

Proceedings of a General Fund Budget Workshop meeting of held on the 22nd day of July, 2004.

PRESENT:	Mayor	Karl N. Flagg
	Commissioner	Mary Lawson Brown
	Commissioner	Hernan Azula
	Commissioner	James Norwood
	Commissioner	George Sanders

ALSO PRESENT: City Manager Allen R. Bush; City Attorney Donald E. Holmes; City Clerk Betsy Jordan Driggers; Finance Director Ruby M. Williams; Police Chief Gary Getchell; Fire Chief Ken Venables; Planning Director Adam Mengel, Parks Supv. Jeff Norton, Streets Supt. Ed Chandler, Cemeteries Supt. Larry Hartman

Mayor Flagg called the meeting to order and read the following call:

TO MESSRS: MARY LAWSON BROWN, HERNAN AZULA,
JAMES NORWOOD AND GEORGE SANDERS:

You are hereby notified that a special called meeting of the City Commission is called to be held at the regular meeting place of City Hall, 201 N. 2nd Street, Palatka Florida at 3:00 p.m. Thursday, July 22, 2004. The purpose of the meeting is to hold the General Fund Budget Workshop for the fiscal year 2004/05.

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

We acknowledge receipt of a copy of the foregoing notice of a special meeting this 22nd day of July, 2004.

/s/ Mary Lawson Brown
COMMISSIONER

/s/ Hernan Azula
COMMISSIONER

/s/ James Norwood, Jr.
COMMISSIONER

/s/ George E. Sanders
COMMISSIONER

INVOCATION - Commissioner Sanders

PLEDGE OF ALLEGIANCE - Mayor Flagg

GENERAL FUND BUDGET - Opening Remarks - Mr. Bush said the recommended millage is 8.0 mills, which has not changed from 03-04. The rolled back rate is 7.605 mills; by maintaining the millage rate this results in an increase of around 5% in the millage rate. Also, in the Revenues Section of the proposed budget there is a reference in the last paragraph concerning the possibility of a Homestead Exemption increase, which is no longer relative. The Supreme Court has removed this from the ballot; however, it may come back at a future time, so he would still like to consider the alternatives he speaks about, such as fees, etc. In addition to fire service fees, the Commission wants a master plan for needed improvements to facilities, specifically City Hall, B&Z, Fire & Police complex on 11th Street, and the City Lot. He will get into that in the CIPs.

GENERAL ADMINISTRATION - Mrs. Williams presented the budget and CIP for General Administration; they have included half of the cost of the Improvement Plan in the Gen. Admin 04-05 budget year; these figures are approximate. The other half is included in water administration, which is an Enterprise Fund. Those are the only major improvements at this time. Mr. Bush noted on Pg. 17 they will see a list of donation requests the City has budgeted for historically. SJRWMD has put in a request to increase their donation from \$1,250 to \$5,000 for WAVE funding, and Mr. Bill Watkins is here to speak to that request.

Bill Watkins, SJRWMD, thanked the City for its support for this program since 1994-95. Since that time the program has grown; this program covers the entire county. He is

asking the City to increase its contribution to \$5,000. Mayor Flagg noted the County is also donating \$5,000, which is disproportionate. The City has 11,000 citizens and the County has 75,000; city residents also pay county taxes. Mr. Bush said the City provides office quarters for the WAVE coordinator; this is an in-kind contribution, which has value that can be used towards matching funds from other organizations. Mr. Watts said the matching is on cash only. They can get up to \$10,000 local match for the program. That is where they are running short. Mr. Bush asked if the City can actually begin charging them rent, and the City can then donate the rent back to make it a wash. Mr. Watts said that is not his directive; they have lost some of their big contributors such as GP and Seminole Electric, and they need cash contributions. Mr. Bush noted this is a very tight budget year; they will do what they can, but at this time the amount budgeted is \$1,250. Commissioner Brown noted that the Caring Center is not on this list, and they will need their donation. Mr. Bush noted they have not requested funding via a letter, which was the directive of the Commission last year. They did not request funds during 03-04. Commissioner Brown said they will be getting their request in. Per the question, Mr. Bush said they are using the Step in Grade plan for budgeting purposes for raises, etc. Per discussion on insurance expense, there is a separate line item for insurance in each department's budget. There is a reserve fund set aside for insurance claims; money in the General Fund usually gets transferred to other departments when their insurance claims funds run out.

Commissioner Norwood noted the shortfall in the funds received for the 4th of July Fireworks. He received a memorandum noting the City will begin raising funds six months prior to the event; he believes that the City should begin raising funds now while it is fresh in people's minds, and while most companies are putting their budgets together. Mr. Bush said he has spoken with the Main Street Manager about this. Mayor Flagg said they need to find a corporate sponsor and get a group of citizens together with experience in these matters to coordinate the fundraising. They don't need to devote a staff person full-time to raising funds for this. They need to know by December what kind of funds they will have available. Commissioner Brown said they had talked about getting a grant for marketing the City. They need to do videos, brochures, etc. to promote the town. Many towns do it. They need to choose some things to showcase and do it. Mayor Flagg noted that the Tourism Development Council is doing promotions now; they can look for grants to help them with this task. Commissioner Norwood concurred with Commissioner Brown, saying he had seen a brochure in a hotel in N. Carolina touting Gainesville and its murals and natural resources. Mr. Bush noted that those promotional items are paid for through bed taxes and the like. Commissioner Norwood said they should focus on brochures. Commissioner Brown said OTTED has funds available. She had asked to have a contest to choose a photo for postcards. There are ways to do this; they just need to find them.

BUILDING & ZONING - Adam Mengel presented his budget and CIP. He said there are rumors abounding of strong commercial growth, which are being substantiated by the inquiries his department is getting. They have received many calls lately from developers. The Hwy 19 corridor is the main target point. They have asked for a voice mail system, which was carried over from last year, and a credit card system, possibly on the internet. He has budgeted \$10,000 for structural issues for the Annex building. The architect has agreed they need an engineer's review on the structural soundness of the building. The roof renovation is proceeding as planned through Better Place Funds. The rest is computer and auto replacement. Per the question, Mrs. Williams said City Hall does not accept credit cards due to the cost of set up and cost of fees to use the credit card, which they are not allowed to pass on to the customer. The same applies to debit cards. The City's Software system is not set up for automatic debit payments. Mayor Flagg said they should be looking at that. Mrs. Williams said they would have to change their hardware system, which is budgeted for 2005-06; it will cost between \$250 - \$300 thousand. Commissioner Sanders said the fee comes down as the volume of use goes up. Mayor Flagg suggested installing an ATM in the lobby. Per the question, Mrs. Williams said although the fee for credit card use is only 1%, that can add up, as evidenced by charges for the Golf Course and Airport. It would not be fair to customers who don't use credit cards to increase water rates across the board. Mayor Flagg said they need to provide customers with the most current services they can. They need to find a way to do it and just pursue it.

POLICE DEPT.- Police Chief Gary Getchell presented his budget and CIP. CIP items for 04-05 consist of replacement items. They are working with partners and grant opportunities to assist with funding a new PD headquarters across from the Palatka Post Office and plan to give the existing building to the Fire Department for their expansion. Per the question, Homeland Security grants are available almost exclusively to large metropolitan areas. There are grants available through HUD. The building would have a multi-purpose use, and they have talked about locating other departments in the building. Per the question, Passero's engineers have not yet contacted him. Chief Getchell said they are going to a more mobile type of department, which is a sign of the times. If the Intrastate Plan comes to fruition, 11th Street will not be accessible from Reid Street. Commissioner Brown noted she would still like to see the PD open nights and weekends. Chief Getchell said it would take approx. \$225,000 to staff the PD nights and weekends; he would like to see it open, but without more money to hire additional people, they can't open it. Mr. Bush said they closed the PD nights and weekends and gave money to the County for central dispatch, so the officers would be out on the streets and in the community. Commissioner Brown said people would feel safer if the PD was open 24/7. Chief Getchell agreed and said that is one of his top 10 complaints. This was a policy decision made by administration long before he came here. He would prefer to have his own dispatch center. The recurring cost for equipment, etc. is funded by the 9-1-1 comm. tax. The city would have to fund the positions. It is not advantageous to the County because they would have to fund part of the equipment and would lose the funding they get on our behalf. He is very familiar with operating a dispatch center. After the initial cost of the equipment, the main cost is the personnel.

As a point of information, Chief Getchell said the FCC decided to sell off its VHF public safety channels. The SO has just found out he will be losing SO primary channel. The PD cannot handle that traffic on its channel. There will be some significant equipment costs coming down the road, which the City and County will have to absorb. He has expressed his concerns that no elected officials are sitting in the meetings they are having on this subject. He does not set policy, but does bring them options. They are going to be losing their VHF channels, and will have to go to UHF channels, which means a significant expense to the City. He does not have that much input into these talks, as he does not control dispatch. Commissioner Brown said the City does things better than the County, and takes care of its citizens better. This warrants a hard look. Chief Getchell said funding for this type of operation is significant. Mr. Bush said this is a very poor city with limited revenues; he has not heard anything about this proposal. He said that Chief Getchell has made statements that the Palatka PD is ahead of other cities technologically. They need to sit down with the County and advocate for more input. Mayor Flagg suggested they revisit the Interlocal Agreement with the County on dispatch and insist on more control. The citizens' concern, when dialing 911, should be that they are going to get some service. He is willing to sit down with the County Commission and staff and evaluate what they have and what they need. Commissioner Brown asked that they also talk about rescue services in the City.

As to capital costs, Chief Getchell said they have built in expense for greater PD security. In the absence of 24/7 operations, they need security cameras and a loop monitor, and the ability for the SO to see who is at the phone calling for help after hours. As to the expense it would cost \$15,000 for equipment. Mayor Flagg suggested they move that up to 04-05 and start on that immediately. Chief Getchell also talked about the installation of Police Call Boxes; they are \$3,000 each. The College is installing them around its campus now.

Chief Getchell said if they can't fund a new PD, he has included costs in 2005-06 for renovations. Much of the electrical wiring does not meet code. Renovations are always more expensive. Also he would like to turn the gun range into a regional training center, which would bring revenue into the City. The building is an eyesore and has code violations. Mr. Bush said they will move the surveillance system up to 04-05 and will fund it with Better Place funds.

Chief Getchell said the state is doing a lot of cost shifting; he received a letter from the Clerk of Courts that all cases will require a \$10 filing fee. If the City is the victor, the remainder of the cost, or \$40, will come from the defendant. If the city does not win its

case, the City has to absorb it. The Code Violation bill was struck down. The City is not set up to cut a check every time they need to file a case. He did not budget for this, as he only found out yesterday.

As to juvenile offenders, Chief Getchell said it is difficult to get a child incarcerated; the PD has to now provide the transport to get them to a facility. JJD will reimburse part of the cost of transportation. At present, the PD is bringing 'on-call' personnel in on an overtime basis for transportation.

Chief Getchell said commercial service demands are growing. The Commission adopted the Police Dept.'s 5-year plan. As part of that plan they have cut some non-law enforcement related services to create time for proactive policing, which he has accomplished. They are seriously going to have to look at adding personnel as the commercial growth comes. They have to look at adding personnel in the next few years or start looking at services to cut. When Home Depot opened up, they immediately started generating calls. Wal-Mart had 724 calls for service last year, which is up 400 over the year before. When a store doubles in size, their calls double. 60% of their calls require no police action, which is what they now use PSAs to answer. Next year they will get Byrne grant funds to continue that program.

Commissioner Norwood said he has been talking about growth impact for the last year, and he has yet to see an impact report. They need to make a plan to increase staff in all departments eventually. They collect impact fees, but they don't get a report on what impact these new businesses and residences are having on the community. Mr. Bush said they need to get the revenue coming in before they can increase services and personnel. The PD is spending impact fees each year. Those fees are not going to offset the cost of adding personnel. The impact fees are set by the Commission for fire and police, and are not enough to offset something like a Wal-Mart. Chief Getchell they did a staffing report last year; they can calculate the impact that specific new businesses will have on the PD, such as a Home Depot. It is based upon a formula that calculates calls per square foot of service; it is very accurate. There is a formula for retail, Section 8 housing, public housing, upscale housing, etc. Commissioner Norwood said they need to plan for the impact on police, sanitation, water, etc. before budget next year. Mayor Flagg said we do not need to guess about what impact growth will have upon the City. Meetings need to be scheduled to discuss impact. They don't need to wait until it happens. Proactive discussions need to start happening.

FIRE DEPARTMENT - Fire Chief Ken Venables presented his budget and five-year CIP. This budget, as proposed by the City Manager, is very do-able. Per the question, they do solicit partnerships within the community and give businesses the opportunity to sponsor educational programs, which are in high demand. The School Board also participates in the cost. Per the question, Mrs. Williams noted the money the Department receives from the Bingo donation covers 60-70% of the costs for those programs.

Chief Venables said the first 5-year plan is for apparatus and equipment (filed). None of this is 'hard and fast;' they reevaluate the condition of their equipment periodically and try to plan accordingly. They are looking to replace the medicals pick-up truck and air supply truck in 05-06 and the brush truck in 06-07. There are two big purchases; one is the snorkel/ladder truck, scheduled for 06-07, which will cost around \$750,000. Per the question, Chief Venables said he believes the truck will hold up until that time. They do have minor maintenance issues, and there was a problem with the lights, but those have been corrected. After discussion, Mayor Flagg said he believes the ladder truck replacement should be moved up to as soon as possible, as this is the only one in the county, and it has to respond all over the county when needed.

Chief Venables presented a 5-year personnel plan. He said their duties are labor-intensive. ISO assigns each department an ISO number from 1 - 10, 1 being best and 10 being worst; currently Palatka is a Class 5. Putnam County's stations are at Class 9 or 10. This is ISO's recommendation for staffing; if this is met, they could obtain a Class 4 rating. For each position created they have to hire 3.4 people. They can hire 3 and budget the rest for overtime. He proposes hiring 9 firefighters for Kay Larkin, which gives them extra personnel for each truck. They are getting a lot of smaller growth, which is

impacting them more significantly than the larger growth, especially when the buildings are not new, but renovated. They don't have reliable mutual aid around them. They are pretty much on their own when it comes to responding to fires. Consistently they have two or more runs in progress several times a week. A fire alarm typically takes all their people from both stations. This is a five-year plan; people cost money. The newest technical equipment is good, but it takes people to operate it. Per the question, in order to implement this plan, he would have to combine 04-05 with 05-06, which is not realistic. Mr. Bush said the City is scraping the bottom of the barrel as it is. They would have to increase the millage to fund this. They need to seriously look at fire service fees to cover this. Chief Venables said currently the Fire Department takes up 5 mills of the current millage; if they go to a fee, the City will be able to reduce millage rate and/or free up other monies for other operations. In 1992 the Commission passed an ordinance providing for a fire service fee, but it has never been implemented. Per the question, once this budget is adopted, they can begin implementation of a fire service fee. Mr. Bush said they are working towards this. Discussion ensued on whether or not the fee would be billed through the tax assessor's bill or utility bill; either are options.

Mr. Bush said the City needs to look at the fire service fee very seriously. It allows everyone to pay for services they receive, and it will enable the City to cut the millage rate. Commissioner Azula said Palatka is technologically behind; even at a movie theater you can pay for your ticket with a credit card. They are always trying to catch up. He agrees that they need to increase police personnel. Agreements with the County need to be revised. They need to provide citizens with the best available services. Mr. Bush said they are also very much ahead of the curve on certain aspects of City services; they are always getting commendations from the League for their innovativeness. They know they will be purchasing a new software system in a couple of years, which will enable customers to make electronic payments. Per the question, Mr. Bush said the software system purchase is planned for 2005-06; they can go ahead and install credit card capabilities now.

Mayor Flagg said these are efficiency items; he asked Mr. Bush to call a department head meeting and discuss putting this technology in place and when it can happen. If the money is not there, they need to know that. They need to be having these discussions. They need to prepare for the growth.

STREETS DEPT. - Ed Chandler, superintendent, presented his budget and CIP. Capital Outlay reflects new pick-up trucks, a bush hog and backhoe. There has been a shortage of concrete, but that is lessening now. The Better Place Funds have enabled them to do some paving and street sign replacement, which has been a boon for his department. Per the question, Unit 90 will be replaced with a new or nearly new truck. Commissioner Norwood expressed his concern about purchasing used equipment. Mr. Chandler said this truck doesn't have to be a 3/4-ton truck. This is for working on right-of-ways. Mayor Flagg said they need a 'fleet replacement master plan' to get the equipment rotated on a regular basis. The trucks look raggedy, and it will be cheaper to replacement them on a regular basis or transfer them to another department with lighter use than keep them and absorb the higher maintenance costs.

CEMETERIES DEPT.- Mr. Bush explained the difference between operating cemeteries as either a general fund department, or an enterprise fund department. Currently the City operates it as a general fund department; at this time it brings in approximately 90% of its revenue. Enterprise fund departments ideally pay for themselves. Mayor Flagg said if pre-sales are added, that money could go into an interest-bearing account. He would like to see a recommendation on this at a future meeting so they can consider taking this department to an enterprise fund status.

Larry Hartman, Supervisor, presented his budget and CIP. He outlined an expansion into a vault sales program. Per discussion, commission consensus to have Mr. Bush come back to the Commission with a plan to go to a full-service cemetery program, including competitive vault sales, within the next few months. Mr. Hartman outlined his proposed rate increase, which will still keep their fees lower than anyone else's. At this time, they are very much lower than their competitors. They have not raised rates since they opened Oak Hill West. The lot costs will remain the same. The total cost of a space will be

\$915.00 for purchase, opening, closing and deed recording. Mayor Flagg said they need to raise rates incrementally instead of holding them the same for many years and then taking large increases. Mr. Hartman said he needs additional staff; Mayor Flagg said that is not a reason to raise rates. They need to do a survey and more studies. He knows they need to increase rates, but does not know what they are basing their proposed increase upon. They don't have a pre-need plan, which generates additional funds. After discussion, Mr. Bush said the budget will be passed in September for rate increases effective October 1. He will come back at a prior meeting with a recommendation for increases, which will be reflected in the 04-05 budget.

PARKS DEPT.- Jeff Norton presented his budget and CIP. He shows a new a/c unit for the Bronson House in 04-05. They are looking at a grant for Price Martin for refurbishment and renovation. He included a separate attachment showing a floor plan for renovation. This includes replacement of the curtains and kitchen appliances. They have discussed making the building more of a 'Weed & Seed' center and community center.

There being no further business to discuss, the meeting was adjourned at 6:00 p.m. upon a motion by Commissioner Brown.

CITY CLERK

MAYOR