

VERNON MYERS
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

ALLEGRA KITCHENS
COMMISSIONER

PHIL LEARY
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER



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

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

**CITY OF PALATKA BUDGET WORKSHOP
MINUTES
PALATKA CITY COMMISSION
July 26, 2012 - 2:00 p.m.**

Proceedings of a Workshop meeting of the City Commission of the City of Palatka, Florida, held on the 26th day of July, 2012.

PRESENT:

Mayor	Vernon Myers
Commissioner	Mary Lawson Brown
Commissioner	Allegra Kitchens
Commissioner	Phil Leary

ABSENT: Commissioner James Norwood, Jr.

Also Present: City Attorney Donald E. Holmes; City Clerk Betsy Jordan Driggers; Finance Director Matt Reynolds; Police Chief Gary Getchell; Fire Chief Mike Lambert; Planning Director Thad Crowe, Water & Sewer Distr. Supt. Rhett McCamey, Street & Sanitation Supervisor Ed Chandler, Water Treatment Plant Supt. Melvin Register, Wastewater Treatment Plant Supt. Platt Drew, WWTP Asst' Supt. Brian McCann, Asst' Police Chief James Griffith, Airport Manager John Youell, Parks & Cemeteries Supt. Jeff Norton, Main Street Mgr. Charles Rudd, and Golf Course Management Andy Hartz, Bobby Weed & Chris Monti

CALL TO ORDER: Mayor Myers called the meeting to order at 2:00 p.m. and read the following meeting call, which was issued on July 13, 2012:

**TO MESSRS: 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 26, 2012, 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 2012-13.

/s/ Vernon Myers

Vernon Myers, MAYOR

The following Commissioners acknowledged receipt of a copy of the foregoing notice of a special meeting on the 13th day of July, 2012.

/s/ Mary Lawson Brown
COMMISSIONER

/s/ Phil Leary
COMMISSIONER

/s/ James Norwood, Jr.
COMMISSIONER

/s/ Allegra Kitchens
COMMISSIONER

INVOCATION - Police Chief Gary Getchell

PLEDGE OF ALLEGIANCE - Fire Chief Mike Lambert

WELCOME – Mayor Manager welcomed new City Manager Michael Czymbor to his first official meeting.

OPENING REMARKS - Matt Reynolds, Finance Director, read his agenda package memorandum into the record (filed) regarding the Enterprise Fund and made his presentation accordingly.

Sanitation – Mr. Reynolds noted he's increased the amount of transfer to the General Fund from \$65,000 to \$95,000, which resulted in a reduction in the amount of contingency, which is now \$124,000.00.

Public Works – Mr. Reynolds noted \$260,000 in capital improvement items were removed from the Department Heads' requested budgets in order to balance the budget. Commissioner Leary asked, as to the vacuum truck, if that purchase is not made, where that will put the City in the event of a hurricane or other emergency. Mr. McCamey said in the last two budget years the old vacuum truck has been down 3 months total. It hampers their ability to fix a bad main break or sewer break. Commissioner Leary said he believes this is a disaster waiting to happen. He asked if there are alternatives to financing or replacing that truck. Mr. Reynolds said the \$78,000 is not the entire cost of the truck; the truck will cost from around \$320,000 to 350,000. The cost has gone up \$100,000 over the past five years. Mayor Myers said it was removed because they are trying to balance the budget; they can look at options. Mr. Reynolds said they have a contingency in the fund, and they can look at financing one over a 5-yr period or longer to get the payment down.

Mr. Reynolds said the WTP \$66,000 for well cleanings and renewals have remained in the budget.

Airport Fund - Mr. Reynolds said he's made one change; the preliminary estimate of sale of surplus materials was removed as that project may not go forward; if it does, he will put that back in. That would mean revenue of \$30,000 to \$50,000.

Golf Course – Mr. Reynolds said he's made several changes based upon the estimated revenues and expenditures; the required transfer went from \$322,000 to \$370,000, even after BWGD notified him they were willing to drop their contract price. The prior City Manager was going to reassess this contract six months into the year, but left before that review was made. The amount is \$48,000 now, down from \$72,000. If this is added back to the budget the transfer amount will go from \$350,000 this year to \$370,000 next year.

PRESENTATIONS BY DEPARTMENT:**ENTERPRISE FUNDS – Pages 77 – 112 (Draft Budget)**

Public Works/Water Treatment Plant – Melvin Register, Supervisor, said they submitted the same budget as last year. The water plant is now four years old and things are starting to wear out; maintenance costs are going up. The cost of chemicals has risen over the past 3 years and they can't get a contract rate on them; the cost goes up every 3 months. Over the past 3 yrs. the cost of chemicals has gone up 33 – 35%. Electricity rates have not gone up and remain stable. The biggest expense is maintenance; they have a good crew and everyone is working to keep costs down. They are repairing the elevated storage tank, which was built in 1963. There should be no additional cost associated with that, and this comes with a service contract. The last well they cleaned was 5 years ago; they have to keep the wells maintained in order to avoid big repair costs. The \$66,000 left in the budget will clean one well and refurbish one well. There are eight wells total; they refurbish one a year and clean one every other year.

As to the proposed new water rates, Mr. Reynolds said he's prepared the ordinances on the rate change. He's having them reviewed by the Manager and Clerk. They will be effective October 1, 2012. They should realize more revenue due to the bifurcated rate. The overall projected increase is factored into the budget.

Public Works/Wastewater Treatment Plant – Platt Drew, Supervisor said they are finishing up their reuse and energy upgrades projects. This is their 4th year on the same budget. Prices keep going up, but they maintain service. The office building roof is in bad shape and is leaking; that repair is not in the budget. He's getting quotes on those repairs now. Mr. Reynolds said next year there is a \$61,000 contingency in that budget. Mr. Drew said the energy cost will be reduced around 25 to 30 percent due to the energy upgrades. Commissioner Kitchens said they can make roof repairs from Better Place funds, and thanked Mr. Drew for keeping service up despite budget constraints.

Public Works/Utilities: Water & Sewer Distr. & Water Administration – Rhett McCamey, Supervisor, said they are working off the same budget for the past 4 years. They requested \$20,000 for hydrants and repairs, and they need to change out around 91 meters to automatic reads at a cost of around \$100,000. That leaves other meters to be changed out in the future. Commissioner Leary asked if they have prioritized the list of meters to be changed out and are starting with the worst ones; Mr. McCamey said they will change out the worst ones first. As to hydrants, those are the ones that are dropping off line due to malfunction, breaking or being damaged. Commissioner Brown asked if there is a way to mark those so that people can see them better. Mr. McCamey said they can paint them.

Public Works/Sanitation/Service & Maintenance – Ed Chandler, Supervisor, said Sanitation has been working on the same budget for the last 4 years. Their biggest expenditure is diesel fuel. They have modified routes and are only running one commercial route on Saturday. They will continue to pick up garbage twice a week, yard clippings once a week, and once a week clamshell service. The Sanitation fleet is 7 years old and should be paid off by Jan 1, 2013. If they have money in contingency he'd like to start purchasing a vehicle every other year to replace the fleet. They normally have to send these trucks out for maintenance, but he's working on purchasing a diagnostic machine so they can do more maintenance themselves; this will reduce that maintenance budget. The trucks are no longer under warranty. Commissioner Kitchens noted the maintenance department does a great job. As to

Commissioner Leary's question regarding the recycling program, Mr. Chandler said he's not seen numbers on that lately and needs to get with Mr. Nataline with Putnam County Sanitation on that. Commissioner Leary said the City needs to do more promotion on that, and he would like to see the recycling facility reopened at the landfill. Mayor Myers asked as to the contingency plan in the event a truck breaks down. Mr. Chandler said Waste Pro has helped them out when they need it; the City reciprocates and helps them out when they need it. They don't have a written agreement on that. Mayor Myers said the Sanitation Department does a great job with regular pick-ups and special events. They are all committed to twice a week pick up. Commissioner Brown noted the City does sanitation for less money than the private sector.

Palatka Municipal Airport - John Youell, Manager, said the Airport's debt service is due to loans to cover improvements at the Airport over the past five years. They are looking at restructuring some of those loans. They are negotiating with a business person interested in building a large hangar and they'd like to offer them a long term lease, which would pay off the debt service. This is a good option. They sold #10 Kay Larkin Circle to help with the loan payment this year. General Aviation has been hit hard with the recession. They can look at rate increases as the economy improves. They do have some contingency available and are staying within budget. They are obtaining a grant to purchase a fuel truck; they are currently renting one on a month-to-month basis. The beacon that has been in operation since WWII will be replaced. That will save on maintenance costs. The Airport Advisory Board looks at cost savings whenever possible. Commissioner Brown said she has heard that FedEx was looking at coming to Palatka; they need to contact them to offer them space at the industrial park. They need to check with the Chamber on that. Mr. Youell said by September they may have everything rented. As to the old terminal building; the bids have come in and they should start renovation within a month.

Commissioner Leary asked how many similar sized airports Palatka competes with; Mr. Youell said around 75. It is not practical that Fed Ex would come here, but he's heard they would fly fleets of carriers to rural areas; they may want to set up a rural route here. He's heard numerous times that they do this. Commissioner Brown said they are looking at finding an 'overload' airport to take some of the traffic off Cecil Field. Mr. Czymbor said they have several opportunities here. They are working with FDOT on grants and the hangar rates are relatively low and could be increased. Fernandina Beach does not have the facilities Palatka has; they have opportunities here a lot of airports don't have.

Commissioner Leary asked how much help the Chamber is, and how much emphasis in budgeting are they putting on marketing. Mr. Youell said they are increasing social media and advertising. They don't know exactly how much it will cost to get where they want to go. They are using YouTube to Facebook and all points in between. They spend \$2,000 - \$2,500 on advertising and need to double that. The Chamber has an economic development vice president whom he meets with. In the four years he's been at the airport, the Chamber has brought in a prospect or three, but no one has come in due to the Chamber's efforts. Their advisor said there's a possibility they can apply for a federal grant to help with the debt service.

Mr. Reynolds said they are looking at a Runway/Taxiway C project estimated at \$1.3 million. The FAA will do 90%, FDOT 5%, and the City's share will be 5%, or around \$72,000.00. He spoke with the engineer/consultant who said they can rent office space to the contractor; coupled with the sale of surplus materials, this should defray the City's share, so that grant will be 100% funded. They did something similar with the Runway 9/27 grant this year, and it actually helped the Airport make a little money. They are finalizing the sale of a building, which

will also help that out. Commissioner Brown said they have a terrific Airport Advisory Board that does a great job.

Mr. Czymbor asked if the Commission concurs on applying for the grant for Taxiway C. He recommends a formal resolution authorizing the City's submission and recognizing the match required. This puts everyone on board with these projects.

Municipal Golf Course Clubhouse & Grounds/Maintenance - Chris Monti, BWGD, went through the Golf Course Budget. Fiscal year 2013 represents their third year of involvement. They felt like this would be a three-year process to bring about implementation of changes. As to their request for expenditures, in the clubhouse, inclusive of management contract, their request is largely in line with the 2012 budget, and around \$40,000 less than what was spent in 2011. They have a very good staff in place and do a good job of management. Everyone crosses over. There are increases in chemical costs and electricity rates and they are impacted by those as well. There is no other course operating on as austere a budget as they do; they rely heavily on other city departments for supplementation. They also have two full time employees, who are as capable as they've had; their superintendent and mechanic. The fleet is aged and this needs to be addressed over the next 12 months. They entered into a lease for some "stop gap" equipment, which will expire at the end of the year, and they will revisit all their equipment at that time. As to revenues, they've plugged in \$613,000 in projected revenue, which is a conservative and modest number. That's halfway between expected and actual results in 2012 and 2011 respectively. They have one challenge, and that's the greens, and this is the toughest challenge any golf course could have. That's how people form their opinion of golf courses. The dynamic between the chemistry of the water and subsurface drainage restrictions prevent the grass from growing healthy and vigorously. The grass is under more stress. This year they've worked tirelessly to remedy these issues through different management programs. They began a third program last month to remediate these two issues. They have enlisted the help of an agronomist in the industry, and they have a strict regime. They are seeing some vast improvement in turf growth and root development; this all ties back to the revenue numbers. As conditions improve they will see more revenue from repeat markets and will be able to bring in more play from external markets. They are conservative in planning due to budget constraints.

Referring to historic numbers in the budget, Mayor Myers asked if the revenue projections were as far off as they seem to be. Mr. Reynolds said historically they have been around \$600,000 to \$650,000; in the past those were optimistic projections. The \$613,000 is a realistic projection based upon historical performance. Commissioner Kitchens said they've done a good job with what they were given to work with. They are making gains and she appreciates their work. The Golf Course is a great asset for Palatka. The snack bar is a good asset and they need to advertise that to create business; she'd also like them to look at adding a breakfast menu.

Commissioner Leary said he's received a lot of calls from golf club customers. They overlook the fact that the City is losing money on the course; he agrees this is an asset. They have 35 to 40 tournaments a year; a minimum of 5% of every tournament's gross should go towards golf course improvements. The PMGA should sponsor a tournament to help pay for pesticides. He believes they should increase greens fees for non-city residents; his tax dollars are paying for people outside the City to utilize the golf course. He understands the dynamics of the soil profile; there are innovative things that can be done. He thinks U of F should be more pro-active in providing support. They will need to get an idea of what the soil moistures are doing; they are definitely too wet. Mayor Myers said, as to the tiered green fees, he thinks that has merit. City residents pay taxes, and county residents don't pay into city taxes. Commissioner Kitchens concurred with all of Commissioner Leary's suggestions.

Commissioner Brown also concurred. She noted at one time they'd asked the City Manager to speak to the Putnam County BOCC to help with funding the golf course. The current commission works well with the City and they may be amenable to doing something. Mayor Myers said he and Mr. Czymbor will go before the County Commission and ask them for their help. This is an important amenity for the entire county.

Mr. Czymbor said it's refreshing to hear these comments; he has some expertise in golf course management. It presents a lot of challenges. They have to be innovative, take some risks and do some things they haven't done in the past. Some may be unpleasant or painful. As to the County, they could ask the County to pay a certain stipend and they will allow County residents to play the course for the same amount of money as the City residents pay.

GENERAL FUND – (Pages 4 – 76, Budget Draft)

Mr. Reynolds said his memorandum in the package does not reflect the input from the Gas Authority. This presentation is the same as the one he did at the Gas Authority workshop, but he's added a few slides at the end

The General fund budget has fallen from \$10.5 million in 2008-09 to \$7.492 million in FY 2012-13. Next year they will receive just under \$3 million in ad valorem tax revenue, a \$0.5 million loss in that same time frame. Communications Service Tax was being overpaid until 2008, and they are currently repaying that overpayment now of \$1.7 million. They are making payments over 72 months and will continue over the next four fiscal years. As to federal grants, the majority were SAFR and COPS grants, which funded firefighter and police positions. Those grants began paying 100% of those costs, but drop off each year and will pay nothing towards those costs next year. State grants have decreased; those did not fund positions, but funded projects. As to the first draft for the revenue side, they showed a \$918,837 decrease in revenues due to decreases in ad valorem taxes, franchise fees, federal grants and transfers from other funds. On the expenditures side, those went up by around \$460,000. Part of this is the transfer to the golf course, as that Fund is estimated to lose around \$350,000 next year. They increased the transfer to the Airport around \$36,000 due to debt service, which causes the Airport to run in a deficit. They had increases in all other departments, mainly due to increases in pension costs. The Police Department budget increased due to information technology costs. This accounts for the \$1.4 million deficit shown in the first budget draft. Since then he's increased revenues by \$1,277,638 due to increases in ad valorem tax and better place funds, and estimated tax revenues based upon state revenue estimates.

Commissioner Leary said they've see a continuing decline in ad valorem values and that is projected to continue. Mr. Reynolds said the final estimate came in higher than the first estimate they received in June. Commissioner Leary said they are still projecting a decline in ad valorem taxable values next year. It's slowing, but will still be substantive. Some new commercial projects are scheduled to go on the books next year.

Mr. Reynolds said he increased transfers from water and sanitation funds to historical levels, which increased revenue by \$980,000. This includes transfers from TIF and Better Place Funds, and he added the \$500,000 transfer from the Gas Authority. He's added \$168,000 in franchise fees in hopes the Clay Electric franchise fees will be reinstated. He's spoken to an attorney with the Marks Gray law firm, who believes the City can get their 6% fee reinstated. He's budgeted this fee at 4%. Mr. Czymbor asked if the City has every considered looking at statements to determine the difference between the total taxable value received from the

Property Appraiser after the millage rate is set times the millage rate, versus the actual, based upon the Board of Adjustments' reductions? It's not politically popular, but they have a time window to modify the millage rate based upon that adjusted rate. Mr. Reynolds said he hasn't seen large decreases there, but he can pull those reports.

As to expenditures, those have decreased \$102,567 due to decreases in transfers to other Funds, even though transfers to the golf course and airport increased. The TIF transfer decreased drastically and the Better Place Funds transfer was decreased. He's budgeting the debt service for the existing fire truck into Better Place Funds. As of today, the budget is balanced at \$8,709,000 for the General Fund. As to sustainable revenue options, they can adopt the roll back rate of 9.1749 mills, which will bring in the same amount of ad valorem taxes as the prior year. He's included some other options on millage increases. Another option is a Fire Assessment Fee, which could offset all or part of the fire Department budget of \$1.8 million. This could allow for decreases in millage rates into the 5 or 4 range. Other increases or decreases in revenues realized by refinancing Golf/Airport/Frank George Apt. loans would save around \$60,000 annually due to a lower interest rate. There are some revenues possible from the Red Light Camera Program, although it is meant for public safety. He doesn't have estimates on those yet. They can consider the sale of under-utilized and surplus city-owned property, and develop and implement a comprehensive annexation program. There are some properties that have signed an annexation agreement but those haven't been enforced. Annexations would increase revenues.

Mr. Reynolds noted there are some expenditures they make for social services; \$2,000 goes to Conlee-Snyder Mural Committee and \$2,000 goes to the SJRWMD Watershed Action Volunteer Program. They budget \$5,000 for the Arts Council and \$5,000 for the Chamber of Commerce.

Commissioner Leary said he doesn't see the Chamber as actively getting results, and the other things are all non-essential government services. They need to look to the community to raise funds to cover these non-essential services. He supports murals and arts, but the City needs to fund its core mission until they receive excess revenues to reinstate these. Commissioner Kitchens concurred and suggested they also look at the money they spend on Christmas Lighting. Mayor Myers disagreed and said these are quality of life issues; he sees the benefit of having these amenities. The concert series brings a lot to the Community. The Chamber administers an extensive economic development program. These are not significant amounts. Commissioner Leary said he's never seen a report from the Chamber on their activities. They need to make the tough cuts and ask the Community to fill in those gaps. Commissioner Brown said arts and culture are necessary; they need to keep those here. Murals are a draw for the City; people travel here from all over to see them. She agreed they see very little results from the Chamber and she'd like to see more from them. She's spoken with their economic development person on doing historical and ecological tours to make this a destination; those would be a good draw. She's never heard anything back from them about it. They need some return on the money they invest in this program.

PRESENTATION BY DEPARTMENTS:

City Hall (General Government), Better Place & TIF Fund – Mr. Reynolds said City Hall saw an increase of \$91,000; the majority was \$61,000 in salaries and FICA increases, and that entire increase was offset by transfers from CRA for the Main Street Manager's salary and pension contribution. There is a \$20,000 increase in pension costs. This is going from 21% to 26%. Employee contributions remain at 6%. He decreased operating expense by \$18,000 for contractual services. In Better Place, they have two DOC prison crews coming out of Better

Place plans; those are around \$58,000 each. The Frank George Apartments payment will also come out of Better Place, and transfers to the Airport and Golf course were added in. That leaves around \$88,000 which will allow for grant matches and capital improvements like building repairs. As to TIF funds, they are bringing in quite a bit less than the current year. He will present more information and a more complete breakdown on CRA expenses at the August 16 CRA meeting.

Planning, Building & Zoning Department – Thad Crowe, Planning Director, said they have a very small budget compared to the big picture. Their budget did increase for retirement and FICA costs. They did budget for maintenance expenses for their building. They've cut last year's budget tremendously. They have legal advertising expenses, which have increased. They need to hire a full time building inspector. They can carry on the current arrangement for another year and may be able to reduce this budget accordingly. It's very lean as it is.

Commissioner Leary said Mr. Crowe has done a remarkable job; B&Z is an essential public service. They need to improve this budget and expand services.

Police Department – Chief Getchell said the budget as presented shows some cuts, although overall there is an increase. They have built the City's IT infrastructure and managed it; He's asked that they either break that out as a separate cost, or create a separate department. There may be some confusion on personnel numbers. They've increased personnel to 39 sworn officers, but due to decreases in revenue, they've reduced that to 35. They are not being held to provisions of the COPS grant. The manpower in Law Enforcement hasn't increased, but the public is not seeing any decrease in services. Where things are slow is management, as they have less people doing those things, as that's where personnel has decreased. Their fleet will present challenges. The City had a take-home car plan, but there was no plan to replace those cars. The maintenance and down time expense made it more beneficial to replace those cars. They found a lease plan was more cost efficient. Each year 1/3 of the fleet is replaced. That program worked very well. They decreased the maintenance budget on autos as all cars were under warranty. They have extended leases to 5 years, and maintenance costs have gone up accordingly. They've decreased gasoline consumption by 12% due to incentives and carpooling to training sessions. The cost of fuel ate up any savings. He discussed some recommendations with the former city manager, one was to change the way they police, which means they park the cars. His recommendation is not to do that. Things have not gotten as bad as during the fuel embargo days in the 1970's. One-third of their fleet going out in August; rather than let that lease go and bring new cars in, they buy the cars when the lease runs out on a two-year purchase plan, which will give them a 7-yr old used car. There are some cars they can get 7 to 9 years out of. There are options for engine sizes, but smaller engines blow up on them. They need the larger six-cylinder cars. Mr. Czymbor asked if they've looked at expanding motorcycles, electric vehicles, segways, and bicycles for downtown areas and special events. Chief Getchell said they use ATVs and electric cars during special events. Commissioner Brown asked if officers "walk a beat." Chief Getchell said they do that from time to time; that's day-and-time sensitive. Certain times of the day or week they have more calls for services and they need to be in their cars. As to taking cars home, officers can take their cars home if they live within 10 miles of the community.

Fire Department – Fire Chief Mike Lambert said their budget is pretty much the same as last year. Pension is up almost \$20,000. Personnel services make up for that; although health care went up, several employees couldn't afford the increase and dropped the insurance, so the City benefitted. A few of the line items like fuel have gone up, but some have gone down. Total operating is almost the same overall as it was last year and for the last five years. They are

bare bones on operating expenses. They do much in-house, including maintenance. With the aging fleet, they've had to outsource many repairs. The biggest challenge is the equipment, primarily engines. The newest one is 15 years old. The average lifespan is 10 years; two trucks are going into the 16th year. Their biggest problem is having more than one down at a time; this is not uncommon. The tower truck they bought in 2006 is utilized as a back-up, but they try not to use that type of vehicle on regular calls as it is very expensive to drive. They were able to get a USDA grant this year for a new engine at a 50% match up to \$150,000.00. The low bid is \$310,000; they need \$160,000 to purchase a new truck. This is essential to the operation of the department and will reduce the maintenance budget. There are options for financing; even if they order a truck now, it wouldn't be delivered until December, and payments can be deferred for a year after delivery. They can look at trucks that run off natural gas. They were looking at approaching the Gas Authority for this, but will not be doing that now. He is in favor of instituting a fire service fee.

Commissioner Leary noted there is a cooperative agreement with the County, but they can't depend upon that. They need to find a way to innovatively finance the \$160,000 and retire one of the trucks. Chief Lambert said there is no provision for that new fire truck in this budget. He was told to remove it from his budget and find another way to pay for it. The grant is good for five years. It is his recommendation to purchase the truck sooner rather than later for public safety reasons. As to the ladder truck, they do need this truck for structure fires and it is utilized. It puts out more water and is used for larger buildings. If you try to sell it, you will lose money on the depreciation. Commissioner Leary asked Mr. Reynolds if they can use Better Place Funds for this; Mr. Reynolds said they can and that's why they leave some contingency there. Commissioner Brown asked if they've asked the County for funds for first responder services. Chief Lambert said they have, numerous times.

Public Works Department/Transportation/Streets – Ed Chandler, Supt, said they are working off the same budget as last year. Operating expenses are the same; vehicle maintenance has dropped as they only have six employees left; they aren't using multiple vehicles. The function of his Department is to maintain everything in the City; sidewalks -- both new and reconstructed, storm water drainage systems, and asphalt and brick streets, and right-of-way. They have two inmate squads; one does mowing and the other does concrete, but during the growing season, he uses both for mowing. He would like to get the department back up to 8 employees. They continue to assist other departments as needed. Commissioner Kitchens thanked him for attending to limbs down during storms, saying his crew always responds quickly.

Cemeteries/Cultural/Parks/Community Centers – Jeff Norton, Supt., said there is no increase in their budget. Since 2008/09 they've lost five full-time employees with no replacement and two part time employees. They have 6,913 cemetery lots in inventory, which is projected to serve the City for the next 60 years. They want to spend \$75,000 from special cemetery funds for a cremation urn storage facility, which will increase revenues. This is included in his budget and needs approval from the Commission. Next year they want to look at a fee increase on plots, opening and closings.

As to Parks, Mr. Norton said they will maintain what they have at the level that they can. Commissioner Leary asked him to come back and talk about the City Dock. Shrimp season has begun and the dock is a mess. Mr. Norton said they get 500 – 1,000 shrimpers each night.

PUBLIC COMMENTS:

Christy Sanford, 312 Dodge Street, said as to Frank George Apartments, this was not supposed to tax the TIF funds every year; she understands why they are tapping those funds. It sounds

like they are moving funds from one place to another. She'd like to see the statute governing use of Better Place Funds; she recalled it was primarily for sidewalks, roads and public buildings. Mr. Reynolds said there's a state statute that allows them to be used for debt service. Mayor Myers said it was not the original intent to use TIF funds for this, but with this economy it becomes necessary.

Ms. Sanford said she heard no mention of going after new funding. She'd like to see a workshop on that. Commissioner Brown said most staff do go after new funds. They have more grants than budget. They are always looking for grants. The City has been awarded several grants.

Ms. Sanford asked if the Chamber would use the \$5,000 provided by the City to promote Palatka with a brochure and map.

Commissioner Brown said they need to stay on FDOT regarding drainage issues on 9th Street (SR 20). Since they re-did that Street, there is constant flooding. They have a responsibility to fix that street. This is SR 20. Commissioner Leary said that can be brought up at the LOGIC meeting; Senator Thrasher will be there and he can help get that resolved.

CLOSING REMARKS

Mr. Czymbor said Mr. Reynolds, the Department Heads and the Commission did a great job on this budget presentation and workshop; he did not get an opportunity to get too involved. The process next year will be substantially different.

Mayor Myers thanked Department Heads and Mr. Reynolds for their work

Mr. McCamey said, referring to Commissioner Brown's complaint about 9th Street, several engineers have come in checking line locations on that corridor. He thinks FDOT is going out to bid on some work in that location, but he doesn't know the time frame on that.

ADJOURN WORKSHOP – There being no further discussion, the workshop meeting was adjourned at 4:20 p.m.

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.