

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 BUDGET WORKSHOP
August 29, 2013 at 4:00 p.m.

Proceedings of a special called Workshop meeting of the City Commission of the City of Palatka, Florida, held on the 29th day of August, 2013.

PRESENT:

Mayor	Vernon Myers
Commissioner	Mary Lawson Brown
Commissioner	Allegra Kitchens
Commissioner	Phil Leary (arrived at
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; Fire Chief Mike Lambert; Planning Director Thad Crowe; Water & Sewer Distribution Superintendent Rhett McCamey; Streets & Sanitation Supervisor Ed Chandler; WWTP Superintendent Brian McCann; Water Treatment Plant Superintendent Melvin Register; Golf Course Manager Andy Hartz; Main Street Manager Charles Rudd; Palatka Gas Authority Manager Don Kitner

CALL TO ORDER: Mayor Myers called the meeting to order at 4:00 p.m. and read the following call, dated August 2, 2013:

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

You are hereby notified that a workshop meeting of the Palatka City Commission is called to be held on August 29, 2013, at the regular meeting place of the Palatka City Commission, Palatka City Hall, 201 N. 2nd Street, Palatka, Florida, to commence at 4:00 p.m.

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

/s/ Vernon Myers
Vernon Myers, MAYOR

The following Commissioners acknowledged receipt of a copy of the foregoing notice of a special meeting on the 2nd day of August, 2013.

/s/ Mary Lawson Brown
COMMISSIONER

/s/ Phil Leary
COMMISSIONER

/s/ James Norwood, Jr.
COMMISSIONER

/s/ Allegra Kitchens
COMMISSIONER

INVOCATION: Commissioner James Norwood, Jr.

PLEDGE OF ALLEGIANCE: Commissioner Phil Leary

BUDGET REVIEW – Mr. Czymbor said one of the most important tasks the Commission has all year is to develop the annual budget. This is the third workshop for FY 2013-14 Budget Development. Two weeks ago Mr. Reynolds delivered a line-item proposed budget; there have been some changes which will be highlighted today. They will hold two public hearings on the budget in September before it is adopted.

A power point presentation was shown, narrated by Mr. Czymbor.

City Hall Administration has been separated by Administrative departments to track their spending. Pursuant to a Code change in 2003, the commissioner salaries were made part of the Step-in-Grade Plan, so when employees receive a raise, commissioners will also receive an increase. The commissioners' salary will increase to \$15,768 and the Mayor's salary will increase to \$21,169. Each commissioner has a \$1,000 travel allowance, except Commissioner Brown, who has a \$2,000 travel allowance.

City Manager's Office has transferred a position to Building & Zoning.

The Clerk's Office has requested four capital items; \$5,000 for two code updates; \$4,600 for a new website (total \$9,000); \$5,000 for agenda management software; and, \$6,200 for digital records management. Commissioner Norwood asked that the Municipal Code be installed on individual tablets.

Finance Department: No changes from prior fiscal year.

Facilities Maintenance Department: This is a newly created department. The City has a portfolio of buildings and employees have been assigned to do maintenance on these buildings. This is a current employee and another skilled employee. This department will also do janitorial services. Regarding last year's cost for these items compared to this proposed system's cost, Mr. Czymbor said there is no true way to track this expense due to its fragmentation.

Information Technology: This department has been created. There is almost \$62,000 budget for capital expenses for upgraded technology. These are definitely needed.

Legal Department: Mr. Holmes has been with the City since 1999-2000 under an Agreement. He receives a retainer, health insurance, and then he bills the City at an hourly rate. He will be renegotiating a contract with Mr. Holmes for his services. Mr. Leary said he would like to see how this compares to hiring a full-time attorney. Commissioner Norwood said he would like to see all contract and legal documents go to the City Attorney prior to the Commission Meetings. Mr. Czymbor said all contracts do go to the City Attorney prior to meetings with very few exceptions. He and the City Attorney believe he needs to dedicate more time to City's services. Commissioner Leary said he would like to see the Attorney's comments a few days prior to the Commission Meeting; currently they get them during the Commission meeting. Commissioner Kitchens said there have been some miscommunications with his office; there was a wrong e-mail address being used for a while. She goes over all contracts with him and said he doesn't see ordinances in advance sometimes. Commissioner Norwood said department heads need to get these contracts to Mr. Holmes in a timely manner to review prior to the meeting.

Mr. Czymbor continued on other governmental services, which covers such expenses as fireworks, general liability insurance claims and annual allocations for organizations. Planning, Building & Zoning will take more of an urban service approach through an Economic Opportunity Grant. The Project Manager's position was transferred to that department from the City Manager's office.

The Police Department has recommended a reorganization and two promotions are proposed, creating a captain and lieutenant position, plus two part time persons for the red light camera program. These two positions are funded through those revenues. He's also budgeted \$33,108 in capital outlay for a K-9 unit.

Code Enforcement has become a sub-department of the Police Department, transferred from Planning, Building & Zoning and they have increased schooling and conference expense to train police officers as code enforcement officers.

Fire Department is looking at purchasing two utility vehicles at \$152,000, half-funded by grants.

Streets Department received a small engine mechanic position, which was transferred from Water & Sewer.

The Cemetery Department is being reorganized; this will address staffing and improve processes. Mr. Chandler will be responsible for all landscaping, grass cutting, minor repairs and maintenance. Those employees will report to Mr. Chandler. There is no staff reduction contemplated in either Parks or Cemeteries. Commissioner Brown noted cemetery work takes skilled workers who are available on a moment's notice.

Facility rental and special event permitting, which formerly fell under Parks, will be supervised by Mr. Crowe in Building & Zoning.

As to a cemetery sexton person, Ms. Wright has been assisting Mr. Norton with these duties, so she will be evaluated to determine if she has the skills necessary to perform this job. The goal is to digitally map all cemeteries in order to improve the system. Commissioner Norwood said they need a compassionate individual who can spend time with families while making arrangements. Mr. Czymbor said this is a work in progress. There will be better accountability and their goal is to improve the process.

Cultural Services: This includes the City's cultural-type buildings (Train depot & museum, water works, etc.) and saw a slight increase in maintenance expense last year. This may increase even more. There are overdue critical repairs that need to be made on these facilities. Commissioner Kitchens asked to look at opening facilities more often for tours. Mr. Czymbor said the Chamber is sponsoring a City recruitment brochure which showcases the City's assets, for people who come into town to visit. The City is also centralizing and marketing facilities.

Bronson House: Guy Tillis has retired effective Tuesday of next week. They are focusing on not a live-in caretaker, but someone who can actively market that facility. The goal is to get the property rented and available for use. This is part time position. The Historical Society is partnering to staff this facility. There will be a bonus incentive for renting the facility to supplement the salary. Commissioner Brown suggested using senior citizens to supplement these services. Commissioner Kitchens said she is very concerned that no one will be living at the house. If a pipe breaks inside the house, the damage could be massive, and break-ins would cause damage prior to a response. She believes that they need a person living full-time in the house and maintaining it. They really need to think about this. Mayor Myers concurred; it doesn't have to be the "docent", but should be a responsible and respectable individual.

Parks & Recreation: There has been a prison crew removed, and a reorganization going on in this department which has already been covered.

Discussion ensued on the logistics of removing the prison crew. Commissioner Norwood asked how cost effective it is to do away with a prison crew versus paid employees. Mr. Czymbor said they asked if the Warden would allow the City to supervise the prison crew in order to save the \$58,000 per crew. When they looked at the actual number of work days they showed up and how much supervision the City had to provide, they just decided it was not worth renewing the \$178,000 in contracts. One work squad with one supervisory employee working alongside, plus some work source personnel, will better serve the City. Commissioner Norwood said once you let these contracts go, they are difficult to get back. Mr. Czymbor said there will also be surplus vehicles they can dispose of and won't have the gas and insurance expense. Mr. Griffith is developing standards and has a keen interest in how things look. Commissioner Kitchens concurred with Commissioners Leary and Norwood, saying it was not cost effective for the City to do the work themselves. They need to be sure the City staff has time to absorb these duties without working overtime. Commissioner Norwood said they have downsized by attrition and they don't want to give up services to the public.

Better Place Plan Highlights: Mr. Reynolds said Better Place funds will be split out into a separate fund. The DOC work squad will primarily be used for sidewalk improvements. Funds are set aside for boat ramp parking improvements, street resurfacing and streetscaping, a water taxi terminal facility, and funds for the GP Environmental Center. Discussion ensued regarding repaving St. Johns Avenue and annexations between 19th Street and Palm Avenue. Mr. Reynolds said that is will be addressed through part of the EO grant that B&Z has received. Other fund are set aside for grants for two FEMA drainage projects, water taxi refurbishment, and a Larimer Center roof repair & weatherization grant they expect to receive from USDA. It was noted that if grant funds are not available, those funds will be used elsewhere. Discussion ensued on using CRA funds for this project. Mr. Reynolds said they are looking at funds for St. Johns Avenue streetscaping (engineering only) from the train tracks to Moseley Avenue, Bartram Trail project, River Street striping and Laurel Street striping.

Debt Services expenditures in Better Place are for Frank George Apartments loan and Golf Course debt service transfer. Those expenditures were reduced through debt restructuring.

Discussion ensued regarding drainage issues on St. Johns Avenue. Mr. Reynolds said the 9th Street drainage issue is on the FDOT list, but it may be a while before they get to that part of the list.

Regarding street striping, Commissioner Leary said if they are going to continue to promote the City's bike trails, they really need to look at striping for bike lanes. Commissioner Norwood asked to place the underpass issues on the Legislative agenda for the purpose of asking the Delegation to put pressure on FDOT to get this done.

Airport: No major changes to personnel or operating expenses. Capital improvement projects included are \$166,667 for the annual General Aviation project and \$400,000 for eight additional T-hangars. Both these projects are all or partially funded through FDOT/FAA grants. As for the debt service, this decreased almost \$45,000 due to refunding of those loans.

Water & Sewer Fund: As noted during previous workshops. Rates will increase 10%; late payment penalty goes from \$4 to \$5, and they will be increasing septic dumping once cent per gallon. These rates are in line with counties surrounding Putnam County. Per discussion, a study will be done to determine what it costs to treat this water and if this rate covers that cost.

Revenues anticipated from riverfront redevelopment projects were shown; these are impact fees (water, sewer tap fees and impact fees). Total estimated revenues \$143,043.

Water Plant: Through an employee's retirement, they were able to add an additional mechanic trainee. Capital outlay includes funds for a well motor replacement, well cleaning and replacement pump, pump house roof repairs and a server upgrade.

Wastewater Plant: Capital outlay includes \$70,000 for St. Johns & Hwy 19 reuse line repairs. They are pursuing partial funding from SJRWMD, but that may not occur. Mayor Myers said they need to find a way to make this happen. Mr. Reynolds said they have built in \$25,000 for a new service truck. They are considering establishing a wastewater reuse fee schedule in order to begin charging for that service. Mr. Norwood asked if they are looking at expanding the reuse system. The answer, in short, was they are looking at this expansion and are seeking funding for this.

Water Distribution Department: two positions were transferred out of that department. One went to Streets, and one went to Facilities Maintenance. Capital Outlay required a higher level of funding for pipes & fittings for fire hydrants. Funds are included for sewer camera tractor repair and AMR meters that still need to be changed out. \$925,000 is budgeted for 15th & Oak Street water line replacement, \$788,107 of which is to be funded through grants.

Commissioner Norwood said when they find lines that need replacement, those need to be scheduled for replacement and not just patched. They need a plan for replacement of these lines.

Water Administration at City Hall shows no major changes are scheduled. They are looking at combining the Gas Authority's customer service department with the City's customer service department.

Golf Fund: There are funds set aside for kitchen improvements. Revenues are remaining the same even with the leasing of the food and beverage. The Golf Club will continue to operate food and beverage for the first quarter of next year, and then the restaurateur will take over. A transfer from Better Place of \$152,355.00 will cover debt service. There was a debt service reduction of \$429,535 from debt refinancing. There is a decrease in operating expenditures by around \$100,000.00. The net effect is a reduction in the transfer to cover the deficit to around \$77,000.

As to Sanitation, there is a proposed rate increase of 10%. Mechanics in the Maintenance Department will perform service work on all police vehicles. Capital outlay includes \$10,000 for a vehicle lift. It also includes \$250,000.00 for a new CNG front loader.

Mr. Czymbor said they are looking at doing city-wide recycling and entering into an independent contract with a recycler. Commissioner Leary said they met with Waste Pro representatives who are enthusiastic about that.

Health Insurance: Mr. Reynolds said he plugged in an increase of around 22% based upon preliminary estimates provided some months ago. They now know they are looking at a 35% increase. He showed a difference in those costs between what is being paid now and what is anticipated. Discussion ensued regarding the Florida League of Cities providing an insurance quote. Mr. Czymbor said Monday they were told the League would not be providing the City with a quote. They have one employee with some serious health issues, which they are concerned about, and the underwriter declined to quote. Next year the League will re-evaluate this decision. City representatives will be meeting with Bates & Hewitt; they are extremely disappointed with the effort he has put out in getting the City a competitive quote. At this point it

is not looking as positive as expected. They are recommending instead of a 3% salary increase, adjusting it to a lower amount so as to take care of the additional cost.

Discussion ensued on the selection of the Bates & Hewitt as Agent of Record versus Brown & Brown. Commissioner Leary said he'd like to look at this again next year as the City should not sacrifice health care costs for employees for the sake of using a local agent.

Discussion ensued on reasons for the increase and claims experience. Due to claims experience, this year the City was hit with a considerable bill for claims overage.

Continuing, Mr. Reynolds said it was consensus of the Commission to build a salary increase of 3% into the budget, plus he's accounted for additional health insurance premiums. The two last lines show the changes in reserves; the decrease is due to salary increases and increases in health insurance costs.

Commissioner Norwood said the employees have done a great job with no salary increases since 2008. They need to do everything they can to see that they get the 3% increase. If they need to make up a deficit for insurance coverage, they need to consider all other options to fund that increase. It was the consensus of all commissioners that employees are long overdue for a salary increase.

ADJOURN – There being no further business to discuss, the meeting was adjourned at 5:20 p.m. upon a motion by Commissioner Kitchens.

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