

VERNON MYERS
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

ALLEGRA KITCHENS
COMMISSIONER

PHIL LEARY
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER



ELWIN C. "WOODY" BOYNTON, JR.
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

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

MINUTES
CITY OF PALATKA
May 26, 2011

Proceedings of a regular meeting of the City Commission of the City of Palatka, Florida, held on the 26th day of May, 2011.

PRESENT: Mayor Vernon Myers
Commissioner Mary Lawson Brown
Commissioner Allegra Kitchens
Commissioner Phil Leary
Commissioner James Norwood, Jr.

Also Present: City Manager Elwin C. Boynton, Jr.; City Attorney Donald E. Holmes; City Clerk Betsy Jordan Driggers; Finance Director Matthew Reynolds; Planning Director Thad Crowe, Police Chief Gary Getchell, Fire Chief Mike Lambert; Fire Marshal Mark Lynady; Airport Manager John Youell

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

INVOCATION – The Reverend Lorenzo Wright, Pastor, Rhema Healing & Deliverance Church

PLEDGE OF ALLEGIANCE – City Manager Woody Boynton

APPROVAL OF MINUTES – 4/14/11 Golf Workshop; 05/12/11 Regular Meeting – Commissioner Brown moved to accept the minutes as read. Commissioner Kitchens seconded the motion, which passed unopposed.

1. PUBLIC RECOGNITION/PRESENTATIONS:

COMMUNITY PARTNER RECOGNITION: Lafarge Gypsum, Inc., Fire Prevention Tournament Sponsor, and Bingo Palace, Inc., Fire Prevention Program Sponsor – Fire Marshal Mark Lynady, with Fire Chief Mike Lambert and other members of the Fire Department, recognized Lafarge Gypsum, Inc. and Bingo Palace with plaques commemorating their support. Fire Marshal Lynady said these businesses have been instrumental in helping to raise tens of thousands of dollars for fire prevention programs. The Department's most recent purchase is a fire prevention robot, the core element in safety programs for young children. The Department was also able to purchase a Fire Extinguisher Demo Machine this year, which helps tremendously in doing cleaner demonstrations of fire extinguisher use. LaFarge representatives thanked members of the Palatka Fire Department for the service they provide, and the way they protect the community. They are honored to have the opportunity to lend their support.

STUDENT OF THE MONTH – May, 2011 – Commissioner Norwood joined Mayor Myers in presenting certificates of recognition to the following students for academic excellence, leadership, citizenship and attendance at their respective schools:

Skyler Leland	Beasley Middle School
Ally McNeill	Browning Pearce Elementary School
Avie Hopcraft	Children's Reading Center Charter School
Jacob P. Bryan	E.H. Miller School
Shayne Wilkinson	James A. Long Elementary School
Lane Saucerman	Jenkins Middle School
Carson Wright	Kelley Smith Elementary School
Desiree Seabolt	Mellon Elementary School
Alex Blundell	Moseley Elementary School
Loran Strunk	Palatka High School
Westin Lassiter	Peniel Baptist Academy

2. **PUBLIC COMMENTS** – There were none.

3. **CONSENT AGENDA:**

- a. **Authorize execution of Interlocal Sludge/Leachate Agreement with Putnam County** Board of County Commissioners beginning June 1, 2011, per recommendation of WWTP Superintendent and City Manager
- b. **Approve execution of Passero Associates Work Order #11-21B in the amount of \$10,000** for design fees associated with the Fuel Farm Equipment Building Project, per City Manager's recommendation.
- c. **Award Bid in the amount of \$1,026,707.89 to S. E. Cline Construction and approve execution of a contract for construction** for the Downtown Commercial Area Redevelopment Program (CDBG #11DB-L4-04-64-02-C02) per results of RFQ and City Manager's Recommendation
- d. **Accept Charlie Douglas' resignation** from the Palatka Airport Advisory Board, effective immediately.
- e. **Adopt 2011 Palatka City Commission Summer Meeting Calendar** and the 2011 Palatka City Commission Calendar, July through December, 2011.
- f. **Authorize execution of Appendix A, Exhibit A and E-Verify Form to FDOT Maintenance Work Order/Contract #AN582**, State Hwy System Lighting, Maintenance and Compensation Agreement for the renewal period July 1, 2011 through June 30, 2012

Commissioner Kitchens moved to approve all items on Consent as presented. Commissioner Brown seconded the motion which passed unopposed.

4. **PRESENTATION OF AUDIT/COMPREHENSIVE ANNUAL FINANCIAL REPORT F/Y 2009/10 –** Request to Approve and Accept – Tina Robinson, Carr, Riggs & Ingram, Independent Auditors, said total net assets of the City increased by \$1.5 million, for ending net assets of \$47.3 million. Most of that increase is attributable to the business or enterprise activities of the Water and Sanitation Funds, and most of the \$47.3 million ending net assets are made up of Airport Fund assets. Individually at 9/30/10 they have positive fund balances in all funds other than the Golf Fund, which has a \$227,000 deficit. This Fund has incurred losses in prior years. The City had available unreserved resources to offset those deficits, but use of those resources does put a strain on the general operating reserves of the City and requires continual monitoring. The General Fund had an unreserved fund balance of \$1.3 million, which covers not quite 2 months of general operating expenditures. GFOA recommends a balance that will cover 2 months or more of general operating expenditures remain in the reserves, so they need to look at trying to meet those recommended reserves. Expenditures in the General Fund were made within the approved budget. The Downtown Redevelopment Fund carries a positive fund balance of \$1.1

million; information on that fund can be found on pages 3, 5 and 38 of the Financial Statements. TIF funds of \$748,000 were expended, well within budgeted amounts. The City incurred no new governmental long term debt and made its payments on time. The City refunded the old 1998 bonds and issued new 2010 bonds for economic gain and a reduction of future debt service payments. In addition, the City refinanced the interim water loans. Rate covenants on water, golf and airport debts are being looked at to make sure those are met in the future. In summary, it is their opinion that the financial statements are fairly stated in all material respects in conformity with generally accepted accounting principles; and the City received unqualified opinions on all major grants programs with no material non-compliance matters. The City has received the FGFOA Certificate of Achievement on financial reporting for the last 18 years; they expect they will receive that again this year.

Commissioner Norwood moved to accept the FY 2009-10 Audit/Comprehensive Annual Financial Report (CAFR). Commissioner Leary seconded the motion. Commissioner Norwood asked, as to the amount of the 2 months that should be kept in reserves, if that is because there isn't much in the contingency. Mr. Boynton said the amount of contingency fluctuates year to year; that is technically the contingency. Mr. Reynolds made that point in his memo; they need to balance the overall budget, including transfers between funds, and they will look at increasing that amount going into next year. They need to increase the contingency; they've reached this minimum this past year. They don't want to be below that threshold next year. There are guidelines the City needs to follow. The City made a wise decision when they chose Mr. Reynolds as Finance Director; he has shown great leadership. Mayor Myers thanked Mr. Reynolds. There being no further discussion, a vote was taken and the motion passed unopposed.

5. **REQUEST TO EXTEND THE DEADLINE FOR PRESENTATION OF THE RIVERVIEW PROPERTY PHASE I DEVELOPMENT AND FINANCE PLAN** from May 26 to June 23, per the Community Development Agreement – Community Development Partners, Inc., Andrew Ham, V. President, 1904 San Marco Blvd, Jacksonville, referred to his letter in the agenda package (filed) asking the City to extend the timetable in the Preliminary Development Agreement First Addendum. It is taking longer than expected for lenders to review the project. They believe by the end of June they will be better able to state their position. They have this before First Housing, a Florida housing finance agenda. They are pursuing a form of financing under a FHA program, which best suits their needs. They are interested in the project. They also have new market tax credits in front of a firm out of LA called SDS that arranges for new market tax credit financing. They just haven't gotten far enough in the financing process, and in receiving feedback from lenders, to complete their plan.

Mayor Myers asked if they have equity partners in place. Mr. Ham said they have two equity partners. To go FHA you only need one. CDP will have equity participation; total equity required (non tax credit equity) is \$800,000. Project cost without the new market tax credits is roughly \$3.5 million. Mayor Myers said a 30-day delay is not a deal breaker, but they need Mr. Ham to finalize this so the City can move forward. This is important to the community and the Commission. Mr. Ham said they are realists; if they can't pull it together they won't continue, but they think they can. Commissioner Leary said this is his first opportunity to vote on this issue, but has experience in this area. He asked if the engineering and architectural plans are completed, for what he calls the obtrusive buildings. Mr. Ham said not 100%. Commissioner Leary asked how he anticipates obtaining financing without that in place; he assumes they are getting financing on all four buildings at once. Mr. Ham said they will be finishing them up. Commissioner Leary said he's been asked often when this project will get underway; he concurs with Mayor Myers in that he's a little disappointed in how long it's taking to move this forward. This is the catalyst for downtown redevelopment and neighborhood revitalization.

Commissioner Kitchens said she mostly concurs with Mayor Myers and Commissioner Leary. She doesn't think a 30-day delay is out of the ordinary; it's tough to get funding these days. Haste makes waste. When people ask her when something is going to happen downtown, she tells them to bring on the financing. Commissioner Brown said the citizens want to see something happening. She asked if he's had a chance to speak with Mr. Trepper. Mr. Ham said he has. Commissioner Brown said he wants to put a music hall in and has his funding together. His funding may help generate the rest of the funds. She will go along with 30 days, and hopes he will move forward at that time. Commissioner Norwood said they all understand how difficult it is to get financing on large and small projects. He reminded the Commission and community they need to be patient with this now. They all want to see something happening; they need to understand the environment they are in. He hopes CDP will continue to work towards developing this project.

Mr. Holmes asked if the lease term begins on May 20. Mr. Ham said the effective date of the lease is triggered by the loan acquisition. Mr. Holmes said the lease was modified to read that the term, under Section 3.1, would commence upon the close of the loan or financing, provided such financing should be no later than May 20, 2011. Under the lease document, the commencement date started May 20, 2011. They can modify that, but they have changed these dates many times. The commencement date is May 20, 2011, absent an extension by the Commission. Also, the definition of the development and financing plan is pretty comprehensive. It contemplates that a lot of things have been put together by the time the DFP is presented to the City. He is asking if it is feasible they can have all the components of the DFP to the City in June, given the fact it includes site plans, development plans, business and operating plans for each phase, etc. Mr. Ham said some of those items they've provided, but if they can get the term sheets from the lender to present to the Commission in June, the rest of the items will follow. They provided the site plans previously. Per the question, Atelier out of Tampa is the architectural firm they are working with. Regarding loan to value ratio, if it is an FHA it will be 90% on a 40-yr term. It may not require \$800,000 worth of equity.

Mr. Holmes said they originally passed the preliminary development agreement in August of 2009, which provided for a schedule of events to be met, with DFP approval on Feb 1, 2010. The language, which was not changed, said the City can extend the time by a period not to exceed six months. The only other document adopted was the addendum, adopted 8/26/2010, which modified the schedule of events to DFP listed as May 13, 2010, and approval of parcel of the hotel as April 29, 2011. Those dates are off. The addendum was adopted in August. It references paragraph 8 of the PDA, which provided for a Feb. 1, 2010 date, and takes it out to May 2010. He asked if anyone is aware of any other written document other than this. Mr. Ham said they assisted with the draft of the original PDA, the addendum, and the Lease document. Commissioner Kitchens said they discussed this schedule during the Commission meeting wherein they discussed the extension, and she was under the impression these had been corrected. Mr. Holmes said, assuming they had the authority to extend the date by six months on the original document, they can extend the date on the addendum for another six months. They need to locate the final and correct addendum with the correct date; this could be just a typo in the document. They can move to extend the document. As to the lease, consensus to suspend the commencement date of May 20, 2011 and move it to June 23, and extend the lease on the commencement date and modify the date for the FDP to June 23. Commissioner Kitchens moved to suspend the commencement date of May 20, 2011, granting a 30 day extension on the lease and delay the timetable of the DFP to June 23, 2011. Commissioner Norwood seconded the motion, which passed unopposed.

6. **REQUEST FOR PERMISSION TO EXCEED NOISE LEVELS** established by Chapter 30, Palatka Code of Ordinances to Downtown Palatka, Inc. for the 2nd Annual West End Memorial Jam, Saturday, May 28 through Monday, May 30, 2011 from 12:00 noon to 5:00 p.m. at West

End Memorial Stage in the 700 Block of St. Johns Avenue – Angela Murtagh, Downtown Palatka, Inc. – Mayor Myers stated this request was withdrawn by the requestor.

7. **RESOLUTION** asking the Environmental Protection Agency to consider and grant the FDEP's petition requesting the EPA withdraw its determination that Numeric Nutrient Criteria are need only in Florida, and to repeal federal numeric nutrient criteria in Florida – Adopt – The Clerk read a resolution entitled A RESOLUTION OF THE CITY OF PALATKA, FLORIDA, REQUESTING THAT THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AFFIRMATIVELY CONSIDER AND GRANT THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION'S PETITION REQUESTING THAT THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY WITHDRAW ITS DETERMINATION THAT NUMERIC NUTRIENT CRITERIA ARE NEEDED IN ONLY FLORIDA; REPEAL FEDERALLY-PROMULGATED NUMERIC NUTIRENT CRIERIA FOR FLORIDA; DISCONTINUE NUTIRENT CRITERIA IN FLORIDA; AND PROVIDING AN EFFECTIVE DATE. Commissioner Kitchens moved to adopt the Resolution as read. Commissioner Brown seconded the motion. Commissioner Leary said he requested this be added to the Agenda, although the Manager and Clerk had reviewed it a week earlier. Many agencies participate in the Florida Water Coalition. Numerous groups around the State are trying to find a solution to the EPA numeric criteria. They have been working towards reducing loads of TMDL's in the St. Johns River. This is the result of a lawsuit by radical environmental groups, and has put all of them in jeopardy of having to spend billions of dollars on water quality controls, which far exceeds anything needed. The EPA now wants to take over water quality control for the State, which is not needed. Water Control is asking commissions to adopt this resolution.

Commissioner Brown said in Washington they met with reps from EPA and the impact it would have on cities; they claimed it would only affect citizens \$17 per year. Pembroke Pines said it would affect their citizens over \$1,000 per month. The National League of Cities supports this resolution. They need to pass this resolution so citizens don't get penalized for this.

Christy Sanford, 312 Dodge Street, said she lives 2-1/2 blocks from the St. Johns River. She asked what radical groups he refers to. Commissioner Leary said Earth Justice, Sierra Club and one other. Ms. Sanford asked, from a scientific standpoint, why they would object to monitoring nutrients, and if they don't monitor nutrients, how do they know the water content? How is this going to be economically beneficial to the area? How do algae blooms benefit the St. Johns River and the State? Commissioner Leary said he'd be happy to talk to her after the meeting to advise her as to what the State is doing. Ms. Sanford declined his offer. Commissioner Brown said this not only affects rivers, it also affects other bodies of water like streams and lakes. There being no further discussion a roll call vote was taken with the following results: Commissioners Kitchens, Brown, Leary, Norwood and Mayor Myers; yes. Nays; none. The Resolution was declared adopted.

8. **ADMINISTRATIVE REPORTS** – There were none
9. **COMMISSIONER COMMENTS** – There were none
10. **ADJOURN** at 6:55 p.m. upon a motion by Commissioner Brown, seconded by Commissioner Kitchens.