VERNON MYERS
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

ALLEGRA KITCHENS
COMMISSIONER

PHIL LEARY
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER

CITY OF PALATKA
FLORIDA

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

MICHAEL J. CZYMBOR
CITY MANAGER

BETSY JORDAN DRIGGERS
CITY CLERK

MATTHEW D. REYNOLDS
FINANCE DIRECTOR

GARY S. GETCHELL
CHIEF OF POLICE

MICHAEL LAMBERT
CHIEF FIRE DEPT.

DONALD E. HOLMES
CITY ATTORNEY

July 3, 2013

TO COMMISSIONERS: **MARY LAWSON BROWN, ALLEGRA KITCHENS, PHIL LEARY AND JAMES NORWOOD, Jr.:**

You are hereby notified that a workshop meeting of the Palatka City Commission is called to be held on July 18, 2013, at the regular meeting place of the Palatka City Commission, Palatka City Hall, 201 N. 2nd Street, Palatka, Florida, to commence at 2:00 p.m.

The purpose of the meeting is to hold a budget workshop for FY 2013-14 per TRIM calendar requirements.

/s/ Vernon Myers
Vernon Myers, MAYOR

We acknowledge receipt of a copy of the foregoing notice of a special meeting on the 3rd day of July, 2013.

/s/ Mary Lawson Brown
COMMISSIONER

/s/ Phil Leary
COMMISSIONER

/s/ James Norwood, Jr.
COMMISSIONER

/s/ Allegra Kitchens
COMMISSIONER

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.

201 N. 2ND STREET • PALATKA, FLORIDA 32177
PHONE: (386) 329-0100 www.palatka-fl.gov FAX: (386) 329-0106

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CITY OF PALATKA WORKSHOP AGENDA

PALATKA CITY COMMISSION

Palatka City Hall

July 18, 2013; 2:00 p.m.

CALL TO ORDER: Mayor Myers

I. Preliminary FY 2013/14 Budget – Michael J. Czymbor, City Manager
Matt Reynolds, Finance Director

A. Review & Discussion of Budget Assumptions (Building Blocks)

B. Projected Cost of Employee Cost of Living Increases

C. Historical Review of Funds by Category:
1. Airport Fund
2. Golf Course

II. Recovery of City's Cost (hard and soft) to support special events and functions

III. Commission Discussion and Direction

IV. Next Budget Workshop: TBD

V. Adjourn

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

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CITY OF PALATKA BUDGET WORKSHOP

THURSDAY, JULY 18, 2013

Proposed Budget Assumptions (Building Blocks)

- Maintain current enhanced level of quality public services
- Maintain FY2012/2013 millage at 9.1749 mills (.69% drop in taxable value, rollback rate 9.239 mills)
- Change in electric utility tax ordinance to 10% flat rate
  - Currently 10% for first $1,000 and 4% thereafter
  - Needs to be changed to a flat rate in order to be in compliance with State Statute
  - Will produce an estimated $80,000 increase in revenues
- Increase in building & planning, permit fees and cemetery service/lot fees to cover costs to provide services
- Transfers from Water and Sanitation Funds remain the same as current year ($260,000/$95,000)
- Transfer from Gas Authority of $300,000 (schedule future workshop with PGA to discuss mission, proposed capital investment, reserve amounts and annual transfer to the City)
- Significant increase in health insurance costs are currently predicted (approximately 22%) however this may be lower due to competitive proposals
- Potential savings on Workers Compensation and Property/Casualty insurance costs as a result of seeking competitive proposals
- Water & sewer rate increase of 10% each
- Sanitation rate increase of 10%

Budget FY2013-2014 Reserves

	Projected 2012-13	Budget 2013-14	Net Impact
General Fund-A/C/R	$292,366	$540,859	**$248,493**
General Fund-Unassigned	$965,575	$950,236	**$(15,339)**
Better Place-Restricted	$531,014	$6,039	**$(524,975)**
Airport Fund-Restricted	$(207,804)	$(299,216)	**$(91,412)**
Water Fund-Restricted	$137,960	$127,784	**$(10,176)**
Water Fund-Impact Fees	$32,229	$153,622	**$121,393**
Golf Fund-Restricted	$(1,540,833)	$(1,618,023)	**$(77,190)**
Sanitation Fund-Restricted	$164,720	$181,368	**$16,648**
Downtown TIF Fund-Restricted	-	$38,548	**$38,548**
South Historic TIF Fund-Restricted	$239,243	-	**$(239,243)**
North Historic TIF Fund-Restricted	$70,676	-	**$(70,676)**

Cost of Living Adjustment - 1%

	Effect on Reserves	Reserves with No Raise	Reserves with Raise
General Fund	$(46,939)	$950,236	$903,297
Airport Fund	$(1,390)	$(299,216)	$(300,606)
Water Fund	$(13,466)	$127,784	$114,318
Sanitation Fund	$(5,837)	$181,368	$175,531

Cost of Living Adjustment - 2%

	Effect on Reserves	Reserves with No Raise	Reserves with Raise
General Fund	$(93,878)	$950,236	$856,358
Airport Fund	$(2,781)	$(299,216)	$(301,997)
Water Fund	$(26,933)	$127,784	$100,851
Sanitation Fund	$(11,675)	$181,368	$169,693

Cost of Living Adjustment - 3%

	Effect on Reserves	Reserves with No Raise	Reserves with Raise
General Fund	$(140,817)	$950,236	$809,419
Airport Fund	$(4,171)	$(299,216)	$(303,387)
Water Fund	$(40,399)	$127,784	$87,385
Sanitation Fund	$(17,512)	$181,368	$163,856

Better Place Fund

- Included in the Better Place Fund budget are:
  - The City's share of FWC Boat Ramp parking improvements which is subject to change (positively) depending upon other possible grant sources
  - The City's share of USDA Larimer roof repair grant (subject to change depending upon grant approval)
  - The City's share of two FEMA drainage grants
  - Debt service payments for Frank George property, Fire Aerial Platform truck and Golf Course Fund

Airport Fund

- Included in the Airport Fund budget are:
  - A FDOT REDI grant ($400,000) for additional Hangars
  - A FAA General Aviation grant (City share $8,333)
  - An estimated $30,000 from sale of surplus materials ($25,000 sand, $5,000 millings)

Water Fund

- Included in the Water Fund budget are:
  - A 10% increase in water and sewer rates
  - $125,000 city share of CDBG Grant for line replacement ($1,000,000 total project cost)
  - Proposed increase in late payment penalty fee and septic dumping charges at the WWTP
  - $70,000 estimated cost for re-use line repair at St. Johns Ave. & SR 19

Golf Course Fund

- Included in the Golf Course Fund budget are:
  - Lease fees and utility reimbursements from restaurateur
  - A transfer of $152,355 from Better Place Fund to cover debt service costs
  - A $192,000 USDA grant ($0 City share) for building and kitchen improvements
  - Incentivized bonus pay for certain employees which will occur only if conditions at the course continue to improve

Sanitation Fund

- Included in the Sanitation Fund budget are:
  - A10% increase in sanitation fees to cover cost increases (pension, health insurance) and to begin building reserves to replace fleet
  - The purchase of a CNG front loader garbage truck (estimated at $175,000)

Downtown TIF District

- Expenditures include:
  - $30,000 for Building Improvement Grant and Façade Grant programs
  - $10,000 for landscaping
  - $16,000 for site amenities (replacement and installation of trash receptacles, benches, lighting and banners)
  - $8,000 for an aquatic midge control program

South Historic District

- Expenditures include:
  - $60,000 for the Home Improvement Program
  - $4,000 for signage
  - $20,000 for the Live Where You Work Program
  - $40,000 for the Commercial Rehabilitation Grant Program
  - Remainder ($195,379) set aside for other potential capital projects

North Historic District

- Expenditures include:
  - $40,000 for the Home Improvement Program
  - Remainder ($71,937) set aside for other potential capital projects

Golf Course – Historical Data

	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05	FY04	FY03
Revenue	$654,780	$674,313	$594,595	$613,217	$624,461	$774,986	$755,928	$751,903	$762,180	$711,672	$531,170	$645,426
Expenses	$731,970	$801,462	$838,327	$845,128	$780,650	$717,208	$934,573	$897,502	$810,680	$681,076	$683,653	$722,456
P/L	($77,190)	($127,148)	($243,732)	($231,911)	($156,188)	$57,778	($178,644)	($145,599)	($48,500)	$30,597	($152,482)	($77,030)
Debt	$152,355	$144,401	$181,890	$181,890	$181,890	$181,890	$120,378	$134,982	$136,335	$128,547	$94,159	$88,111
Total P/L	($229,545)	($271,549)	($425,622)	($413,802)	($338,079)	($124,112)	($299,022)	($280,581)	($184,834)	($97,951)	($246,642)	($165,141)
Rounds	19,550	19,750*	17,080	17,276								

*** Projected total, currently at 17,501 rounds through July 11, 2013**

- **Potential Alternatives/Strategies:**
  - **Revise and extend current management agreement**
  - **RFP for Lease**
  - **Sale**
  - **City resumes operation/management of golf course**
  - **Close the golf course**

Airport – Historical Data

	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05	FY04	FY03
Revenue	$993,185	$925,586	$993,276	$919,491	$730,487	$577,395	$711,499	$506,363	$567,999	$386,029	$305,696	$260,431
Expenses	$855,595	$854,165	$874,855	$846,662	$716,078	$654,760	$699,661	$635,553	$558,239	$386,746	$287,618	$252,642
P/L	$137,590	$71,421	$118,421	$72,830	$14,409	($77,365)	$11,839	($129,190)	$9,760	($718)	$18,078	$7,789
Debt	$182,485	$227,214	$217,615	$224,389	$231,436	$253,484	$14,375	$14,375	$14,375	$14,375	$14,375	$14,375
Total P/L	($44,895)	($155,793)	($99,194)	($151,559)	($217,028)	($330,848)	($2,536)	($143,565)	($4,615)	($15,093)	$3,703	($6,586)

- **Potential Alternatives/Strategies:**
  - **Maximize sales of materials (timber, lime rock, millings and sand)**
  - **Economic development on/around airport property**
  - **Build new hangars**
  - **Sale of Airport property**

Actual Expense vs In-Kind Contributions

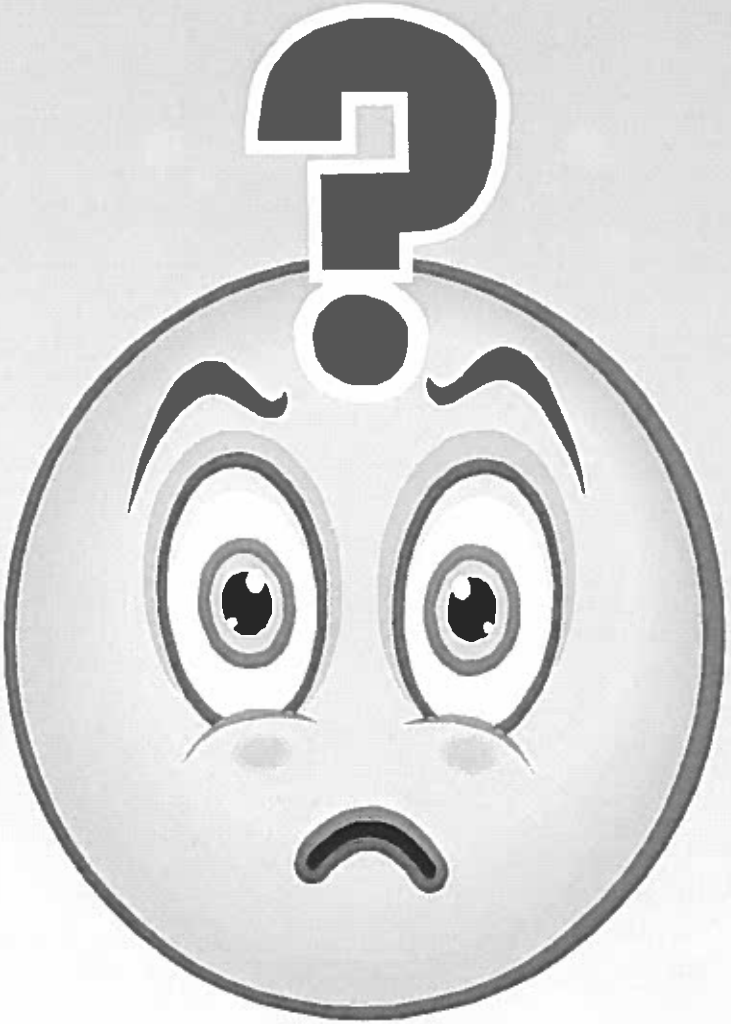
Total # of "on-duty" hours worked by City employees:	**$ 616.50**
Total Actual Payroll Not billed to Blue Crab Festival:	**$12,418.05**
Total Actual Payroll Billed to Blue Crab Festival:	**$ 6,382.50**
TOTAL PAYROLL EXPENSE INCURRED FOR BLUE CRAB:	**$18,800.55**

OTHER IN-KIND MATERIALS, LABOR & SERVICES (Comparable Value)

Generator Rental	$ 715.00
2 Dumpsters (drop off/pick up & rental)	872.00
Bldg 2 Parking Lot Rental	500.00
Inmate Squad Labor	3,052.50
Barricades/Cones rental value	265.00
Total	**$ 5,404.50**

Total In-Kind and Actual Expense for Blue Crab Festival: **$24,205.05**

City of Palatka Donation

TOTAL PAYROLL INCURRED FOR BLUE CRAB FESTIVAL:	**$18,800.55**
FEES AND CHARGES PAID BY THE BLUE CRAB FESTIVAL:	
- Total Daily Permit fee (Class A Event)	$ 825.00
- Total materials, goods & services:	$ 480.00
- Total Special Duty Personnel Fees:	$ 6,382.50
- Chg for damaged generator equipment:	$ 400.00
TOTAL BILLED TO BLUE CRAB FESTIVAL	**($8,087.50)**
Total Actual Expenses Incurred less Total Billed:	**$10,713.05**
Plus: Total In-Kind Materials, Labor, Services:	**$ 5,404.50**
TOTAL VALUE OF DONATION:	**$16,117.55**

Questions, Observations, Discussion