

KARL N. FLAGG
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

ALLEGRA KITCHENS
COMMISSIONER

VERNON MYERS
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER



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

ELWIN C. "WOODY" BOYNTON, JR.
CITY MANAGER

BETSY JORDAN DRIGGERS
CITY CLERK

RUBY M. WILLIAMS
FINANCE DIRECTOR

GARY S. GETCHELL
CHIEF OF POLICE

MICHAEL LAMBERT
CHIEF FIRE DEPT.

DONALD E. HOLMES
CITY ATTORNEY

AGENDA
CITY OF PALATKA
Called Meeting
Price-Martin Community Center
July 23, 2009; 3:00 p.m.

Proceedings of a special called meeting of the City Commission of the City of Palatka, Florida, held on the 23rd day of July, 2009.

PRESENT: Mayor Karl N. Flag
Commissioner Mary Lawson Brown
Commissioner Allegra Kitchens
Commissioner Vernon Myers, Jr.
Commissioner James Norwood, Jr.

Also Present: City Manager Elwin C. Boynton; City Attorney Donald E. Holmes; City Clerk Betsy Jordan Driggers; Finance Director Ruby Williams; Police Chief Gary Getchell; Fire Chief Mike Lambert; Planning Director Jim Lee; Streets/Sanitation Supt. Ed Chandler; Parks & Cemeteries Supt. Jeff Norton; Airport Manager John Youell; WTP Supt. Melvin Register; WWTP Supt. Platt Drew; Water & Sewer Distribution Supt. Rhett McCamey; Golf Pro Spanky Aaron; Assistant Planning Director Debbie Banks.

CALL TO ORDER – Mayor Flagg called the meeting to order at 3:00 p.m. and read the following call, dated July 17, 2009

TO MESSRS: MARY LAWSON BROWN, ALLEGRA KITCHENS, VERNON MYERS
AND JAMES NORWOOD, JR.:

You are hereby notified that a special called meeting of the Palatka City Commission is called to be held on July 23, 2009, at the alternate meeting place of the Palatka City Commission at Price-Martin Community Center, 220 N. 11th Street, Palatka, Florida, to commence at 3:00 p.m.

The purpose of the meeting is to consider items on a Consent and Regular Agenda, Conduct a Budget Workshop, and Set the Tentative Millage Rate for the 2009 TRIM calendar.

/s/ Karl N. Flagg
Karl N. Flagg, MAYOR

We acknowledge receipt of a copy of the foregoing notice of a special meeting on the 17th day of July, 2009.

/s/ Mary Lawson Brown

/s/ Vernon Myers

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COMMISSIONER

/s/ James Norwood, Jr.

COMMISSIONER

COMMISSIONER

/s/ Allegra Kitchens

COMMISSIONER

INVOCATION - The Reverend Keith Altman, Chaplain; Palatka Police Department

PLEDGE OF ALLEGIANCE – As a group

1. **CONSENT AGENDA:**

- a. **Award Bid in the amount of \$477,390.27 to Croft Contracting Co. for Dunham Street Water Main CDBG N14 Project construction**, per project engineers' recommendation
- b. **Award bid in the amount of \$163,643.80 to J. D. Weber Construction for CDBG E08 Putnam Lanes Water & Sewer Improvements**, per project engineers' recommendation
- c. **Issue City Commission meeting call for August 6, 2009** at 6:00 p.m.
- d. **Declare Palatka Housing Authority Board's resident representative seat vacant**, as current appointee no longer resides in PHA Housing
- e. **Appoint Michael Gagnon to the Code Enforcement Board** as the member with sub-contractor experience for the remainder of a term set to expire Sept. 30, 2010 (sole applicant).
- f. **Appoint Bob Trescott, in his capacity as Main Street Manager, to the Community Redevelopment Agency** to fill the seat formerly occupied by Harry Eaken, immediate past Main Street Manager.

Mr. Boynton said Items 1(a) and 1(b) will be pulled from the consent agenda. Regarding Item 1a, the contractor has requested that his bid be pulled as he grossly underestimated one item. As to 1(b), this has been agendaed for two meetings in a row in an attempt to negotiate a contract with Mr. Bishai. The City Attorney has requested this be pulled as they have not yet agreed on terms. Mayor Flagg noted he has received a request that Item 1(f) be pulled for discussion.

Mr. Boynton said he'd like to amend the date on 1(c), the meeting call, from August 6 to August 10. Mr. Ham requested the date change, as he is unable to meet on August 6. By consensus there were no objections to the called meeting date being changed to August 10, from August 6, on Consent Agenda Item 1(c). Commissioner Brown moved to approve Consent Agenda Items 1 (c), (d) and (e). Commissioner Kitchens seconded the motion, which passed unopposed.

Consent Item 1(f) - Appoint Bob Trescott, in his capacity as Main Street Manager, to the Community Redevelopment Agency to fill the seat formerly occupied by Harry Eaken, immediate past Main Street Manager. Mayor Flagg said Harry Eaken, former Main Street Manager, has interacted via email, phone calls and visits with commissioners and staff concerning this item. He is present and would like to comment. Mayor Flagg asked the City Attorney to comment on this item prior to Mr. Eaken speaking, as he and the City Manager have conferred concerning this issue.

Don Holmes, City Attorney, said it is his understanding that Mr. Eaken is challenging whether or not his appointment to the CRA was as an individual or as the Main Street Manager. It is Mr. Eaken's contention that he was appointed to the CRA as an individual, and not as the Main Street Manager, and even though he resigned as Main Street Manager, he did not resign as a CRA member. In looking at the minutes when the Main Street Manager and President of Downtown Palatka were added to the CRA, it is clear that the intent is to add the people that hold those positions. The motion that was ultimately made was to appoint the two people by name; however, the two people that were named held the positions of Main Street Manager and President of Downtown Palatka, respectively. The discussion that preceded the appointment was specifically to add the people that held those two positions to the CRA. That interpretation has been applied throughout the years, with the Main Street Manager assuming that seat, and

automatically vacating that position when resigning as Main Street Manager. It is his position that to honor Mr. Eaken's position is to recognize the technicality of the motion, and not the spirit of it. This was not the Commission's intent. It is the City's position that, when Mr. Eaken resigned his position as Main Street Manager, he became ineligible to serve on the CRA because of its composition; therefore, it is in order to go ahead and appoint the new Main Street Manager, Bob Trescott, to the CRA to the seat that is reserved for the person who holds that position.

Harry Eaken, 102 Kent Lane, Hollister, asked who will be required to file the financial disclosure form to the State for that position. Per discussion, the Clerk stated the CRA is not currently required by the Division of Ethics to file financial disclosure. Mr. Eaken said that is not true, and said he sent the Clerk and the City Manager a statement from the Ethics Commission regarding that requirement. Mr. Eaken read a statement he distributed to the individual commissioners into the record (filed). He states he was never informed regarding his appointment or requirements, and took it upon himself to educate himself on CRAs. He has researched state statute concerning the CRA, attended Main Street meetings and stayed up to date with Main Street issues. He was not aware that the City assumed he had resigned his position on the CRA. He did not receive notice that he was no longer a member of that board. He believes that he is still a member of this Board. He was told he was no longer a member of the CRA board because he had resigned his position as Main Street Manager. He read from the Statute governing the removal of members from boards. He said he is dismayed by the course of actions taken today. He would have appreciated some notice of this action and was not noticed of this item. He was never asked to resign his position.

Mayor Flagg noted several items of correspondence, saying as to the issue of whether or not Mr. Eaken was the Main Street Manager, the position of Main Street Manager was accepted by Mr. Eaken; he was the Main Street Manager. He then referenced the letter Mr. Eaken wrote to Wes Larson, Chamber President, resigning his position as Main Street Manager. Mayor Flagg commended Mr. Eaken for his services and the efforts he made to inform himself of regulations and statute. He said there is no removal "for cause" and there are no charges; however, precedent has been set and, based upon the advice of the City Attorney, the Commission doesn't need to settle the dispute between Mr. Eaken and the Chamber. He understands Mr. Eaken has some residual issues with the Chamber, and those will not be addressed here. Commissioner Norwood moved to approve Item 1(f), Appointment of Bob Trescott, Main Street Manger, to the Community Redevelopment Agency. Commissioner Myers seconded the motion, which passed unopposed.

RECESS - Mayor Flagg recessed the called 7/23/09 City Commission meeting at 3:25 p.m.

2. CONVENE 2009/2010 FISCAL YEAR BUDGET WORKSHOP:

CALL TO ORDER: Mayor Flagg called the 7/23/09 workshop to order at 3:30 p.m.

- I. **Opening Remarks** – Mayor Flagg introduced a video entitled 2009/2010 City of Palatka Budget Overview, which was then shown (filed). It was produced by the City of Palatka and highlights the proposed F/Y 2009/2010 budget. It was made by the following departments and department heads:
- II. **Presentations By Department:**

GENERAL FUND

1. City Hall (General Government), Better Place & TIF Funds -
Finance Director Ruby Williams & City Clerk Betsy Driggers

2. Planning, Building & Zoning Department – Planning Director Jim Lee
3. Police Department – Police Chief Gary Getchell
4. Fire Department – Fire Chief Mike Lambert
5. Public Works Department: Transportation/Streets – Supt. Ed Chandler
6. Cemeteries/Cultural/Parks/Community Centers – Supt. Jeff Norton
7. Remarks and overview – City Manager E. C “Woody” Boynton, Jr.

ENTERPRISE FUNDS

7. Palatka Municipal Airport – Manager John Youell
8. Public Works/Water Treatment Plant – Supt. Melvin Register
9. Public Works/Wastewater Treatment Plant – Supt. Platt Drew
10. Public Works/Utilities: Water & Sewer Distr. – Supt. Rhett McCamey
Water Administration – Finance Dir. Ruby Williams
11. Public Works/Sanitation: Service & Maintenance – Supt. Ed Chandler
12. Municipal Golf Course Clubhouse & Grounds – Golf Pro Spanky Aaron
13. Remarks and overview – City Manager E. C. “Woody” Boynton

III. Closing Remarks

Mayor Flagg expressed appreciation to all those involved in producing and making the video. He opened the floor to the public for comment

Christy Sanford, Dodge Street, said she’d prefer the City keep the golf course and asked what solutions other communities have come up with. Mayor Flagg said the Golf Club has been on their “radar” for several years. The City Manager and Pro have been proactive in presenting options to the Commission. The City doesn’t like to “get rid” of anything, especially the golf course. Ms. Sanford asked if FRDAP grants are available. Mayor Flagg said those are more for capital improvements; currently the golf course is in good shape and doesn’t need much capital improvement save for bunkers. Commissioner Brown said Tiger Woods has taken over some golf courses to train young people.

Commissioner Norwood asked if Fire personnel can be used for Code Enforcement projects. Chief Lambert said they deal with code enforcement as it relates to life safety, such as building inspections. Commissioner Norwood asked if the few personnel cuts are being done by attrition. Mr. Boynton said the one employee cut from the airport has been asked to step down at the end of the current budget year. The building inspector position will be downgraded to part time and will be reevaluated when activity picks up. One cemeteries employee will go to part time, and the gentleman may leave; if so, the position will be eliminated through attrition.

Commissioner Norwood noted the golf course has a \$100,000 shortfall now and lost \$200,000 last year. They charged the Golf Course with getting to a “break even” point, but they still haven’t gotten there by various means. He can’t justify taking money from the General Fund

and giving it to the golf course when people are losing jobs. There are options such as leasing or selling the course; they need to find a way to make it self sufficient.

Commissioner Kitchens asked Mr. Register for the chemical cost of fluoridation. Mr. Register said around \$12,000/year. Commissioner Kitchens said she's been reading about the dangers of fluoridation, and has been contacted by a private citizen about making a presentation to the Commission about the benefits of not fluoridating the water. She asked what they do with fertilizer at the water plant. Mr. Register said the line item is called chemicals and fertilizer, but they don't use fertilizer.

Commissioner Kitchens said in 2003 the River Street pump station was full to capacity, and asked when the hurricanes of 2004 didn't necessitate the upgrade of that station, why the two recent weeks of rain necessitated an upgrade. Mr. Drew said two years ago he asked for \$50,000 to replace one of the pumps. The next year he was given \$54,000 to replace the other pump. This year with the rains and other factors, it affected the pumps, motors and drive. With the upgrades, it is a complete station now. Commissioner Kitchens asked why they don't have a cost on the loan payment on the WTP, and asked why this hasn't been completed yet. Mr. Boynton said it is a two-fold process; first they close out the construction project itself and then they close out the project with DEP. They have a cost estimate of \$2.5 million at 2.8%, and they have factored that in. They have finalized that as a \$4.00 increase across the board for utilities; \$2.00 each for water and sewer. It will take several months to finalize that number.

Commissioner Kitchens said the golf course has reduced their losses tremendously over the past year. They have put a lot of money into the Course and they don't need to sell it. They can look at other options, such as closing or leasing the clubhouse. She concurs with asking a pro golfer to "adopt" it. Closing the golf course would cost more jobs. The golf course has turned itself around and is making an effort to break even.

Commissioner Brown thanked staff for all the work they've done to balance this budget, considering other cities have gone bankrupt. Commissioner Brown asked when the new system that has caused the increase in the water bills will go online. Mr. Boynton said they are probably about 6 months out from completing the meter replacement and new water tower. They are about 30 – 45 days behind schedule, but by January the automated meter read system will be functional. Commissioner Brown said they have a lot of people on fixed incomes and these increases concern her. Federally-issued checks are no longer received on the first of the month; they are received on different days according to birthdays. They charge people for paying their bill late when the bill is due before people receive their checks. They may need to adjust due dates to coincide with when people receive their checks. She received a call from a citizen who said she paid an extra \$50 one month because her bill is due at the first of the month, but she can't pay it until the 3rd week of the month. They also need to let people know they have gone to an electronic meter read system so they won't be looking for a meter reader. She expressed appreciation for the video and the job staff has done.

Commissioner Myers asked Mr. McCamey when the automated meter read system will be implemented; Mr. McCamey said six months. That savings is recognized in next year's budget. There will be improvements made in the current system on an emergency basis as required. Mr. Boynton said currently three infrastructure projects are on-going; one connects N 17th Street to 14th Street. When that is completed they will redo St. Johns Avenue from 14th to 15th Street. They will connect SR 19 to SR 20 by Wal-Mart when that is finished. A CDBG grant will address a new line from Old Jacksonville Highway to N. 4th Street, and that project will begin about 30 days after the contracts are awarded at the next meeting. Mr. McCamey gave an account of the recent new/replacement line projects.

Commissioner Myers asked Mr. Drew if there is more to be done on the reuse irrigation System; Mr. Drew said will they have the capability to pump more reuse water once additional filters are

installed; that is underway now. Mr. Boynton said there is still money left in that project; currently they can treat .875 mgd but will be expanding to treat the full 3.5 mgd. Currently drawings are being completed to make further improvements and expansion. They are working with SJRWMD to provide funds to irrigate the Water Management office grounds and the Francis Babe Ruth ball fields. Once this is completed they will have provided for Palatka's reuse needs for the next 15 years or so.

Commissioner Norwood asked whether the City will maintain its permit to discharge into the St. Johns River once it reaches 100% of its effluent removal from the River? Mr. Drew said yes, when something like heavy rains tax the system they will have to use the River for discharge.

Commissioner Myers asked if there will be a decrease in health insurance benefits in light of the cost of health insurance increase to employees. Mr. Boynton said benefits will remain the same; the City's benefits are as good or better than other local agencies in Putnam County at a lower cost. Commissioner Myers said the Golf Course is a valuable asset to the community and great strides have been made to decrease the deficit. He asked if there will be a deficit carried forward. Mr. Boynton said there will be no debt carried forward; this was the practice in the past, but will not be the practice in the future. The funds to cover the debt will be transferred from the General Fund. If the golf course turns a profit that money will be transferred back to the General Fund. Golf Course management has made significant changes to keep the \$100,000 deficit realized so far this year from rising higher. If it is higher on Sept. 1, he will come back with a proposal to possibly lease out the golf course. The membership drive was partially effective; had it been sold at 100% it would have covered the shortfall, but was sold at 37%. He monitors the golf course's progress month-by-month. Commissioner Myers commended Mr. Boynton, City Hall administration and all presenters for their work in making this presentation.

Commissioner Brown asked Mr. Boynton for, and was provided with, a general tally of grant-funded projects. Mr. Boynton noted special thanks to the South Historic District for the \$200,000 they appropriated from their TIF funds for renovations to the Tilghman House.

Commissioner Kitchens expressed her appreciation for all the work Staff has done with this budget and its constraints, and for the good job they do every day on behalf of the City. She noted it would be cheaper for citizens if the City were to increase its millage to 9.20, which would be a 65-cent increase per \$1,000 of taxable value. If your taxable value was \$10,000 over the homestead exemption, it would increase your assessed tax by \$6.50/year. This is cheaper than the \$4.00/month utility bill increase, which amounts to \$48.00/year.

Mayor Flagg expressed his appreciation to staff for the work they did on this presentation and every day, and appreciates working with them on this and other projects. This was a comprehensive approach to this budget. They need to realize they can decrease expenditures and raise revenues where they can without compromising quality and level of service. The Commission needs to be pro-active with the issue of the Golf Course. He is in favor of putting out an RFP to determine the options that are available. They did not solve anything by taking out the \$1 million loan. He is not saying they need to sell the golf course. It would be nice if other municipalities and/or County government would join the City in saving this asset for the citizens of Putnam County. They need to give some guidance to the City Manager, and he doesn't want to wait until September to do so. They have enough historical information to know they need to do something different. They need concrete options. Commissioner Norwood concurred, noting he is also not in favor of selling the golf course, as it is a vital asset to the community. He'd like to look at all the options. Commissioner Kitchens said they should look for recreation grants; the Better Place Plan funds could be used for recreation. They should look at what other city-owned golf courses are doing. The problems started with the new clubhouse. They leased the clubhouse snack-bar out in the 1970's. Mayor Flagg said it is time for emergency action. The deficit cannot continue to be as great as it has been.

Commissioner Norwood said they need to bring the County and other municipalities to this table and discuss their participation in keeping the golf course solvent. Commissioner Brown said the County had agreed to pay part of the loan for the new clubhouse, but then reneged, and that was the start of the losses. The County needs to be approached. Mr. Boynton said he has had inquiries on the golf course, whether purchase or lease. He can make contact with those interested parties, gauge their interest, and bring options back by August 27. It could be a money-making opportunity. He will contact the County as well, and look at all leasing options.

Christy Sanford, Dodge Street, said she concurred that the \$1.00 increase in fees is inadequate. There is no advertising for the restaurant. It is likely that the majority of the users are county residents. They should look at more advertising options.

Mr. Holmes asked if the Commission is directing Mr. Boynton to seek a straight sale, which would allow the land to be converted to home sites, or if there would be a reverter clause stating if it ever ceased to be a golf course, it would revert back to the City. Mayor Flagg said they need a lease situation or have those covenants built in; they'd like to keep it a golf course.

Adjourn - There being no further discussion, Mayor Flagg adjourned the Budget Workshop at 5:25 p.m.

Reconvene - Mayor Flagg reconvened the July 23, 2009 City Commission meeting at 5:25 p.m. and continued with the Orders of the Day.

- * 3. **TRIM CALENDAR** – Set Tentative Millage Rate for 2009/10 Budget Year – 8.65 mills proposed – Mr. Boynton said his recommendation is to maintain the millage at 8.65 mills, which will generate about \$3.4 million in revenues. The proposed millage rate of 8.65 represents a decrease of –6.09% below the actual rolled-back rate of 9.2106. Commissioner Myers moved to set the tentative millage rate at 8.65 mills, a decrease of –6.09% below the actual rolled-back rate of 9.2106 mills. Commissioner Norwood seconded the motion. Commissioner Kitchens said citizens don't seem to understand that when ad valorem taxes are cut, the money to make up the shortfall has to come from somewhere. Ad valorem tax is the least painful tax to pay. She'd like to see them increase the millage as opposed to the \$48/year the water bills will increase. Four dollars a month may not seem like a lot, but it is to people on fixed incomes. She doesn't like having to increase the water bill, which hits people who are least able to pay these increases. Mayor Flagg said even if the millage was raised, that money doesn't qualify to go to an Enterprise Fund. Having to raise the utility bill is not a direct cause of not raising the millage; it is directly related to the cost of providing those services. They would still have to raise the water rate due to the cost of providing water. Commissioner Kitchens said one would offset the other. Water is a basic service. Utility costs have increased across the board and she worries that people won't be able to pay their water bills. If people can't keep their water on, they could be kicked out of their home. Commissioner Brown said she doesn't like to see the water bill go up, but also doesn't want to see taxes go up. People with mortgages have to pay their tax bill to a bank and when they start increasing that, the amount of their house payment goes up. People are losing their homes. Everyone pays for water, even renters. Homestead exemption applies if you are a homeowner, but people cannot keep their homes for mortgage payments going up. Mayor Flagg said he'd like the cost of water to be at the same cost for the City to produce it. If they were seeking to raise rates to build a cushion or contingency, he'd oppose it, but the cost of doing business is going up. They can't subsidize utilities, as they aren't in the position to do so. Commissioner Norwood called for the question. There being no further discussion, a vote was taken and the motion passed unopposed.

Lynda Little Crabill, 609 S. 14th Street, said they should raise the cost per gallon rate and not the base rate. The cost of water should correlate to the amount of water used. She never uses as much water as what she is billed for. Many people don't.

4. **RESOLUTION** Authorizing the Mayor and City Clerk to Execute and Attest a Joint Participation Agreement with the Florida Dept. of Transportation for the rehabilitation of Runway 17/35 at the Palatka Municipal Airport. – Adopt – Mr. Boynton said he was notified Monday that FDOT was able to fund their portion of these improvements; it is critical that this funding be accepted immediately in order to put it in place. The resolution is on the agenda; a copy of it was distributed at this meeting. The Clerk read a resolution entitled A RESOLUTION OF THE CITY OF PALATKA, FLORIDA, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND ATTEST A SUPPLEMENTAL JOINT PARTICIPATION AGREEMENT WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION FOR CONSTRUCTION AND REHABILITATION OF RUNWAY 17/35 AT PALATKA'S KAY LARKIN MUNICIPAL AIRPORT. Commissioner Brown moved to adopt the resolution as read. Commissioner Kitchens seconded the motion. A roll-call vote was taken, with the following results: Commissioners Brown, Kitchens, Myers, Norwood and Mayor Flagg, yes; Nays, none. The resolution was declared passed.
5. **CLOSING REMARKS**
Commissioner Myers said National Night Out, a crime deterrent event sponsored by the Palatka Police Department, is scheduled for Saturday, August 4 at Hank Bryant Park from 4 to 8 p.m. He urged everyone to participate.
6. **ADJOURN** - there being no further business to discuss, the meeting was adjourned at 5:45 p.m.

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