

**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.*

## **MINUTES**

### **CITY OF PALATKA**

September 13, 2012

Proceedings of a called meeting of the City Commission of the City of Palatka, Florida, held on the 13<sup>th</sup> day of September, 2012.

**PRESENT:**

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

Also Present: City Manager Michael J. Czymbor; 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

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

**INVOCATION** – The Reverend Kirby Kennedy, DD, Pastor, First Baptist Church of Palatka

**PLEDGE OF ALLEGIANCE** – Led by Mayor Meyers

**APPROVAL OF MINUTES** – 8/16/12 Regular Meeting – Commissioner Brown moved to adopt the minutes as read. Commissioner Kitchens seconded the motion, which passed unopposed.

- PUBLIC RECOGNITION/PRESENTATIONS:** Mayor Myers recognized Vice Mayor Brown, recipient of the E. Harris Drew Lifetime Achievement Award and read the press release issued by the City announcing this award, which was presented to her at the annual FLC conference in Hollywood, Florida on August 24 during the opening session. He then read the City's Award Nomination letter.
- PUBLIC COMMENTS** – There were none.
- CONSENT AGENDA:**
  - Award bid for Fire Engine to Sutphen Corporation in the amount of \$310,622.08** (USDA Grant \$150,000.00/Local Match \$160,622.08) per results of RFQ and recommendation of Fire Chief
  - Authorize renewal of Display Advertising Contract with Palatka Daily News eff. 10/1/12**

- c. **Authorize Acceptance of Victims of Crime Act (VOCA) Grant F/Y 2012-13 in the amount of \$37,715.00** (\$9,429.00 local match) to fund a full-time Victims' Advocate, per recommendation of Police Chief
- d. **Declare surplus items per attached** for disposition: 2 Autos and various laptop computers
- e. **Reappoint LaSandra Williams to the Palatka Code Enforcement Board** for a three-year term to expire September, 2015 (incumbent – sole applicant)
- f. **Appoint Johnny Maurice Brown as Alternate to the Palatka Code Enforcement Board** for a three-year term to expire September, 2015
- g. **Adopt Resolution No. 09-26**, entitled A Resolution of the City of Palatka, Florida, urging Congress to consider and pass legislation that expands the use of Community Development Block Grant Funds for public service, at the request of Florida League of Cities via Vice Mayor Brown

Item F was pulled from Consent for a separate vote. Commissioner Brown noted Johnny Maurice Brown is her son. Mr. Holmes noted neither Commissioner Brown nor Mr. Brown would realize any monetary gain from this appointment. Commissioner Leary moved to approve all other items on the Consent Agenda as presented. Commissioner Kitchens seconded the motion, which passed unopposed.

**f. Appoint Johnny Maurice Brown as Alternate to the Palatka Code Enforcement Board** for a three-year term to expire September, 2015 – Commissioner Kitchens moved to approve the appointment. Commissioner Norwood seconded the motion, which passed unopposed with an abstention by Commissioner Brown.

- 4. **ACCEPT CRA RECOMMENDATIONS** for TIF Expenditures/Business as follows:
  - a. **ALLOCATE** \$745.00 for FRA Membership Renewal Dues (CBD)
  - b. **ACCEPT PROPOSAL FROM University of Florida**, College of Design, Construction & Planning in an amount not to exceed \$6,000.00 for CBD Community Greenprint (CBD)
  - c. **APPROVE** budget amendments F/Y 2012-13 to include FRA Dues, Greenprint Contract and NEA Grant Match (Art in Public Spaces - \$12,926.00)

Mayor Myers noted these were approved by the CRA at today's meeting and are being voted upon tonight as recommended. Commissioner Norwood moved to approve all items as recommended by the CRA. Commissioner Kitchens seconded the motion, which passed unopposed.

- 5. **PUBLIC HEARING - TRIM CALENDAR** – Tentative Millage Rate for 2012/13 Budget Year – 9.1749 mills proposed (roll back rate).

**LEVY ORDINANCE** – 2012/13 Budget year – 1<sup>st</sup> Reading - The Clerk read an ordinance entitled AN ORDINANCE LEVYING TAXES FOR THE YEAR 2012 TO RAISE THE NECESSARY REVENUE TO DEFRAID THE EXPENSES OF THE CITY OF PALATKA FOR THE FISCAL YEAR 2012-2013 in its entirety.

**APPROPRIATION ORDINANCE** – 2012/13 Budget year – 1<sup>st</sup> Reading - The Clerk read an ordinance entitled AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA, MAKING AN APPROPRIATION OF MONIES FOR THE OPERATING EXPENSES OF THE CITY OF PALATKA FOR GENERAL ADMINISTRATION OF THE SEVERAL GOVERNMENTAL DEPARTMENTS OF THE CITY, AND FOR CONTRIBUTING TO THE SEVERAL SINKING FUNDS OF THE CITY TO PAY INTEREST ON AND PROVIDE FOR THE RETIREMENT OF THE OUTSTANDING BONDS AND OTHER FIXED OBLIGATIONS OF THE CITY, AND FOR PALATKA GAS AUTHORITY, FOR AND DURING THE FISCAL YEAR A.D. 2012-13.

Commissioner Kitchens moved to pass both ordinances on 1<sup>st</sup> reading. Commissioner Leary seconded the motion. Mr. Czymbor said this is the annual process during which the City puts together and adopts its budget. He arrived here about two-thirds of the way through that process. This budget was mostly put together by Mayor Myers and Mr. Reynolds, the Finance Director.

Matt Reynolds, Finance Director, gave a PowerPoint presentation on the proposed budget (filed). This shows General Fund unassigned balances beginning FY 2008/09 and it shows the current budget projects an unassigned reserve of \$707,219, or 3.79% of the budget. The FGFOA recommends an unassigned reserve of at least 17% of the budget. This is an emergency reserve that can be used for general operations of the City that covers two months' operation. There are several reasons for the decline in this reserve fund balance, including decreases in ad valorem taxes, all other revenue streams, state shared revenues, utility taxes, and the repayment on the telecommunications tax overpayment. It also includes increased pension costs, subsidization of the golf course and increases to costs of goods and services.

Mr. Czymbor said the City has some serious signs of fiscal distress. In the coming year they will be busy exploring opportunities to bring about positive change. They will look at implementation of a fire assessment fee, sale of surplus/underutilized property, and full implementation of a red light camera program, which is in place mainly for prevention, but violations will bring in revenue. They will develop and implement comprehensive strategic annexation policy and will annex properties that have vowed to annex once they become contiguous. They will work with the County to develop an urban service boundary for water & sewer. They will comprehensively look at the cost of all goods and services the City provides. They will look at bidding procurement of fuel, professional services and office supplies. They will look at converting some vehicles for use of clean natural gas provided by the Palatka Gas Authority, which is half the cost of conventional fuel. They will look at refinancing existing debt obligations, which will save around \$40,000 per year. They will look at increasing fees & services at the Golf Course to make it self-supporting. They will review payments in lieu of taxes from other governmental agencies, as well as other revenue sharing agreements. They will look at designating a city staff member to research and apply for any and all available grants.

Mr. Czymbor said a committee is looking at repackaging and submitting the riverfront RFP package. They will use online auction sites to list and sell surplus city equipment and vehicles to enhance revenue. They will be completing negotiations with Clay Electric on their franchise agreement, which expired last fall. They will assess current fees and implement fees where appropriate. They will actively pursue economic development and redevelopment opportunities, as well as intergovernmental partnerships with Putnam County BOCC. They need more discussion and dialogue with the County Commissioners.

Mr. Reynolds discussed Airport debt services on improvements made FY 2008/09, and the City's plans to eliminate that debt service, which will allow the airport to be self-sustaining, noting the City will then be able to repay subsidies from the General Fund. Mr. Czymbor said they will be looking at creative ways to capitalize on opportunities for non-traditional revenue raising through commercial leases for land and sale of surplus items, including timber harvesting. They are looking at the possibility of placing a car rental facility at the airport, as well as use of solar power panels on Airport buildings and land. These are easy solutions for the \$1.5 million total debt service for the Airport.

Mr. Reynolds said there are several items up for discussion or removal from the Budget. These are the payments/donation to the Chamber of Commerce, a donation to the Conlee-Snyder Mural Committee and donation to the Arts Council for the spring/summer concert

series. He'd like discussion and direction from the Commission on the record. Commissioner Kitchens asked if the Chamber was notified of this meeting so they could discuss this. Mr. Reynolds said they have not received a formal request from the Chamber for these funds; this is a budget carryover from prior years. Commissioner Leary stated he has dropped his prior objection to the Chamber's fee after a detailed discussion with Chamber representatives regarding the services the City receives from the Chamber of Commerce.

Christy Sanford, Dodge Street, said the donation is not made to the Palatka Art League, it's made to the Arts Council of Greater Palatka. This is an important program.

Roberta Correa, 703 Emmett, said as to the Chamber donation coming from the CRA, the Chamber is located outside of the CRA district.

Commissioner Leary moved to include funds for the Putnam County Chamber of Commerce, Arts Council of Greater Palatka for the Spring/Summer Concert Series, and the donation to the Conlee-Snyder Mural Committee in the FY 2012-13 Budget. Commissioner Kitchens seconded the motion.

Sam Deputy, 917 Carr Street, said Mrs. Correa is correct that you can fund things within the CRA, but those funds cannot publicize things that happen outside the CRA. The CRA would only be able to fund publicity for things inside the CRA district.

There being no further discussion, the motion was voted upon and passed unopposed.

Commissioner Brown thanked Staff and Mr. Czymbor for the hard work they've done on this budget considering where they started. She hopes they will do what they can to avoid this in the future. Commissioner Leary noted this budget prioritizes public health, safety and welfare. He hopes by broadening the funding for fire service, they can reduce the overall millage rate. Mayor Myers said they began this budget process with a \$1.4 million dollar deficit. Palatka Gas authority's \$500,000 contribution is key to balancing this budget. He has no objection to going to the roll-back millage rate. They need to use the excess to build up the reserve; this is a critical issue. He thanked Mr. Czymbor and Mr. Reynolds for their work. Commissioner Norwood concurred and said they've been creative in thinking outside the box to meet fiscal responsibilities. Commissioner Kitchens concurred and said she's pleased with these proposals.

There being no further discussion on the motion to pass the Levy and Appropriation ordinances on first reading, a roll call vote was taken with the following results: Commissioners Brown, Kitchens, Leary, Norwood and Mayor Myers; yes. Nay; none. The ordinances were declared passed on 1<sup>st</sup> reading.

6. **RESOLUTION** authorizing City Manager and City Clerk to execute and attest an FAA Grant Award Agreement for Taxiway C Pavement & Drainage Rehabilitation Funding @ 90% (5% FDOT participation/5% City Participation) – Adopt – The Clerk read a resolution entitled A RESOLUTION OF THE CITY OF PALATKA, FLORIDA, AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE AND ATTEST A FEDERAL AVATION ADMINISTRATION FY2012 AIRPORT IMPROVEMENT PROGRAM GRANT AGREEMENT FOR THE DESIGN AND CONSTRUCTION OF TAXIWAY C PAVEMENT AND DRAINAGE REHABILITATION PROJECT AT PALATKA MUNICIPAL AIRPORT/28J, AND DESIGNATING MATCHING GRANT FUNDS FOR THE PROJECT. Commissioner Brown moved to adopt the resolution as read. Commissioner Norwood seconded the motion. A roll call vote was taken with the following results: Commissioners Brown, Kitchens, Leary, Norwood and Mayor Myers; yes. Nays; none. The resolution was declared adopted.

7. **RESOLUTION** authorizing the Mayor and City Clerk to execute and attest a Joint Participation Agreement with FDOT for design and rehabilitation of Taxiway C Drainage including project management and administration (FAA \$1,317,067.00; FDOT \$73,171.00; City \$73,171.00)- Adopt – The Clerk read a resolution entitled A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND ATTEST A 'JOINT PARTICIPATION AGREEMENT' WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION FOR DESIGN AND CONSTRUCTION OF SOUTH AIRPORT DRAINAGE, UTILITIES, PERMITTING, SURVEYING, PROJECT MANAGEMENT AND ADMINISTRATION AT PALATKA'S KAY LARKIN MUNICIPAL AIRPORT. Commissioner Kitchens moved to adopt the resolution as read. Commissioner Brown seconded the motion. A roll call vote was taken with the following results: Commissioners Brown, Kitchens, Leary, Norwood and Mayor Myers; yes. Nays; none. The resolution was declared adopted.
8. **RESOLUTION** authorizing the Mayor and City Clerk to execute and attest a Joint Participation Agreement with FDOT for the design and construction of South Airport Drainage Facilities, including project management & Administration (FDOT \$266,829.00; City \$66,709.00) - Adopt The Clerk read a resolution entitled A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND ATTEST A 'JOINT PARTICIPATION AGREEMENT' WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION FOR DESIGN AND CONSTRUCTION OF SOUTH AIRPORT DRAINAGE, UTILITIES, PERMITTING, SURVEYING, PROJECT MANAGEMENT AND ADMINISTRATION AT PALATKA'S KAY LARKIN MUNICIPAL AIRPORT. Commissioner Norwood moved to adopt the resolution as read. Commissioner Kitchens seconded the motion.

Mr. Czymbor said this is the Herb Williams Hangar Project at the Palatka Municipal Airport. Mr. Williams is interested in manufacturing light aircraft manufacturing, sales and repair. It will create 10 jobs the first year. He is licensed pilot and rents a commercial hangar at the Airport. He is high on the prospect of marketing his aircraft in South America. He's had success with Keuka Holdings which he is involved with wind as an energy source and wind industries. The proposed site fronts the North/South Runway 17/35. He showed a conceptual drawing illustrating that. He said this is a joint participation agreement on this three-phased project. This is Phase 1 of this project. The State and FAA will take care of the site work, permitting, utility, drainage and pavement, and then Mr. Williams will take over and build the hangar. It will cost approximately \$1 million to prepare the site, and Mr. Williams will invest \$4 million in the project. Mayor Myers said of that \$1 million cost to prepare the site, most will be supplied by FDOT. The City's portion will be approximately \$107,000. This is exciting and a win/win situation, which will create jobs, eventually 25 in all.

Mr. Holmes asked if there is a written agreement with Mr. Williams on this project. Mr. Czymbor said they've given him a draft lease. Even if this project falls apart, this site preparation can be used for other projects. Mr. Holmes said he's a big proponent of development, but he wants to be sure that everyone is aware that the City is spending money up front. He hopes they are getting money from the other side. Mr. Czymbor said they are not developing the hangar, but they are developing the site. They will actively market the site to other prospects. They won't proceed with planned preparation of the site until they have Mr. Williams locked in on the project. He will proceed once the City commits to moving forward with the project. Mr. Williams could not be here tonight due to a previous engagement. Commissioner Leary said he doesn't blame Mr. Williams for waiting on the City to make a commitment to move on this site preparation.

There being no further discussion, a roll-call vote was taken with the following results: Commissioners Brown, Kitchens, Leary, Norwood and Mayor Myers; yes. Nays; none. The resolution was declared adopted.

9. **RESOLUTION** authorizing acceptance of proposal/execution of contract with University of Florida College of Design, Construction & Planning for CBD Greenprint Master Plan – Adopt - The Clerk read a resolution entitled A RESOLUTION OF THE CITY OF PALATKA, FLORIDA ACCEPTING A PROPOSAL FROM THE UNIVERSITY OF FLORIDA TO PREPARE A COMMUNITY GREENPRINT MASTER PLAN, AND AUTHORIZING EXECUTION AND SUBMITTAL OF ALL NECESSARY DOCUMENTS IN CONNECTION THEREWITH. Commissioner Leary asked if this will be under the purview of the Planning Department. Mr. Griffith said this will be a joint project with the City Manager's office. Commissioner Norwood moved to the adopt the resolution as read. Commissioner Kitchens seconded the motion. A roll call vote was taken with the following results: Commissioners Brown, Kitchens, Leary, Norwood and Mayor Myers; yes. Nays; none. The resolution was declared adopted.
10. **PUBLIC HEARING – 102 Phillips Dairy Road** - Planning Board Recommendation to Annex, Amend the Future Land Use Map from County US (Urban Service) to City COM (Commercial) and rezone from Putnam County C-2 (Commercial, light) to Palatka C-1 (General Commercial) – Eddie Stoveall, Agent for Kenneth W. & Diane M. Schwing, owners

**ORDINANCE** annexing 102 Phillips Dairy Road - 2<sup>nd</sup> Reading, Adopt – The Clerk read an ordinance entitled AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA ANNEXING INTO THE CORPORATE LIMITS OF THE CITY OF PALATKA, FLORIDA CERTAIN ADJACENT TERRITORY IDENTIFIED AS 102 PHILLIPS DAIRY ROAD, LOCATED IN SECTION 02, TOWNSHIP 10 SOUTH, RANGE 26 EAST, PUBLIC RECORDS OF PUTNAM COUNTY, FLORIDA CONTIGUOUS TO THE BOUNDARIES OF THE CITY OF PALATKA; AND PROVIDING AN EFFECTIVE DATE.

**ORDINANCE** amending the Future Land Use Map for 102 Phillips Dairy Road – for adoption - The Clerk read an ordinance entitled AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA, PROVIDING THAT THE FUTURE LAND USE MAP OF THE ADOPTED COMPREHENSIVE PLAN BE AMENDED WITH RESPECT TO THREE PARCELS OF LAND (LESS THAN 10 ACRES IN SIZE) IDENTIFIED AS 102 PHILLIPS DAIRY ROAD FROM PUTNAM COUNTY CR (COMMERCIAL) TO CITY COM (COMMERCIAL), PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

**ORDINANCE** rezoning 102 Phillips Dairy Road – 2<sup>nd</sup> Reading, Adopt - The Clerk read an ordinance entitled AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA PROVIDING THAT THE OFFICIAL ZONING MAP OF THE CITY OF PALATKA, FLORIDA BE AMENDED AS TO THOSE CERTAIN PROPERTIES LOCATED IN SECTION 2, TOWNSHIP 10 SOUTH, RANGE 26 EAST, LOCATED AT 102 PHILLIPS DAIRY ROAD, FROM PUTNAM COUNTY C-2 (COMMERCIAL, LIGHT) TO CITY C-1 (GENERAL COMMERCIAL); PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

Commissioner Norwood moved to adopt all three ordinances as read. Commissioner Leary seconded the motion. There being no further comments, a roll call vote was taken with the following results: Commissioners Brown, Kitchens, Leary, Norwood and Mayor Myers; yes. Nays; none. The ordinances were declared adopted.

11. **ORDINANCE** amending Zoning Code Section 94-159 to allow manufacturing in Airport Zoning Districts – 1<sup>st</sup> Reading – The Clerk read an ordinance entitled AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA AMENDING ZONING CODE SECTION 94-159 TO ALLOW FOR

AVIATION-RELATED MANUFACTURING IN AP-2 (AIRPORT RELATED ZONING DISTRICT) AS A PERMITTED PRINCIPAL USE, ALLOW NON-AVIATION-RELATED MANUFACTURING AS CONDITIONAL USE IN THE AP-2 DISTRICT WHEN APPROVED BY AIRPORT ADVISORY COMMITTEE AND AIRPORT MANAGER, AND ADOPT STANDARDS THAT MINIMIZE GLARE AND EXTERIOR LIGHT ON NEW DEVELOPMENT IN THE AP-2 DISTRICT TO ENHANCE AIRPORT SAFETY; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE. Commissioner Brown moved to pass the ordinance on first reading. Commissioner Kitchens seconded the motion. A roll call vote was taken with the following results: Commissioners Brown, Kitchens, Leary, Norwood and Mayor Myers; yes. Nays; none. The ordinance passed on 1<sup>st</sup> reading.

12. **ORDINANCE** amending water rates – 1<sup>st</sup> reading – The Clerk read an Ordinance entitled AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA, PROVIDING THAT THE CODE OF ORDINANCES OF THE CITY OF PALATKA, FLORIDA BE AMENDED BY REMOVING SECTION 86-37, WATER PLANT EXPANSION FUND, AND SECTION 86-311(b), WATER PLANT REPLACEMENT CHARGE; BY REVISING APPENDIX “A” TO SECTION 86-314 AND APPENDIX “A” TO SECTION 86-315 THEREOF, PROVIDING NEW WATER RATE SCHEDULES EFFECTIVE OCTOBER 1, 2012, BOTH INSIDE AND OUTSIDE THE CITY LIMITS RESPECTIVELY; BY AMENDING SECTION 86-318 TO PROVIDE FOR ANNUAL RATE ADJUSTMENTS; AND PROVIDING AN EFFECTIVE DATE. Mr. Czymbor said the Commission hired a consultant, Burton & Associates, to look at the City’s water & sewer rate structure. Burton & Associates reviewed all city operational and fixed costs, debt service, customer bases, and put the results into their legally-defensible rate model. Those were presented to the Commission in April and, based upon those results, that new rate structure was incorporated into the proposed FY 2012-13 budget.

Mr. Reynolds refreshed the Commission on the Burton & Associates presentation, wherein they reviewed existing water & sewer rate structures and developed modifications to encourage water conservation. The results determined that the City’s rates for a typical residential high volume user were low, but rates for low volume users were high. Three key changes will enhance affordability for low volume users and provide greater cost allocation & price incentives for high volume users. They recommended reducing the level of fixed monthly charges and implement an accounting block rate structure with an affordability rate for essential domestic users. They recommended the City remove the allowance from water and sewer fixed monthly charges, reduce single family fixed monthly charges and establish a four-tier inclining block rate structure for residential accounts. The sewer cap will be reduced, and a two-tiered rate is established for separate irrigation meters. There is also a consideration for rate adjustments. A residential rate comparison was shown and included in the Agenda packet. For customers using less than 3,000 gallons a month, their rate will be lower. For anyone using more than 4,000 gallons per month, their rate will be higher. Commercial and industrial rates were also provided, along with the percentage of change by volume. These rates have been incorporated into an ordinance to amend the rates.

Commissioner Kitchens said the single most important factor is the change to Section 86-318, Rate Amendments. She read paragraphs (a) and (b) into the record and said paragraph (a) is totally unacceptable. She had Mr. Reynolds run her a copy of the CPI on the various increases in percentages. Also, starting in October of next year this will not come back to the Commission for approval. She heard the statements that the low volume users’ bills will go down. If it goes up 7% next October which is what the CPI went up this year, her bill will go up to more than it is now. Next year her bill will be \$59.72. She disagrees to some degree with the percentages. She objects that this increase will not come back to the City Commission. This is government without the people and in spite of the people. The keystone of democracy principle was founded so that people will not have taxation without representation. They need

to continue to have these come to the Commission for approval every year. She has asked the Attorney to think about other wording. They need to look at the part that states "without further action of the City Commission." As far as 3% or whatever is greater, she can live with that if the final decision comes to the Commission. Commissioner Norwood agreed and said he thinks the Commission should look at those increases, but the increases need to occur because they have obligations. They have infrastructure that needs attention. They have to fund improvements and the replacement of old rusty infrastructure that is interfering with the City's ability to deliver good drinking water to the citizens. Commissioner Leary said it's just a matter of amending the ordinance to remove that passage. Mr. Czymbor said there seems to be a consensus of the Commission to strike that passage. Commissioner Kitchens said they need to be able to drop the automatic increase below 3% and wants to be sure it is worded as such.

Sharon Buck, 610 S. 14<sup>th</sup> Street, spoke objecting to the ordinance, saying this is taxation without representation. In looking at Burton & Associates' figures, she believes their numbers are ludicrous. A 3% increase, potentially up to a 6% increase without a vote is a 50% increase over 10 years.

Pam Garris, 603 Emmet Street, said the water increase proposal of 3% or more is an unconscionable action. The City has a monopolistic control over citizens of Palatka, and she objects to this yearly increase. The Commission and Manager should explain all increases to costs. She agrees with Commission Kitchens; it should be brought back for review every year.

Christy Sanford, 312 Dodge Street, said the water is not potable; when the City did the water plant improvements they were told the water rate had to go up. The bill has gone up several times since she moved here. She resents not having potable water. She resents having to purchase it.

Sam Deputy, 917 Carr Street, said he was confused by the information that came out on this. He thanked Mr. Reynolds for his information. He's been assuming for years that sewer plant replacement funds were set aside for sewer plant replacement as well as water plant replacement. He understands that this money goes into an escrow account. Mayor Myers said the water plant was just replaced. Mr. Deputy continued to speak about his water bill and asked what "per 1,000 gallons past the base fee" meant? He said city residents get their information from the Palatka Daily News and not the website. It is difficult for the average citizen to research these things. He couldn't get the water rates.

Mr. Reynolds read the rates for residential and commercial inside the City Limits; he stated commercial refers to accounts considered non-residential. The discussion on rates continued. Mr. Deputy asked the City to send out a postcard explaining rates to customers.

Andy Rabun, who stated he represents 1<sup>st</sup> Baptist Church of Palatka, 501 Oak Street, said they are paying more for water but the water still comes out rusty. He questions why they are raising rates when they don't fix the problems. He held up a bottle of orange water.

Donna Surrenton, 3801 St. Johns Avenue, said this needs to come back each year for approval. Her son lives in a trailer on a fixed income and cannot absorb increases in utilities. It is her understanding if this is passed the water rate will automatically increase year after year. Mayor Myers said the new structure is designed to give relief to low user residents and will lower their bills.

Wayne Annis, 1610 Moseley Ave., said he is a general contractor and they are fortunate to have city water and sewer. If you have a well and septic, something will cost a lot of money

within 10 years. They need to keep the system working properly. He agrees the Commission needs to vote on that. If they live in the County and they don't have water and sewer, that's not good. He's glad the City had the vision to put a water and sewer plant in place.

To answer Commissioner Kitchens' questions concerning the proposed passage under discussion, Mr. Czymbor said if the City borrows money on the system, there are bond covenants in the loan that state the City has to establish a certain level of reserves to cover the loan and improvements. If they don't have that level of reserves, they have to increase water bills to establish those reserves. Mr. Holmes said the "annual audit report" is not identified, and he doesn't know when it's done. The paragraph states it's going to take place every year, and if the increase in (a) doesn't cover the required increase, the City will increase the rates accordingly in lieu of paragraph (a). Mr. Reynolds said the annual audit report is the CAFR and is generally completed at the latest by April. The CPI is adjusted in June for that coming October. Mr. Holmes said in April they will have the results of the audit, and in June they will get the CPI for the water & sewerage maintenance series; they will compare the figures they got from the April audit with the figure in June on the CPI.

Mr. Holmes suggested taking the 1st sentence of (a) and remove the rest of the section beginning with "to keep pace with inflation. . ." and add the following: "as necessary to meet the requirements of any convenience of bonds or financing instruments utilized to provide funding to the water system as is necessary to maintain the economic solvency of the water system enterprise fund." Commissioner Leary moved to amend the ordinance as stated by the City Attorney. Commissioner Norwood seconded the motion, which passed unopposed.

Commissioner Kitchens moved to pass the ordinance on first reading as amended. Commissioner Brown seconded the motion. A roll call vote was taken with the following results: Commissioners Brown, Kitchens, Leary, Norwood and Mayor Myers; yes. Nays; none. The ordinance was declared passed on 1<sup>st</sup> reading as amended.

Mr. Reynolds said during this study an engineering firm surveyed the water plant, sewer plant and all plants in the ground, and estimated the useful life of the pipes to be over 30 years, and said they really should be putting away funds every year to refurbish the system. This figure is somewhere between \$1.5 and \$2 million. To accomplish this, they would be looking at increasing the water rates by 100%. These water rates don't include starting to build towards fixing the water distribution system. Commissioner Leary said in some areas the water delivery system is over 100 years old, and it will take money to fix and upgrade it. It's the delivery system they need to work on. Mayor Myers said they are constantly upgrading it; they all have issues with the water. Commissioner Kitchens said they have been slowly replacing water and sewer lines with CDBG grants. Commissioner Norwood said they need to make this a priority.

13. **ORDINANCE** amending sewer rates – 1<sup>st</sup> reading — The Clerk read an ordinance entitled AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA, PROVIDING THAT THE CODE OF ORDINANCES OF THE CITY OF PALATKA, FLORIDA BE AMENDED BY REMOVING SECTION 86-156, SEWER PLANT EXPANSION FUND, AND SECTIONS 86-344(b), PLANT REPLACEMENT CHARGE; BY AMENDING SECTION 86-342 (3), WATER POLLUTION CONTROL CHARGE, BY REVISIONG APPENDIX "A" TO SECTION 86-344 AND APPENDIX "A" TO SECTION 86-345 THEREOF PROVIDING NEW SEWER CHARGES EFFECTIVE OCTOBER 1, 2012, BOTH INSIDE AND OUTSIDE THE CITY LIMITS RESPECTIVELY; BY AMENDING SECTION 86-348 TO PROVIDE FOR ANNUAL RATE ADJUSTMENTS; AND PROVIDING AN EFFECTIVE DATE. Commissioner Kitchens said they need to amend the wording of Section 86-348 and recommended making the same amendment as was made to the Water Rates ordinance. Commissioner Norwood moved to amend the ordinance as recommended by the City Attorney during the discussion concerning water rates.

Commissioner Brown seconded the motion, which passed unopposed. Commissioner Kitchens moved to approve the ordinance on 1<sup>st</sup> reading as amended. Commissioner Norwood seconded the motion. A roll call vote was taken with the following results: Commissioners Brown, Kitchens, Leary, Norwood and Mayor Myers; yes. Nays; none. The ordinance was declared passed on 1<sup>st</sup> reading as amended.

#### 14. **ADMINISTRATIVE REPORTS**

**Impact Fees** – City Manager Michael Czymbor said in 12/07 the Commission adopted an ordinance putting a moratorium on certain impact fees with the goal of promoting redevelopment and economic development in the City. This was done for two years; the Commission renewed the extension for an additional two years, and this will expire in December 2012. During this period of time the City would have collected \$81,510.47 during the first two years and \$256,621.29 for the second two years. During the moratorium the City forewent a total of \$40,000 not collected. The ordinances state the City Manager shall come back on July 1, 2012 with a recommendation on continuation of this moratorium. He was not here at that time. He recommends staff go back and research this and come back with a recommendation on the extension of the moratorium, or take other action. There was consensus to instruct the City Manager to come back with this report.

**Proposed amendment to Section 2 of the Memorandum of Understanding between Georgia Pacific Corp. and the City of Palatka for the Palatka Environmental Education Center** – City Manager Czymbor, Jonathan Griffith and Attorney Holmes – Commissioner Norwood said he would recuse himself from discussing and voting on the G-P memorandum of understanding unless Mr. Holmes advised otherwise. Mr. Holmes said if the vote is going to be on whether the City will partner with GP on this endeavor on allowing a building to be built to satisfy the FDEP permit, then a conflict exists, but if the discussion and vote is on the location of the facility, he does not have a conflict, unless he has other information from G-P to the contrary. Commissioner Kitchens said she's called into question whether or not it was legally correct for some people to discuss items, but it appears to be correct based upon perception. If they are voting on the Memorandum of Understanding, that's fine, but she's not sure it looks right. She's not impugning Commissioner Norwood's integrity. Commissioner Leary agreed with Mr. Holmes as they are only discussing the final location of the building, and he believes it is critically important that Commissioner Norwood takes part in that discussion and vote. Mayor Myers concurred. Mr. Holmes said the Memorandum of Understanding states it is non-binding; he did not draft this MOA. It was drafted by G-P's attorney. Before GP constructs this, the Commission will want a binding agreement. He does not necessarily agree that this is a done deal. They are going to come back and adopt a final agreement. He has never considered the City would end up owning a building without a binding agreement. He wanted to clear this up. Mr. Czymbor said, as to the conflict, it is the person who has the conflict who has to declare the conflict; it is not the Commission that decides if a conflict exists. Commissioner Norwood said he can't be part of the binding agreement with GP, so if they are attempting to do that tonight he can't be part of that. Commissioner Kitchens noted they aren't discussing a binding agreement tonight.

Mr. Czymbor said the City has committed to working with G-P in order to fulfill all the requirements of the pipeline permit and will work with GP to meet or exceed those requirements. This project was under consideration before he came here. His concern is with the proposed location of the structure, and nothing more. Since that time he's had a number of people questioning whether or not this is the most optimal location for the structure, will it accomplish the goals, and is it in the best long and short term goals of the city? Will it compliment or hinder the redevelopment or sale of that property? Economic development is critical to the community. He'd like the Commission to consider logically, considering facts, whether or not this location is

the best one for this project. He presented the Commission with a list of criteria for consideration in making this decision.

Jonathan Griffith said currently there is not a mission statement developed for this facility. He shared staff's vision for overall redevelopment. The original conceptual location was at the corner of St. Johns Avenue and Memorial Drive, approx. 150 to 200 feet NE of the Presbyterian Church. He showed the differences between uses on the original conceptual location and the newly proposed location of the Riverfront along Memorial Parkway. He said this concept requires additional funding which can be secured through grant funds. It's realistic to get those funds in place to build additional structure concurrently with this structure. The waterfront site is a better location, and will help the City to realize its vision of visitation and visibility and ultimately revitalization.

Mr. Czymbor said this is a Commission decision. Staff's job is to present the Commission with the issue and reasonable alternatives. They spoke with Mr. Meyer of FDEP today; although it wasn't the City's job to get involved in the permit, they wanted to know if a different location 298 feet from the proposed site would impact the approval of the permit. Mr. Meyer was in town today and they met him around 1:00 pm today. They presented him with the proposed changes. He said if it didn't cost any more money and was done within the time frame required of the G-P permit, he saw nothing wrong with the proposal. He understood the City's position on this. He was going to have a conference call with the corporate attorney in Atlanta and propose it to him to determine if he had any concerns or comments with the proposed change in location.

Mr. Holmes laid out the background on this matter, saying the driver on this partnership is G-P's commitment to the FDEP to build an environmental resource center as a condition for FDEP giving G-P the permits necessary for the proposed pipeline project. The project has to serve a public environmental purpose. Last Tuesday they were called to a meeting at G-P to discuss the terms of this. They spoke of some downsides on the site that had been chosen. The newspaper correctly stated G-P would build the building, but that is the end of G-P's financial obligation to the building. It will be owned by the City and will only be opened when staffed, and the expense will be upon the City to staff it. A City employee will have to be there. He's not sure if there will be requirements on the training of the employee or if it will be a minimum wage employee who will be there to make sure no one takes things out or damages the facility. As to the commitment length, it is 10 years, so the City will have to maintain, repair, staff and insure it. This is a 4,500 sq ft high-end building; this will not be an insignificant expense. They have determined customary maintenance costs of around \$21,240 per year, and this doesn't count staffing expense or insurance. You've also taken one of the prime pieces of property off the tax rolls. No one has suggested it will be revenue producing. It will remain in government ownership, so it will not generate revenue, and it will be revenue draining. If you give him a yacht, but he can't afford to dock it, maintain it or use it, it's not a gift. They are not trying to upset the applecart; if it's gone too far to change it, so be it. His question was, if it doesn't cost time or money to make these changes, does G-P care if they make these changes? No one was committal on that; they called it a 'takeaway issue' they'd have to get back to the City on.

Mr. Holmes continued, saying he worked with Mr. George McDonald representing G-P on the MOU; today Mr. McDonald stated GP is "indifferent" on the location if it doesn't cost them time or money and doesn't interfere with the project timeline. They started looking at work done on this via the Michael Redd plan the City worked on in 2009 for this particular location. From their perspective, the number of people who might go there to look at and learn from exhibits would be greater if it were incorporated with a restaurant and water taxi operation. A group can look at the facility, eat at the restaurant and take a ride down the Ocklawaha River. A comment was made that he didn't think it would be a heavily-attended facility. A person at the meeting had a similar facility in GA that got 3 visitors a day. If they can integrate the water taxi and a restaurant

into the museum, people will go there more than once. G-P will only put money into this once. He does not know that the exhibits will change. If it's a restaurant with exhibits next to it, visitors can walk through the museum while waiting on a table. Water taxis are a perfect component of this. It looks like a win/win to them. If it doesn't work for FDEP, or if the commission doesn't like this option, then so be it. When he came in here 1976 there were two governmental institutions on the River; they tore them both down. Now they are getting ready to put another governmental building on the river.

Trish Bowles, Georgia-Pacific, CR 216, said they've been working on this wetlands project for some time. They want this project to be meaningful to the City. They are concerned with the permitting process. They reviewed numerous locations. This location was chosen collectively as the best possible location. The MOA was developed and voted upon by the City. The MOU states the Center will be constructed as a stand-alone building that is not part of the 100 block redevelopment project, and would be built on the corner of St. Johns Avenue and Memorial Drive. GP was required to submit information to FDEP on the location of the project, and FDEP issued the permit based upon this information. They received a call from FDEP with concerns about this change of location. At this point GP has more questions than answers. Their request is that 1) the City move forward with the current project, and 2) if the City moves forward with a change of location, they request the City reserve the 100 block location as a fall-back location for this facility. This would be acceptable.

Mayor Myers said he was involved in the negotiations, as was Mr. Griffith. They jointly agreed to that site. They never considered a riverfront site. As to the Redd study and conceptual design, that came about as a result of multiple public meetings. Many people shared their vision for the riverfront. This design was accepted by the commission in concept, but not approved as for a restaurant. As to pursuing ownership of the restaurant, Mr. Griffith said the only financial risk the City would assume is if the city decides to sell the restaurant; if so, the City would be required to repay any grant funds received. Mayor Myers said there is financial risk with any restaurant. It is not a gold mine. If they do build a building for a restaurant, will they end up with a shuttered building? Mr. Griffith said success does not come without risk. Grants are awarded for a restaurant based upon a USBA form with a business plan. There would have to be some assurance the restaurant would be successful before a grant was awarded.

Commissioner Leary said he's been advocating for a restaurant on the riverfront for some time. It is part of any revitalization effort. The proposal for a combination restaurant/environmental center/water taxi amenity is phenomenal. It offers access by boat, vehicle or on foot. He was involved in the permitting on Corky Bell's and he has many friends who come by boat from Jacksonville. The FDEP superintendent is from Jacksonville and he doesn't believe that will be a problem. Riverboats pick people up from the riverside. This type of facility is a key to economic redevelopment for downtown. Earlier in the week he met with the engineer that worked with Mr. Redd, who is world-renowned as an architect and planner. He said they believe that the whole key to redevelopment of the riverfront is having a restaurant with all three types of access.

Commissioner Kitchen said as to the Michael Redd plan, they accepted the design by concept and the City attorney stated several times that acceptance of the plan did not constitute approval of the entire plan, and the components would have to come back to the Commission for approval. They have approved the landscaping and moving the clock tower, which will likely not now happen. They received a list of priorities last year on these improvements. #1 listed was moving the clock tower, but Commissioner Norwood felt the children's park was the most important. The June 26 Commission meeting minutes show on June 20<sup>th</sup> GP presented the idea to the Community at the Price-Martin Center. All members of the Commission were there with the exception of Commissioner Leary. They discussed it on June 28. They approved the

Memorandum of Understanding on June 26, specifically negotiated by Mayor Myers, Mr. Czymbor and Mr. Griffith on behalf of the City. At the time the notion was passed, which she made, they instructed GP to bring the MOU back to the City Attorney, to bring back to the Commission for final approval. As to the ferry boats, she finds it interesting that anything the Commission wants to do they use the ferryboats as a "carrot." It will be quite some time before the ferry boats come to fruition. A month ago they passed a plan to apply for a grant for docking facilities and a restroom. As to the riverfront, there are two issues; 1) are they going to accept the Center and move it to the 100 block, or 2) are they going to put buildings on the riverfront with taxpayer funds? She recalls the City buying the parcels on the riverfront so that the public would have an unrestricted access and view of the river. Various people during various studies have talked about putting buildings on the riverfront park. Anytime they've talked about putting a building on the Riverfront, people have come to meetings to object. They are now talking about moving another government facility to the riverfront. She believes if they vote tonight to move this location, they need to advertise it to give the citizens an opportunity to provide input. It is true that this building will generate no taxes in either location. G-P said they had to keep a current display at this building. She noted Joe Pickens said the college is still committed to putting classrooms downtown and Melissa Miller said it was a great idea to have a classroom for an environment class. There are multiple events that bring in visitors to the riverfront. She doesn't think they can vote on this particular issue tonight. The Commission has stated many times they will never put anything not public on the riverfront park. They need workshops on this to determine how it will affect events. If it has a cost and is a liability on one spot, it will have a cost and liability in another location.

Commissioner Brown said they have done nothing but talk about redevelopment for many years. Wherever G-P wants to put this building, they should put it there. The reason the riverboat keeps being brought up is because there's money in those grants for dockage and other things. They'd have to leverage other funds to put any type of building there. They need to put something on the ground. They need an anchor building there. The City needs to do whatever it takes to get something on the ground. This building will attract people year-round. They can pay senior citizens to man this building.

Commissioner Leary said he hears people tell him all the time that a restaurant on the river is a good idea. Per Mr. Griffith, built-out the building is under 10,000 sf. This is not a tremendous amount of property. The majority of people voted to elect this Commission and they are charged to make the best decisions based upon their ability and experience. If they lose this, they can wrap up any response to an RFP on the 100 Block; there is no economic development money out there, even with incentives. He concurs they need to make a decision and move forward.

Mr. Czymbor said Commissioner Kitchens talked about this building being tax exempt; a portion of the facility that is a non-governmental entity will be taxable. Commissioner Kitchens said she understands this. She wonders what Beef O'Brady's will think if they build a competing business. Mr. Czymbor said they could put museum staffing provisions in the lease and that would save the City that \$40,000 per year, as the tenant would pay that cost.

Christy Sanford said there seems to be two issues. You cannot compare an environmental center to a jail and home for indigent people. The Mississippi River has 70 environmental centers along its banks. This can be used by scientists to take people on tours. This is the coming thing. They should not forego G-P's proposal just to have a restaurant in it if they are dead set against it, but it's a charming concept. She thanked Commissioners Leary, Brown and Mayor Myers for wanting to bring higher educational opportunities to Palatka. This is not a bass tournament or a beer fest. Commissioner Kitchens said she was not comparing the Center to a home for senior citizens or a jail.

Commissioner Norwood asked if they've accepted the building. Mayor Myers said they have a Memorandum of Understanding with G-P, albeit non-binding to allow this building to be built. Commissioner Norwood said it needs to be a place of synergy and commerce. They can't lose sight of what the building is intended for, and that's education. When they start talking about location, they held meetings with the public to determine what they want the riverfront to look like. Some individual did and some did not want a restaurant on the riverfront. They are charged with making the decision on where this building will go. He asked the Commission to stay focused on the location of the G-P building.

Commissioner Leary moved to recommend and include in the final MOU that the G-P building be located on the riverfront property, with the fallback location at the corner of Memorial Dr. and St. Johns Ave. Commissioner Norwood seconded the motion. He noted he bases his agreement on GP's position that it doesn't matter where it is, as long as it moves forward. Commissioner Brown asked if G-P is alright with this change; she is fine with either location.

Trish Bowles, G-P, said it is not their intent to be a burden on the City; they'd like to move forward with the original location, but whatever the vote is, they will work with the decision, as long as they have the fall-back location assured.

Commissioner Norwood said one of the reasons they bought the Highrise property is because this was prime real estate that is not on the tax roll, and they wanted to put that property back on the tax rolls. This prime real estate is not now on the tax roll. They need to get this property and the 100 Block back on the tax roll. Commissioner Kitchens said when she said a lot of people were against anything being built on the riverfront, she's talking about the 125 of 200 people who were against anything being built on the riverfront during the planning meetings. Mayor Myers said they are only considering the G-P building location. Commissioner Brown asked if this will have any effect on those using the waterfront for fishing and recreation. Mr. Griffith said it will not; it is a public access building.

There being no further discussion, a roll call vote was taken with the following results: Commissioners Brown, Leary and Norwood; yes. Commissioner Kitchens and Mayor Myers; no. Motion to approve the change of the proposed location of the G-P Environmental Education Center to the riverfront property, with a fall-back location at the corner of Memorial Drive and St. Johns Avenue, was declared passed, 3 in favor, 2 opposed.

#### 15. **COMMISSIONER COMMENTS**

Mr. Czymbor said he attended the Palatka Gas Authority's meeting last week where they adopted their budget. They talked about compressed natural gas vehicles, and they offered compressed natural gas for \$1.77/gallon, which is quite a bit less than what the City now pays. They made a request to hold a workshop with the City Commission to discuss the ordinance relating to the City's authority and the establishment of the Gas Authority.

Commissioner Kitchens said tonight a historic vote was held; she is saddened to hear that the Commission took a vote on something that was not properly advertised. She said this is a sad night for the citizens of Palatka. She apologized to those who voted for her. She believes it should have come back for a more formal discussion and that it likely will come back.

Commissioner Brown said that the options are there for G-P; they have their fall-back location. They need something down there on that location.

#### 16. **ADJOURN** – There being no further business to discuss, the meeting was adjourned at 8:55 p.m. upon a motion by Commissioner Brown.

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