

Proceedings of a General Fund budget workshop meeting of the City Commission of the City of Palatka held on the 21st day of July, 2005 at 3:00 p.m.

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| PRESENT: | Mayor | Karl N. Flagg |
| | Commissioner | Mary Lawson Brown |
| | Commissioner | Hernan Azula |
| | Commissioner | James Norwood, Jr. |
| | Commissioner | George E. 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, Public Works Director Woody Boynton; Parks & Cemeteries Supt. Jeff Norton.

Mayor Flagg called the General Fund Budget Workshop to order and read the following call dated July 14, 2005:

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 21, 2005.

The purpose of the meeting is to hold the General Fund budget workshop for the fiscal year 2005/06.

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

We acknowledge receipt of a copy of the foregoing notice of a special meeting this 21st day of July, 2005.

/s/ Mary Lawson Brown
COMMISSIONER

/s/ Hernan Azula
COMMISSIONER

/s/ James Norwood, Jr.
COMMISSIONER

/s/ George E. Sanders
COMMISSIONER

Mr. Bush began with expenditures, and noted the final amount of expenditures will have an effect on the recommendation of the tentative millage they will adopt at today's City Commission meeting.

GENERAL ADMINISTRATION - Mayor Flagg asked if any item has shown a dramatic increase due to a service need or variance, or a new program, or cost associated with regular programs. Mr. Bush said nothing is out of the normal Cost of Living increases for the General Admin expenses. The total increase is \$67,174 from last year to this year. Commissioner Norwood asked for a breakdown of those expenses. Mr. Bush said primarily it is due to personnel cost associated with normal step in grade increases, and the City's share of a "space needs" study. Raises are generally 5% across the board. Commissioner Norwood noted that some department heads are taking on added responsibilities and there were some hiring commitments. Mr. Bush said some salaries were raised in order to allow the City to be competitive with other cities. Commissioner Norwood said he believes that is appropriate. You get what you pay for. Palatka needs to be competitive.

Mr. Bush said General Government shows an increase of around \$47,000 over last year; they don't have the contingency this year they had last year. They have a modest contingency of around \$20,000, compared to around \$54,000 last year. There was some additional cost on grant matches for the Airport; the rest are essentially the same. This will be a very tight budget; in the event something unforeseen comes up, he will be coming back to the Commission to transfer from other emergency reserves. He noted the

City has done a very credible job in holding the line on personnel and with expenses related to modernizing City Hall and equipment.

BUILDING & ZONING DEPT. - Adam Mengel, Planning Director, presented his budget. They are higher than usual on printing and binding costs due to land use actions and public hearings. Legal advertising estimates have not quite doubled. Mayor Flagg noted this department is directly affected by the new growth the City is experiencing, and asked how they are dealing with anticipated staffing needs. Mr. Mengel said they have a single Code Enforcement Inspector and a part-time Chief Building Official. Right now they are relying heavily on the Code Enforcement Officer to stay in the office while they are off at other functions and meetings. She does have paperwork to take care of, so it has not really been an issue so far, but she does spend about 60% of her time in the office. Mr. Bush said the plan is to work back to having a full-time building official, depending upon the options that are available. Mayor Flagg said that is not acceptable; the City's level of service is definitely hindered and hampered by a lack of personnel; our plans should not hinge upon what a specific person is willing to do. The City is in a 'reactive' mode waiting to see what will happen from day to day. He is concerned about the quality of work and the ability of the City to meet demands.

Commissioner Norwood said several times he's had questions for the building official, and has been told he's not in, etc. They need to position themselves in order to be able to provide a higher level of service to contractors and the public. What is currently available is not adequate. Mr. Mengel said those comments are appropriate; they are reactive rather than proactive due to staffing restrictions. A lot of inquiries are happening, but the load of permitting is not up to anticipated levels. Minimal staffing requires a full-time building inspector and official. They will need to add another codes enforcement officer eventually. They'd like to be able to have a 'building official' in the office at all times to address public inquiries. Commissioner Norwood said they should not be satisfied with operating under a contractual building official situation; they need to make a plan to hire a full-time chief building official. Mr. Mengel said it all comes down to money. They've advertised in several publications, but building officials are not interested in coming here for the money they've advertised. Mayor Flagg said they need to get the salary raised and find a full-time Chief Building Official. This contractual situation should be treated as temporary. Commissioner Sanders concurred. Mr. Mengel said they've actually built-in a higher contractual rate for a contractor than what it would take for a salaried employee. The full-time rate similar to Mr. Fillion's salary is what is plugged in for this salary, which is competitive. After discussion, Mr. Bush and Mr. Mengel were asked to increase the salary projection for a Chief Building Official up to \$15,000 and begin a search.

Commissioner Norwood said there are individuals in the community who are required to perform community service; he asked Mr. Bush to get with the parole board and get some of these individuals to start working on improving the aesthetics in the community. This is a relatively free resource. Mr. Bush noted they've used community service probationers all over the City. Chief Gary Getchell noted they already have those programs in place; they just need to identify the project and assign the workers. Commissioner Brown asked if they've increased funding for janitorial services; Mr. Mengel noted they've raised it from \$100 to \$150; they are satisfied with the 'do it yourself' service. Commissioner Brown said they can bring community service folk in to perform those tasks. They have enough to do without having to clean their own building. Mr. Mengel said they do have use of the Parks prison crew for those services.

POLICE DEPARTMENT - Mr. Bush said this Department's budget represents the largest increase with four police officers, one Weed & Seed administrator, and an Alarm Program Coordinator position added. The Police Department's budget has increased \$428,930 over the previous year.

Chief Getchell said they have put strategies in place to reduce calls for service; they refer certain calls to other institutions and have identified calls for service that don't actually require police officers. They have saved thousands of man-hours by adopting innovative programs that have allowed them to do other things. The False Alarm Reduction Ordinance was part of that strategy. It has been in place for a year, and is working, but has not yielded the numbers they had hoped for. The alcohol ordinance was also revised,

which has also helped. As they grow, they don't want to eat up all the new revenue that comes in. There are other new programs in the developmental stages. They are addressing on-going problems with specific addresses and areas, and have the Weed & Seed program in place. They have created a Police Athletic League and have taken over some programs from the County Recreation Department. Commissioner Brown asked if the County had provided funds with that; Chief Getchell said there are funding resources available from private donations. Commissioner Brown said she'd like Mr. Bush to make a request for funds from the County. Chief Getchell said he is happy with the arrangement they now have; they get free use of the County's facilities to run their programs. Commissioner Brown said when the County took over the program, the City gave them money to go with it. The Citizens of Palatka are taxed twice for services, and their citizens are getting the short end of the stick. She advised that if he should run into a shortfall, he needs to come back and ask for help.

Chief Getchell said citizen involvement has reduced the number of complaints they are getting. The nature of their work encourages folks to take the position that they are being picked on, but they've gone a long ways toward alleviating those feelings. Growth impacts the PD the day building plans are filed with the building department. He has a lot of experience with growth projections, but he is the only person in his department with that experience, so what should be a three-week task turns into a three-month task. There are security issues with large construction projects; there is a lot of theft associated with construction sites. After construction, commercial retail impacts law enforcement costs significantly. Banks or office buildings don't impact them as heavily as retail stores. Residential growth impacts them also, and they plan to make design recommendations to reduce those impacts. They average 11,000 calls for service per officer per year. This is high for their per capita population. As calls for service increase, they have a high burnout factor for police officers. Officers can go to other agencies and work less for more pay. Money is especially important for married officers with children. People like working and living here, but sometimes it comes down to economics.

Chief Getchell said, as to his recommended budget, he is satisfied. The intent for the Weed & Seed Coordinator is not a permanent position; it is contractual. The City will pay half the amount and the grant will pay half the amount. As time goes by, the city's revenue requirement will phase out. Eventually, the residents will run the program. They are not experts on Weed & Seed, and they've gone as far as they can go with it. It will take someone with more expertise to take this program further and make it work. This position will also work with Mr. Mengel in trying to get certain things off his desk as far as redevelopment goes. As to the Alarm Reduction program, this is bigger than what they anticipated, so they are looking for a part-time Alarm Program Coordinator; the revenue from the program will support this position. All things considered, he believes the City Manager's recommendations are extremely appropriate, and he is pleased with them.

Mr. Bush made note of the increases in operating costs and vehicle leasing. Commissioner Brown noted some of the older cars parked around the City and asked if the men can take those cars home at night. Chief Getchell said he is in favor of offering cars to his men to drive home as an incentive, if that is what the City wants to do. Commissioner Brown said when people see those cars parked in one spot for days and weeks, it does not discourage much crime, as people know they are vacant cars. Loiterers are practically sitting on them. Chief Getchell said they aren't parked continuously; some cars are left longer based on complaints. Complaints go down when the cars are visible.

Commander Reno Fells said some cars are dedicated to vacant positions, and they use them for the deterrent program. If there are 10 cars parked at the Station, there are ten people driving them. The cars parked around the City aren't just extra cars. They don't have a lot of "pool" cars available. Commissioner Brown said people call her and ask why they are buying new cars when these cars are parked all over for days and weeks at a time; they should move them around as much as possible. Chief Getchell said they don't have anyone assigned to move cars around; if anyone sees a car sitting in one spot too long, please just let them know and they'll move it. Mayor Flagg suggested asking the Police Service Aides to help with that. As to the Capital Replacement Plan, they are pretty much on target with what they've been presenting over the years; they are very pleased with it. They'd like to either renovate the Police Department or look at building a

new structure. Last year he was instructed to look at a new structure, based on the Fire Department's need for their existing building. As to capital expenditures, they'd like to have a document imaging system where they go from lots of paper to no paper. They are expensive systems, but when they get into some of these public records requests that involve thousands of pieces of paper, it is easier to get those requests filled with an automated system. Sometimes it becomes just impossible to find records that go back 10 - 15 years. Also, the PD's half of the needs assessment is included in this.

Commissioner Brown asked if they've gone after Homeland Security money to do upgrades to their building. Chief Getchell said they've backed off doing anything extra to the current building, as they did not know how long they were going to stay. Commissioner Brown said she believes they have greater needs in the community than a new police building. If there is homeland security money, even if the Fire Dept. is going to get the building, it will be useful to make upgrades. If it's there, they need to go after it. Some cities are getting big money. Chief Getchell said he will do whatever the Commission asks him to do; if he's directed to stay in the building, they will look at securing the building. As to keeping the PD open 24 hours a day, 7 days a week, it would cost the City \$208,000 per year. It comes down to personnel allocation; if they give him the money, he'll hire the staff. After hours, the front door will be electronically controlled. At the front door, when someone picks the phone up and calls for help, the dispatcher will have a closed-circuit television monitor and will be able to "buzz" the door open to allow that person to get in; it will shut and lock behind them. They bid this out six weeks ago; the system is scheduled for installation soon. Commissioner Brown said with staff in the building, it is a deterrent to someone causing harm to a person who goes to the Police Station. Chief Getchell said just having someone in the building doesn't stop someone from shooting someone else.

Mayor Flagg asked how long it will take to get the doors open 24/7. Chief Getchell said his figures cover the seven civilian personnel it will take to keep it open; it does not include armed police officers. If the Commission is willing to allocate the money, he'll staff it. If they want certified officers there, it will cost much more money. Commissioner Brown was adamant that they need to open the PD 24/7, saying this should be a primary focus, instead of worrying about a brand-new building. People need to be safe. Mayor Flagg asked for a target date to accomplish this. Commissioner Brown said they need to be nearly ready to go by this time next year. Other cities have done this; Palatka can do it too. There should be at least one sworn officer there at all times. Chief Getchell said if you put a police officer there with a gun at the front desk, there will need to be renovations made to the lobby so they can get fast access to the lobby area. Mayor Flagg said the Commission supports the continuous opening of the PD, and asked that he work out a number of scenarios, put them together, and be ready with them October 1 of next year. Chief Getchell said he doesn't allocate money or personnel; he simply manages whatever they give him. He asked them to be consistent with their requests. They asked him to put together a plan for a new building, and he spent six months on that. He just wants some vision to accompany their requests. Mayor Flagg asked him to look at a new station that would be open 24/7; he noted that, of course, this will be based on funding available. In reference to Commissioner Norwood's question, Chief Getchell said most cities that have experienced growth have adopted minimum staffing levels. He encouraged the City to look at putting these criteria in place, which will help him when putting his budget together. It really makes their job easier from a planning and budget standpoint. Currently they are working on a nuisance abatement ordinance and an ordinance setting forth fees for excessive police service, which involves charging fees for excessive police services, and crime prevention through environmental design, which minimizes the likelihood of crime. He'd also like them to give attention to salaries; many of their police officers fall below the poverty level and most can't afford to build or purchase even a 'fixer-upper' house. Neighboring agencies are paying \$5,000 - 9,000/year more than they are. The only reason they are getting good people is the sign-on bonus program. Since inception of the City, there have been over 600 police officers. They need senior officers that have the training, the time and knowledge of the people in the community to get the job done. Young recruits do a good job, but they are young. The City has a lot of good people, and they want to keep them.

Commissioner Sanders asked how many people will be eligible for retirement in the next two year; Chief Getchell said he has two, including himself. He believes they are in good shape for retirements. He has spent a lot of time & money developing his top people, and they are ready to take the reigns when it's time to do so. Commissioner Norwood said he'd like to see them workshop the salaries and benefits for all employees. They need retention strategies across the board.

FIRE DEPARTMENT - Ken Venables, Fire Chief, said he shares some issues with the PD. There is an increase in the training budget; last year they replaced six firefighters out of a 17-person department. The most significant issue in this budget is the addition of three new firefighters, which will help to reduce overtime costs. Last year that cost was over \$140,000 and this year, to-date it is around \$107,000. That will also give them six people per shift. This will allow one person per shift to be off without having to bring overtime people in. They expect to save half their overtime expense. There is a federal grant program to enhance firefighting staffing for communities who can't meet the standards; Palatka is one of those. It is the SAFER grant (filed with budget) and will pay up to 90% of eligible costs for personnel. This is a five-year grant program; the first year the City is responsible for 1/4 of the cost, and the percentage the grant supplies declines over the next four years as the City's percentage grows. In the fifth year, the City will be expected to pick up the total cost. The City will have to determine if the budget will support those personnel without grant funds. Commissioner Norwood said this may mean that the citizens will get used to a level of service the City can't sustain. Chief Venables said he hopes that the City can sustain these employees. They need to be up to nine employees per shift to meet minimum staffing requirements. Commissioner Brown said by that time they should have the revenues available to maintain that level of staffing. Commissioner Norwood said the Commission should set some priorities and do some long-range planning. Commissioner Brown concurred, and said top priority should be police and fire staffing, not new buildings. You can get grants for buildings, but very few are available. She is grateful for staff that brings these things to the Commission's attention.

Mr. Bush said this will come down to funds; eventually, the City will have to 'pay the piper.' The City has nearly hit the millage cap. The increases they realized this year were eaten up by increases in Fire Department expense alone; the Firefighter's pension fund required \$107,000 in order to keep it solvent. Chief Venables said this may be a good time to consider increasing fire impact fees to keep up with the consumer growth index. Commissioner Norwood said they need to determine what area impacts them the most, and make sure the funding resources come from those areas. Chief Venables said residential impacts them the most; especially elderly housing. They realize revenues from contracts to provide fire services to large commercial/industrial entities.

Chief Venables said last year he was directed to move the ladder truck replacement up to this year; this will be expensive. The average price increase this year for this equipment is around 7-1/2%. They need to consider a purchase plan in arrears so that following budgets will have to pick that expense up. The price increases are unexpected; it could mean a 50% increase if they put the purchase off for another year. Commissioner Brown said as newer, taller structures come in, they need to put a fee in place to fund the replacement of this truck.

STREETS DEPARTMENT - Mr. Bush noted a large percentage of Better Place Funds are spent in this Department for road improvements. Two major pieces of equipments are slated for purchase.

Woody Boynton, Public Works Director, said operating costs have gone up only slightly. They aren't asking for any more employees. They did decide to forego the third prison crew; a third squad has not been funded nor staffed properly since he's been here. Currently they run one backhoe 8 hours per day; a second backhoe, when operational, runs 50% of the time. The one full-time backhoe supports the sidewalk replacement program; they need a new backhoe to support the other programs. Also, they delayed putting money into a new flatbed until they get direction from the Commission. The biggest expense coming up is the Northside CDBG project. This will be about a 2-year project. He has \$450,000 worth of paving he'd like to undertake this year to preserve the

City's current street system. With current rainfall levels, streets are regressing more rapidly, and he'd like to move revenues into that program; current projections show only \$200,000 for that. They have moved laborers from grade 18 to grade 23 in salaries. That will be a significant raise for these guys; they are earning that money and are deserving of the increase. Mr. Bush noted the breakout in the back of his budget for the CDBG, together with the list of streets schedule for milling and resurfacing.

PARKS & CEMETERIES DEPARTMENT - Mr. Bush said they are preparing a new section in Oak Hill West for use, and will primarily be expending Cemetery Trust Funds for that. Also, Parks is looking at the addition of a bucket truck.

Jeff Norton presented the Cemeteries and Parks Department's budget, 5-year CIP and summary (filed). As to Cemeteries, the budget contains a proposed price increase for lot opening & closings and interments. Even with the increases, Palatka will still have the lowest rates. As to Parks & Cultural, Mr. Norton said he agrees with Mr. Bush's proposed budget. The biggest cost is the addition of a bucket truck.

Mr. Bush said they will be addressing improvements to the Bronson House to include painting, etc. Mr. Norton said Home Depot has a grant program for historic homes and they want to sponsor the Bronson House. They also want to help with a donation for playground equipment for the park at 10th & Olive Streets. Per Commissioner Norwood's question, Mr. Norton said they are looking at installing directional lighting for the park at 10th & Olive Streets. Commissioner Brown said the residents have agreed to do a 'crime watch' program to keep vandalism, etc. down. As to the Cemetery signs, they will be re-doing the street signs inside the cemetery. Mr. Bush said they are making improvements to Price Martin Center; including PA system, air conditioning system and refrigerator. They will get a contractor to make the PA system upgrades.

REVENUES - Mr. Bush said this budget as presented has deficits; he has offered options on ways to deal with that. One option is to raise the millage one-percentage point to 9 mills, which would cover the deficit. It is approximately a 1.67 mill increase over the rolled-back rate. Option two is to adopt the Fire Service Fee, which will raise approximately 1/2 of the proposed fire service budget. This would allow the City to drop to millage to 6.8, or 1/2 mill additional of the rolled-back rate. In order to accomplish this, they will need to put a letter out notifying property owners of their assessment, and then adopt an ordinance in September. If he is instructed to do so, he will move forward. They will need to hold a public hearing on this.

Commissioner Brown asked if they can leave it at 8 mills and adopt the fire service fee; many people say they'd rather increase the millage and get services. Mr. Bush said if they adopt the rolled-back rate of 7.33 mills it would give them another 1/2 mill. Mr. Bush noted that the public hearings for the Fire Service Fee are scheduled for the 2nd and 4th Thursdays in September.

There being no further business to discuss, the meeting was adjourned at 5:22 p.m. upon a motion by Commissioner Brown

CITY CLERK

MAYOR