

**TERRILL L. HILL**  
MAYOR - COMMISSIONER

**MARY LAWSON BROWN**  
VICE MAYOR - COMMISSIONER

**RUFUS J. BOROM**  
COMMISSIONER

**JUSTIN R. CAMPBELL**  
COMMISSIONER

**JAMES NORWOOD, JR.**  
COMMISSIONER



# CITY of *Palatka* FLORIDA

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

**TERRY K. SUGGS**  
CITY MANAGER

**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

## MINUTES CITY OF PALATKA WORKSHOP September 15, 2015; 5:30 p.m.

Proceedings of a called Workshop meeting of the City Commission of the City of Palatka, Florida, held on the 15<sup>th</sup> day of September, 2015, held at the Palatka Golf Club, 1715 Moseley Avenue, Palatka, Florida

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

Also Present: City Manager Terry Suggs, City Attorney Donald E. Holmes; City Clerk Betsy Jordan Driggers; Finance Director Matt Reynolds; Golf Course Manager Andy Hertz, and Bobby Weed, BWGD, Inc., Management

**CALL TO ORDER** – Mayor Hill called the meeting to order at 5:30 p.m. and read the following meeting call, which was issued on September 11, 2015:

**TO COMMISSIONERS: MARY LAWSON BROWN, RUFUS BOROM,  
JUSTIN CAMPBELL AND JAMES NORWOOD, Jr.:**

You are hereby notified that a Workshop Meeting of the Palatka City Commission is called to be held on Tuesday, September 15, 2015, at the Palatka Golf Club, 1715 Moseley Avenue, Palatka, to commence at 5:30 p.m.

The purpose of the workshop meeting is to discuss Golf Course Sustainability.

/s/ Terrill L. Hill  
Terrill L. Hill, MAYOR

The following Commissioners acknowledged receipt of the foregoing Notice of a Special Called Workshop Meeting on the 11<sup>th</sup> day of September, 2015.

/s/ Mary Lawson Brown  
COMMISSIONER

/s/ Justin Campbell  
COMMISSIONER

/s/ James Norwood, Jr.  
COMMISSIONER

/s/ Rufus Borom  
COMMISSIONER

## **INVOCATION – Sweet Owens**

## **PLEDGE OF ALLEGIANCE – Led by Mayor Hill**

Mayor Hill said last year was a very good year for the golf course. Since that time there have been unanticipated increases in expenses. They want to explore options and solutions so they can make educated decisions and find facts. The golf course is a great vehicle for charitable events and community fundraising. It is not their mission to cut programs, but want to be fiscally responsible and put the golf course in a position to benefit the entire community. If the City is not good at the golf business they need to look at viable alternatives.

City Manager Terry Suggs said Matt Reynolds will share financial information. What questions they can't answer tonight they will answer later.

Matt Reynolds, Finance Director, said in the Commission's package (filed) he went through and compiled all the information from the current fiscal year going back to fiscal year 2005/06. He wanted to show profit/loss from operations of the course and broke out the debt separately. In fiscal year 2005 the operation made around \$30,090. 2006, 2007 and 2008 the Course progressively lost more and more until it showed a \$108,000 loss in FY 2008. That is about the time they put a lot of money into maintenance of the course. In FY 2009 they would have been \$58,000 to the positive, but expenses were over \$200,000 less. The course conditions deteriorated. In 2010 halfway through the budget year Bobby Weed Golf Design was brought on board. Expenses went up slightly and then in 2011 and 2012 expenses increased back to a level that they could take care of the condition of the course. 2009 was a good year for revenues. In FY 2010, 2011 and 2012 revenues dropped off due to maintenance costs. Revenues were around \$700,000. As of yesterday, two weeks shy of the end of fiscal year, revenues are currently at \$685,342. Next, he broke out the debt so he could show the Commission that starting in FY 2013 they started covering debt with Better Place funds. Until 2013 it was covered by the General Fund.

Bobby Weed, BWGD, Inc. said his company manages and operates the course. They have been here almost six years. There have been many improvements made through a USDA grant, and they are proud of those upgrades. It seems that many people understand the benefits of Palatka Golf Club. It is great to have a community base like a golf course. There are 28 local charities that have raised almost \$128,000 through events here this year. Some of those are the VFW, Palatka high football and cheerleading, Elks Club, and others. They are host to the Azalea Open, which is the 2<sup>nd</sup> oldest Amateur tournament in Florida. They attract players from all over the US. They receive many letters of congratulations on their Amateur Open tournament. They've had 24,000 rounds of golf played this year. The boys' and girls' golf teams for all the area high schools play here. This year's youth camp had over 50 kids participating. This course supports 15 full and part time employees with 7 volunteers. It also serves as a spray field for the City's effluent, which is the main source of their irrigation. The course in Palatka is an irreplaceable asset from a historical perspective as well. The loss of this golf course would return less than 2% of the general fund of the operating budget of the entire City. The police and fire have \$4 and \$2 million budgets respectively. The golf course represents less than 2% of the general fund. The course operation is on an upward trend. Revenues increased from \$613,000 in 2011 to \$725,000 in 2015. This is a significant increase considering the local and world economy as well as the golf economy. Golf is trending down while their numbers are trending up; they have outlasted competitors. Their ratings are very good; 4 stars out of 5 and recommended by 87% of viewers on golfcourses.com. The revenue and play increases have occurred without increased expenses. Expenses have gone down.

He's heard and read that the course losses this year will be greater. They can make any number what they want it to be. The \$70,000 of depreciation that gets put on the golf course is a non-cash item. Their company found a grant they talked the city into applying for – they brought a \$200,000 grant to the table, which they facilitated and the city was awarded. The city is on the hook for \$40,000 in overruns, which the City has put on them, and they had nothing to do with that overrun. They did not budget to be operating the kitchen or restaurant after the first quarter, as a lessee operator was under contract to come in. They got rid of inventory and couldn't book food events. They are now back in operation; the lessee was one of the most reputable restaurants in the area, and is no longer coming in. Therefore they have not been able to operate normally and have incurred additional expenses that are beyond their control. They are doing a lot with a little. He is proud of their staff. They have continued to make improvements. They had a great membership and lots of support by the golf associations. The PMGA has continuously raised money to give to the Course. The PMGA has a monthly meeting tonight. He has a handout for that meeting with a lot of information, and will provide a copy to the Commissioners as well. He'd also like to give a copy to the newspaper so they can have some facts to print. He thanked golf course staff for doing a lot with less. They have had the inmates often in the past, but seldom get them today. The City is stretched throughout their departments. This being a municipal golf course, every income bracket is welcomed. This is not an elitist game. People from every walk of life come through these doors.

Mayor Hill asked for the numbers they have for this year regarding revenue. Mr. Weed said he shows revenues at just under \$725,000. He doesn't have loss figures.

Mayor Hill opened the floor for public comment.

John C. Hain, no address provided, spoke in support of the course, saying he and his wife are members; he is a player and a customer. They are aware of circumstances surrounding the restaurant. The restaurant needs to be used. It has a liquor license which is worth a lot of money. The city doesn't advertise and promote the restaurant. There is no marketing being done.

Pat A. Hain, no address given, said she's not had dinner this evening and after this she will go somewhere else to have drinks and dinner.

Jeff Elledge, 806 S. 13<sup>th</sup> Street, Palatka, Chairman of the Golf Course Advisory Board, said he distributed information titled Golf Course Benefits (filed). They have already spoken about charitable contributions. The Club is an economic engine for the City and provides economic benefits for city and residents that have not been addressed in the press. It draws people and their money to the community. The tournaments draw a lot of participants and money; the Senior Azalea drew 111 golfers; people stayed 3 or 4 nights in hotels and played for 3 – 4 days. They would have expended around \$40,000 over the weekend. The Azalea Open drew 188 golfers for an average of 5 days and they spent money throughout the community. As to golfers and numbers of rounds played in winter versus summer, in winter there are 900 more rounds of golf played per month by people who come in from out of town from as far away as Canada, who live in the community for the winter. In summer they have groups come in from an hour or more away. There is a substantial economic benefit to the Community,

As to non-economic benefits, Mr. Elledge said throughout the country municipalities own golf courses. The State invests in golf courses to promote tourism an economic development. The course attracts youth. They are starting a First Tee program that will benefit thousands of students in Putnam County. It is important for the city to keep the golf course open to all

people; this is the major benefit. This is a great course designed by a famous golf course designer who grew up in Scotland. Donald Ross designed this and over 400 courses throughout the US. The fees are affordable at State and Municipal courses. If Palatka were to close this course, citizens would have to leave the county to play golf, which would not be a viable option for many citizens.

John Salmons, 105 Blackjack Circle, Hollister, said women and African Americans are untapped sources of new golfers. It only costs \$25 to play a round of golf here. This course is promoted as a Donald Ross course and should be promoted heavily as such. People would come here just to play it and would stay in area hotels. They need to attract more people to play.

Gen Alvers, 139 Elsie Drive, East Palatka, said she is one of the oldest golfers here; she has played here since 1963. When she joined, the course was owned by the Millers and they sold it to the City. Back then, the county collaborated on costs. When they built this new building the county had originally agreed to pay half the cost, and then backed out. The golf course brings people here. People come here to retire because there is a golf course. Palatka has three advantages – a golf course, the river and ravines. The staff is great and the course is well run. She appreciates the Staff.

Steve Steele, no address given, said he has been a member of the Club for 30 years and was president of the bank when he retired. His bank financed the building for \$543,000 in 1986 to build the clubhouse. The City cannot pledge real estate to the bank. Part of the gas tax and part of the cable revenue financed it. They did a careful cash flow analysis. The bank made it work. They got a grant to pay off the building. He hopes they did some very careful cash flow analysis on what the golf course could afford on the debt. There could be a way to finance the debt and get out far enough to save the cash flow and save the course.

Allegra Kitchens, 1027 S. 12<sup>th</sup> Street, referred to the grant debt against the golf club, saying the college and high schools have golf teams and both offer scholarships, and this is important. All amenities come with a price. None of the other assets of the City make any money. The City has amenities to attract people and jobs to the City. The golf course is an important asset. The city spends money on amenities to bring people into the city. It is a great place for young people to learn golf. Festivals create thousands of dollars in costs to the city and the City absorbs that cost. There are only 208 Donald Ross courses left in the US.

Greg Jungenberg, 2101 Carr Street, said the Florida Azalea Amateur attracted 12 golfers from out of the Country. From a show of hands he estimated about 30% of people attending this Workshop to be city residents, and the rest are county residents. He said the county needs to put money into the course. There are far more county residents that play golf here than City residents. City residents get a break on their user fee of \$4.00. The course is by far more used by County residents than City residents, Alcohol sales could be a much larger revenue source. The time when revenues started to go down, in 2005, that correlates with the City's adoption of an ordinance forbidding Sunday alcohol sales prior to 1:00 p.m. The Course made a lot of money selling alcohol on Sunday mornings. The City has lost \$50 to 60 thousand a year because the course can't sell alcohol on Sunday mornings. He hopes the law can be amended to permit sales of alcohol before 1 p.m. on Sunday.

Bill Mutchie, 512 S. Palm Avenue, said his business in Palatka is part of a Fortune 500 Company. Companies move to cities with golf courses; it is one of the top 10 reasons why people retire to or bring a business to a place. The Azalea event is his personal contribution. Mr. Carl Beck made contributions this week to golf events being put on this week, 65% of his

business comes from retirement accounts. He wants retiree business and retirees to come here. The absence of a golf course would be detrimental to his and other businesses. It helps a community maintain viability. If a cost benefit analysis is to be made on the course, how many years would they have to remediate pesticide clean up on the course before someone buys it?

Jeff Roulston, 257 East End Road, said he has been a member here for 2 to 3 years as a retiree. He told the staff he wanted to play. He is handicapped and in a wheelchair. Staff facilitated his play and he now plays golf. Golf course benefits can't be measured in cash flow or numbers. He's never lived in a City that owned a golf course, much less a Donald Ross course. He loves this golf course and the friends he's made here.

Jim Roach, Associate Supt, Putnam County School District, said the School District has signed a contract with the First Tee program, which teaches nine pillars of conduct to students. Their goal is to teach kids the right way to act not just on the golf course but everywhere. They will reinforce good behaviors through golf. This program will touch 4,500 kids per year. This program is sponsored by the Professional Golfers Association. They intend to kick this program off at Mellon Elementary on October 29 at 9 a.m. If they get 50 new golfers a year, that's \$100,000 in new memberships. They have to keep the course or the program will die.

Bobby Weed, BWGD, Inc. said he spoke to County officials a few years ago, and they were reluctant to get involved with the course then because of its shape. The course is in much better shape now. He came here because he was passionate about saving the course. That has not changed. The operation is not self-supportive today but they're showing a demonstrative improvement over time. They have a great staff in place and an excellent agronomy program. Bringing the course up has been tough. The City should consider several options. His objective was to improve the facility and get the City on stable ground, and they have achieved that. They've had a lot of support. He'd like to meet with the new members of the Commission and discuss options. The city is in a good position to bring the county in as a partner. Packaged properly they would get support. Capital improvements projects have been completed. They were pledged \$1 million for improvements and didn't spend that much, The City can attempt to lease the course, which they couldn't before, or sell it, which they couldn't before, or resume self-management, as BWGD, Inc. is out after next year. They are leaving the facility in a much better position than before. They have stabilized the course and made demonstrable improvements and enhancements. He believes this workshop has been productive. They have a lot of folks passionately supporting the course,

Mayor Hill asked for a list of capital improvements still needed. Mr. Weed said they have slowly "picked away" at the improvements they proposed six years ago. He produced a board with all the items listed and will leave that with the Commission. His company alone has found \$270,000 in grants they've brought to the City between USDA and Water Management, They've discounted their fees \$150,000 over five years. He is not here to make money. They need new grasses and more annual operating money; they are on a shoestring budget. In a poll of municipal golf courses, the others were way ahead of them in employees. Mayor Hill asked if he believes the golf course would be better served by being leased by a private agency. Mr. Weed said yes, he does.

Mayor Hill said they are here to talk about golf course sustainability, not the closure of the course. Looking at sheer numbers, even taking out some of the major expenses, they are still in the position where the conversation from year to year is saying the golf course will break even "if things work out." Things haven't worked out; they need to talk about how to get to a better place. No one here questions how valuable the golf course is, but they need to stop the

bleeding. They are in a far better place now. Everyone says they anticipate the numbers getting better, but they don't, and there are still losses. They need to know how to get to that point. They should be able to come together and come up with a viable solution to make the course better for the betterment of more people.

Mr. Weed said they anticipated having a restaurant in here now, serving dinner at night. This has cost them a lot this year, They couldn't hold events throughout construction and with a restaurant here there would be residual benefits for the course. They need to look at allowing Sunday morning liquor sales. They do a lot of marketing with a small budget. They need more City support in a number of areas. The City can continue to dig out. They have lots of other amenities and all of them lose money, The Better Place Plan funds support amenities to make Palatka a better place. They need that.

Mr. Holmes asked Mr. Weed if there is a market for leases on golf courses, and if someone would actually lease the course. Mr. Weed said they would have potential lessees more so today than six years ago because they now have records on play and maintenance. Mr. Holmes asked if someone would lease the course without a subsidy from the City; Mr. Weed said the best option is to partner with the County. A lease operation could exist under that scenario, as well as a management contract. They have more options going forward. Mr. Holmes said they have records, but they don't show a profit. He finds it hard to envision leasing the course without the City subsidizing the lease. Discussion ensued on what could be written into the contract. From November through April is when the course makes its money; in the summer it just hangs on.

Commissioner Brown said the city has held on to the course because it's important. They have to work with the users, because they provide the genius. She wants to hear ideas and plans to move forward. She has to take care of the people who use all the amenities as well as maintaining infrastructure. They have personnel who have gone without raises. She would like to see the users come together to bring forth viable solutions. The City has put out a restaurateur RFP to get someone in here. They need everyone to work towards the solutions.

Commissioner Norwood said he's not willing to pass any fees off to citizens of Palatka until they take a serious look at the golf course. The golf course has to be sustainable. He believes that BWGD has made great strides. They need to look at all sustainable operations, they have to stop the bleeding and stop continually putting money into certain operations like Golf Course and Airport. They have lots of charitable events here that generate lots of revenue. They have to address the course losing money. He wants to hear solutions from the users. He is glad Mr. Weed is looking for an opportunity to keep the golf course solvent for the community. If they are going to ask the County for help, they need to go there with a Golf Course Sustainability Plan and offer them something as well. All options should be on the table. This is a community golf course. The City has borne the burden of keeping the course open for many years.

Commissioner Campbell said he is committed to exploring all avenues, and commended the City for having open dialogue with the citizens. This is a good opportunity to have a conversation with the County as well as School Board to help support the course. If county citizens partner with the City to ask the County to partner, that would strengthen the dialogue. This is about having not just meetings but taking action and putting an action plan in place. They have a lot of county residents in this room. They can come together and find viable solutions. Commissioner Brown said the County has turned the City down when they've asked for help. Citizens can help in this endeavor by talking to the County Commissioners. As for

marketing, the users are the best marketers. As they travel to other places, they can promote the golf course.

Commissioner Borom said they are not here to say they are getting rid of the course. They are looking for solutions. They need to partner with each other to keep this asset. Palatka has many amenities and they all need to work together to keep them. He invited all to bring alternatives and solutions to the City.

Peg Ralston, member, no address provided, said everyone here is interested in keeping the course open. She asked who they can correspond with. Mr. Suggs said they should correspond with him and he can send correspondence to the commissioners. He noted this is a great opportunity to discuss issues and make decisions. They have five elected officials who want to come together and make things happen. They are holding town meetings to get input and the officials are listening to the public. The purpose of tonight's meeting was to hold dialogue and come up with solutions. His first task was to put a balanced budget in front of the commission and they have done that, starting with a budget that was over \$400,000 in the hole.

Rebecca Engler, 152 Blue Fin Drive, said she lives in the County and has recently moved here. She is not a golfer, She said if they bring in a restaurant they will have more revenue Her suggestions included free play for members if they bring in a friend for lunch, or if a member signs up three new members his/her membership should be free. The website is the best place to go to get members. She has signed up for many things via various websites. The city can give away golf via the website. She brings people to the course because it is beautiful.

Helen Parrish, 111 Cedar Creek Road, said she has worked here for two years in food and beverage. She has learned a lot about golf in that time as well as golf comportment. She has met many golfers. As to Sunday liquor sales, she hears the complaints from golfers on Sunday morning who want a Bloody Mary following breakfast. Mr. Holmes said if the players come to speak at the City Commission meetings when they debate that issue that might get passed. Ms. Parrish said they have a lot of equipment in the kitchen that hasn't been used. She can try to operate a kitchen if someone else doesn't want to. She has been doing food for 30 years. The only advertisement she is aware of is the sign at Crill & Moseley and charity events. They don't advertise the restaurant. They can do more evening and weekend events with more staff.

Mayor Hill said this meeting was called to sit down and have dialogue on viable solutions to make the golf course sustainable. Losses increased from last year to this year. They now have lots of information to look at, in particular the alcohol ordinance. They need to look at partnering with other government entities, selling or leasing the course. They all care about what is best for the community. They take the extra time to hold workshops and listen to people. It is time for Palatka to band together for the common cause of the betterment of the community,

**BENEDICTION** – provided by Commissioner Norwood

**ADJOURN** – There being no further discussion, Mayor Hill adjourned the workshop at 7:40 p.m.