it sometimes creates unintended conflict. Commissioner Borom concurred on moving the meeting date to a different day. He believes the CRA structure should remain the same. Mayor Hill noted there was consensus from the Commission to leave the membership of the CRA as currently structured.

Discussion ensued on setting a suitable meeting date that is not on the same day the City Commission meets. Dates discussed were the first Monday of every even month at 4 pm, the 2nd Monday of the month, or the first Wednesday of the month. Commissioner Norwood moved to keep Community Redevelopment Agency board structure as it stands and to reset the regular meeting date and time to the 2nd Monday of every even month at 5:00 p.m. Commissioner Campbell seconded the motion, which passed unopposed.

DPI REPRESENTATIVE APPOINTMENT – Request from DPI to appoint Sam Deputy to fill the unexpired term of Kathy Griffin, (term expires 12/31/18) – Commissioner Campbell moved to appoint Sam Deputy to fill the unexpired term of Kathy Griffin as Downtown Palatka Inc's representative appointment to the Community Redevelopment Agency – Term to expire 12/2018. Commissioner Norwood seconded the motion, which passed unopposed.

5. **PRESENTATION** and acceptance of FY 2013/14 Audit and Comprehensive Annual Financial Report (CAFR) – Tina Robinson and John Rowe; Carr, Riggs & Ingram, Auditors – 906 SR 19, Palatka, presented results of the Audit Report (filed). Mrs. Robinson said page 85 contains a Summary of Audit Results, which states for each of the seven major funds and one non-major fund, the City received “unmodified,” or clean opinions in that report. No internal control deficiencies or material non-compliance was disclosed. A separate report is located on pgs. 79 & 80. On page 85, for the two major federal grant programs, they received “unmodified,” or

clean opinions. That detail is shown on pages 83 to 84. Of the \$1.2 million in grant funds the City spent, those two programs accounted for 2/3 of the funds. No significant issues were found.

Page 77 contains the Auditor General's Management Letter; these are items they are required to look at by the State. The State requires them to apply financial condition assessment procedures to see if the City met the definition of financial emergency or deteriorating financial condition, and Palatka does not meet that statutory definition. She recited the definition at Mayor Hill's request. They did note that General Operating Reserves as of 9/30/2014 are only estimated to cover about 1.2 months of operating expenditures. The GFOA recommends they have about 2 months in reserves. She knows they are working on building reserves. As to corrections of prior findings, there were no prior findings to correct. As to whether the Annual Financial Report that goes to the State agrees with the Audit, that report has been drafted and will be filed after acceptance of the Audit.

On page 81 there is a new report, which is now a separate report required by the Auditor General's rule. They want to see an opinion on whether or not the entity is in compliance with the investment statute. This was prior just a paragraph included in the letter but now is a separate report. The City is in compliance.

She presented highlights of financial results as well as footnote disclosures, which support the financial results. She recommended they read the Management Discussion and Analysis, which provides an overview of the financial statements. There were some new Governmental Accounting Standards effective this year, GASBY 65 & 67. For 65 there was a reclassification of certain resources referred to as deferred in flows & outflows and "unavailable revenues." This is mentioned in Footnote 14. For 67 this requires new footnote requirements, which added quite a bit of additional time in preparation of these statements. They will see this in the pension footnote #8 and required supplementary information, pgs 47 to 52. Regarding pensions, there will be more standards in effect next year. The most significant will be GASBY 68. This will likely require a new large liability for pensions to be booked on the financial statement, which has not been required to be booked in the past.

As to the Statements, beginning on Page 1, bottom, the ending equity is made up of around \$48 million invested in capital assets net of the debt related to purchasing those assets. Below that they have various restrictions totaling \$838,000 and unrestricted totaling around \$2.7 million. Page 2, Revenues and Expenses, shows there is a very large loss on sale of land, and that has to do with the reduction to remove the Frank George properties from the books and record that loss. This is due to the timing of the sale to the developer, as it occurred during this audit year. The original demolition occurred several years ago. That entire piece had to be removed from the books and is why they carried over a \$3 million loss. Page 3, General Fund Column, shows an ending equity balance for the unassigned of \$848,000. This is what they use for normal operations for the coming year. This is estimated based upon the past 12 months' expenditures. This covers about 1.2 months of normal operations.

Page 5 shows a significant decrease in the fund balance of \$2,063,000 due partially to the transfer of funds to the Golf Fund to eliminate some accumulated loans over several years, and due to funds transferred from General Fund to Better Place Plan. This makes it clearer that these funds are in a separate fund and makes it easier to see that this is a separate fund. Better Place Plan funds have always been tracked in the past. Its shows a deficit fund balance due to costs claimable as grant reimbursements, but under the new rule they cannot recognize their collection until they are available within 60 days. This money is due to be collected during 2015. This is a timing issue. The Downtown Redevelopment Agency fund is around \$5,000 higher than the previous year. This fund is shown on Page 5; expenditures were well within budgeted amounts. All the enterprise funds have positive equity balances at the end of the year. Two of

the funds, Golf and Airport, do have more invested in capital assets than in total equity, which is the reason they show a small deficit in unrestricted money for those funds.

Significant capital asset purchases included a boat ramp and parking improvements, stormwater and drainage improvements, wastewater reuse, airport improvements and riverboat refurbishment. Footnote #4 on pages 24 to 25 describes the total dollars. It was noted that Accounts Receivable was shown as down some \$84,000 from the previous year; when an asset goes up, the change is shown as a decrease as it is a reconciling item. If liabilities increase, they will see a positive number there.

As to capital debt and capital assets noted on pages 24 & 25, this doesn't detail out the items that were purchased. The City took out large leases to purchase police and a sanitation truck during the year. Debt service is shown at the top of pages 29 & 30 including what the City is scheduled to pay out broken down in principal and interest over the next five years.

Commissioner Campbell moved to accept FY 2013/14 Audit and Comprehensive Annual Financial Report (CAFR). Commissioner Brown seconded the motion, which passed unopposed.

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 – Commissioner Brown asked if Veritas is going to annex into the City as they are required to do in order to receive city sewer services. Mr. Griffith said there is an exception to this rule for economic development; this is such an exception. Mayor Hill said this increases opportunities for the City. Although the City will receive no tax dollars from this business, they will receive revenue from the sewer service. There are other businesses out there that could need these services. Commissioner Norwood said they need to get those annexation agreements in place, but it is prudent to sell sewer services to those who aren't yet annexed as they have the capacity to do so.

Richard Callick (sp?), Comptroller for Veritas Steel, 204 CR 209B, Green Cove Springs, said Veritas has created 45 new jobs in the past nine months. They build large bridges and rail, barge or truck them out. For every job they get, they generate around \$900,000 in income to the citizens of Putnam. This is tough competition. They need to change the footprint of their facility to drive up capacity and can do so by removing the septic systems, which will increase their capacity by up capacity by 30% or two additional bridges per year. This brings around \$1.8 million in income to citizens. They need the City's support to make this happen. They are one of highest paying employers for semi-skilled labor in the county, paying around \$27 per hour in wages and benefits. Commissioner Brown related the history behind requiring business and residents to annex prior to getting water and sewer service in the City Limits. Commissioner Norwood moved to authorize execution of Interlocal Agreement with Putnam County to maintain the sewer line. Commissioner Campbell seconded the motion, which passed unopposed.

7. **RESOLUTION** authorizing execution of an Employee Agreement with Terry K. Suggs for the position of Palatka City Manager – Adopt – The Clerk read a resolution entitled 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. Commissioner Norwood moved to adopt the Resolution as read. Commissioner Borom seconded the motion, which passed unopposed as the result of a voice vote.

Mr. Suggs was present and thanked the Commission for extending him the opportunity to step into Palatka as its City Manger on July 2nd. He looks forward to meeting the challenges before

him. He introduced his wife, Julie Masters, who attends NEFLC dinners with him on a regular basis, saying she will be an asset to the City.

PUBLIC HEARINGS:

8. **ORDINANCE** amending Chapter 26, Elections, Section 26-5 to amend the residency requirement for candidate qualification from one year to six months prior to qualification – 1st Reading – The Clerk read an Ordinance 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. Commissioner Brown moved to pass the ordinance on first reading as presented. Commissioner Campbell seconded the motion. There being no discussion or comment, a roll-call vote was taken, which yielded the following results: Commissioners Borom, Brown, Campbell, Norwood and Mayor Hill, yes; Nays, none. The ordinance was declared passed on first reading.

9. **SUMMER MEETING SCHEDULE & TRIM** Calendar dates – Clerk’s Item – Betsy Driggers, City Clerk discussed the necessity of adopting a Summer Calendar. Due to the TRIM Process, which begins on July 1, the need to include budget workshops and will adopt a tentative millage rate in July. There are other meeting conflicts due to annual conference in August and vacations. The first budget workshop was rescheduled from June 25 to July 9th, as the new City manager comes in on July 2nd. Budget adoption hearings are held in September. Commissioner Norwood said on June 25th and 26th he has a Florida League of Cities Committee meeting and on June 9th he will be out of the state on GP business, so he will miss that meeting as well. The Clerk noted she had spoken with him concerning his schedule, and he stated he did not have any objection to the proposed calendar. The schedule was declared adopted by consensus of the Commission.

10. **CITY MANAGER & ADMINISTRATIVE REPORTS**
Jonathan Griffith, Projects Manager, said they are going through the punch list on the River Center and series of soft openings are scheduled. A grand opening is scheduled for July 14th.

Mayor Hill acknowledged Putnam County Supervisor of Elections Charles Overturf, who said his office will do its best to carry out the provisions of the ordinance that passed 1st reading tonight.

11. **COMMISSIONER COMMENTS**
Commissioner Brown said she went to the Chamber’s “Lunch and Learn” meeting on Monday concerning economic Redevelopment. Brian Teeple with Northeast Florida Planning Council was the speaker. He spoke about the need for water & sewer to promote economic development.

Commissioner Campbell thanked the departments that are housing interns, saying he’s received great feedback from the interns. Two are from Crescent City and two from Palatka High. He hopes the City will implement an internship program to allow graduating students to learn basic job skills before being turned out onto the job scene.

Mayor Hill said Palatka Pride will hold a Dunham Street clean up on June 20 starting at 8 am. Christian Alliance will begin with prayer from 8 – 8:30. They plan to meet at the Family Life Center at 1414 Bronson Street, and will come back to the Family Life Center for lunch. They are trying to clean up the entire city piece by piece, hoping cleanliness becomes a habit.

12. **ADJOURN** – There being no further business to discuss, the meeting was adjourned at 7:25 p.m. upon a motion by Commissioner Campbell.

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