

KARL N. FLAGG
MAYOR-COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

GEORGE E. SANDERS
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER

ALLEGRA KITCHENS
COMMISSIONER



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

ALLEN R. BUSH
CITY MANAGER
BETSY JORDAN DRIGGERS
CITY CLERK
RUBY M. WILLIAMS
FINANCE DIRECTOR
GARY S. GETCHELL
CHIEF OF POLICE
MICHAEL LAMBERT
CHIEF FIRE DEPT.
DONALD E. HOLMES
CITY ATTORNEY

MINUTES CITY OF PALATKA CITY COMMISSION November 15, 2007

Proceedings of a regular meeting of the City Commission of the City of Palatka, Florida, held on the 15th day of November, 2007.

Present: Mayor Karl Flagg
Commissioner Mary Lawson Brown
Commissioner Allegra Kitchens
Commissioner James Norwood
Absent: Commissioner George Sanders

Also Present: City Manager Allen Bush, City Attorney Don Holmes, City Clerk Betsy Driggers, Asst. City Clerk Karen Venables, Asst. Police Chief James Griffith WWTP Supervisor Platt Drew, Airport Business Mgr. Donna Franklin, Interim Planner Debbie Banks

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

INVOCATION – Rev. Bob Scott, Pastor, First Presbyterian Church of Palatka

PLEDGE OF ALLEGIANCE – As a group

APPROVAL OF MINUTES – 10/25/07 regular meeting - Commissioner Brown moved to approve the minutes as read. Commissioner Kitchens seconded the motion, which passed unopposed.

1. **PUBLIC RECOGNITION** – Mayor Flagg recognized Vice Mayor Brown, who was awarded the honor of being named Florida “Cities of Excellence” Council Person of the Year by the Florida League of Cities. Commissioner Brown thanked the Commission and Staff for all their support.

STUDENT OF THE MONTH – November, 2007 – Commissioner Norwood assisted Mayor Flagg in presenting certificates for academic excellence, leadership, citizenship and attendance to the following students, representing their respective schools:

Kristen Hund	Beasley Middle School
Brittany Morrow	Browning Pearce Elementary School
Zuma Brown	Childrens’ Reading Center Charter School
Paul Cone	E.H. Miller School
Kacee McDaniel	James A. Long Elementary
Byron Chandler	Jenkins Middle School
Bailey Poole	Kelley Smith Elementary School
Michael DeJesus	Mellon Elementary School
Kenneth Neely	Moseley Elementary School
Olivia Tilton	Palatka High School
Esther Betonio	Peniel Baptist Academy
Belinda Williams	River Breeze Elementary School

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2. **PUBLIC COMMENTS** - (Speakers limited to three minutes – no action taken on items)

Sam Deputy, 917 Carr St. representing Downtown Palatka Inc. said Downtown Palatka is sponsoring River Reflections, a celebration of the heritage of Palatka and the St. Johns, set for December 1st and 2nd. Christy Sanford and Karen Saggett have been coordinating and planning the event. The Putnam County Tourist Development Council is also sponsoring this event.

Christy Sanford, 312 Dodge St., distributed complimentary tickets to the Commission inviting them to the Tour of Historic Homes during River Reflections the weekend of Dec. 1, 2007, from 11:00 a.m. to 5:00 p.m., sponsored by the North and South Historic Districts.

Sam Deputy reminded the Commission of the Nov. 23rd Christmas Parade and invited the members of the Commission to ride in the parade. The theme of the parade this year is “Family”.

Lynda Crabill, 609 S 14th St., stated the Pilot Club is again sponsoring the 10th Annual Light the Riverfront on Dec. 1st from dusk until around 9:00 p.m. Luminaries can be purchased from any Pilot Member.

Mark Miles, 414 River St., said he concurs with the Mayor’s wisdom in concurring that it is not in the best interest of this City or the downtown redevelopment to keep the Frank George apartment building intact. He agrees with the Mayor that the City should bet rid of this “eyesore” and look at the highest and best use of that property.

3. **CONSENT AGENDA:**

- a. **Declare as Surplus:** 1994 Ford L8000 rear loader, 1995 Ford Street Sweeper and 2000 Mack Front loader, for disposition per recommendation – Woody Boynton, Public Works Director
- b. **Authorize the Mayor to execute Modification #1 to FEMA Project Number 1561-80-R Agreement** for the St. Johns Avenue and Zeagler Drive Drainage Project to extend the Agreement expiration date
- c. **Authorize execution of Supplement No. 1 to Ayres Associates Contract** in the amount of \$23,766.25 for Phase II Engineering Design to extend the reuse system to East & West Oak Hill Cemetery & Palatka High School, to be funded through FDEP and SJRWMD grants
- d. **Authorize the General Services Director to submit applications for the following Historic Preservation Grants:**
 1. Old Palatka Water Works - \$50,000 – No match required.
 2. Tilghman House - \$50,000 – No match required.
 3. Larimer Arts Center - \$50,000 – No match required.

Commissioner Brown moved to approve all items on the consent agenda as presented. Commissioner Kitchens seconded the motion, which passed unopposed.

- * 4. **RESOLUTION** Authorizing the Mayor and City Clerk to Execute and Attest a Joint Participation Agreement with FDOT to design and repair drainage underneath Runway 17/35 at Kay Larkin Airport – 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 THE DESIGN AND REPAIR DRAINAGE UNDER RUNWAY 17/35 AT PALATKA’S KAY LARKIN MUNICIPAL AIRPORT. Commissioner Norwood 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 Norwood and Mayor Flagg, yes. Nays, none. The Resolution was declared adopted.
- * 5. **PUBLIC HEARING – ORDINANCE** setting forth Comprehensive Impact Fees for Police, Fire, Parks, Streets and Utilities– 1st Reading - The Clerk read a resolution entitled AN ORDINANCE TO BE KNOWN AS THE CITY OF PALATKA COMPREHENSIVE IMPACT FEE ORDINANCE; PROVIDING GENERAL DEFINITIONS APPLICABLE TO ALL IMPACT FEES, PROVIDING FOR RULES OF CONSTRUCTION AND LEGISLATIVE FINDINGS APPLICABLE TO ALL IMPACT FEES; IMPOSING PARKS AND RECREATIONAL FACILITIES IMPACT FEES; PROVIDING DEFINITIONS AND FINDINGS APPLICABLE TO PARKS AND RECREATIONAL FACILITIES IMPACT FEES; ADOPTING THE PARK IMPACT FEES STUDY; PROVIDING FOR THE USE OF PARKS AND RECREATIONAL FACILITIES IMPACT FEES; PROVIDING FOR AN ALTERNATIVE PARKS AND RECREATIONAL FACILITIES IMPACT FEE CALCULATION;

IMPOSING FIRE RESCUE IMPACT FEES; PROVIDING DEFINITIONS AND FINDINGS APPLICABLE TO FIRE RESCUE IMPACT FEES; ADOPTING THE FIRE RESCUE IMPACT FEE STUDY; PROVIDING FOR THE USE OF FIRE RESCUE IMPACT FEES, PROVIDING FOR AN ALTERNATIVE FIRE RESCUE IMPACT FEE CALCULATION; IMPOSING ROAD IMPACT FEES; PROVIDING DEFINITIONS AND FINDINGS APPLICABLE TO ROAD IMPACT FEES; ADOPTING THE ROAD IMPACT FEE STUDY; PROVIDING FOR THE USE OF ROAD IMPACT FEES; PROVIDING FOR AN ALTERNATIVE ROAD IMPACT FEE CALCULATION; IMPOSING LAW ENFORCEMENT IMPACT FEES; PROVIDING DEFINITIONS AND FINDINGS APPLICABLE TO LAW ENFORCEMENT IMPACT FEES; ADOPTING THE LAW ENFORCEMENT IMPACT FEE STUDY; PROVIDING FOR THE USE OF LAW ENFORCEMENT IMPACT FEES; PROVIDING FOR AN ALTERNATIVE LAW ENFORCEMENT IMPACT FEE CALCULATION; IMPOSING WATER SYSTEM IMPACT FEES; PROVIDING DEFINITIONS AND FINDINGS APPLICABLE TO WATER SYSTEM IMPACT FEES; ADOPTING THE WATER AND SEWER SYSTEM IMPACT FEE STUDY; PROVIDING FOR THE USE OF WATER SYSTEM IMPACT FEES; PROVIDING FOR AN ALTERNATIVE WATER SYSTEM IMPACT FEE CALCULATION; IMPOSING SEWER SYSTEM IMPACT FEES; PROVIDING DEFINITIONS AND FINDINGS APPLICABLE TO SEWER SYSTEM IMPACT FEES; PROVIDING FOR THE USE OF SEWER SYSTEM IMPACT FEES; PROVIDING FOR AN ALTERNATIVE SEWER SYSTEM IMPACT FEE CALCULATION; PROVIDING FOR EXEMPTIONS; PROVIDING CREDIT FOR DEVELOPER CONTRIBUTIONS; PROVIDING FOR CHANGES IN SIZE AND USE; PROVIDING FOR ACCOUNTING AND REPORTING OF IMPACT FEES; PROVIDING FOR REVIEW HEARINGS; PROVIDING FOR APPLICABILITY; REQUIRING REVIEW OF THE IMPACT FEE STUDIES AND THE COMPREHENSIVE IMPACT FEE ORDINANCE; DECLARATION OF EXCLUSION FROM THE ADMINISTRATIVE PROCEDURES ACT; PROVIDING FOR SEVERABILITY; PROVIDING FOR NOTICE OF IMPACT FEE RATES; PROVIDING FOR INCLUSION IN THE CITY CODE; AMENDING SECTION 86-31, 86-311, 86-342, AND APPENDIX A OF THE CITY OF PALATKA MUNICIPAL CODE; REPEALING SECTIONS 54-131 THROUGH 54-140 AND THE FEE SCHEDULES FOR CHAPTER 54 IN APPENDIX A OF THE CITY OF PALATKA MUNICIPAL CODE; AND PROVIDING AN EFFECTIVE DATE. Commissioner Norwood moved to pass the ordinance on first reading. Commissioner Kitchens seconded the motion.

Christy Carey, representing Nabors, Giblin and Nickerson, PA, was present to answer any questions. Ms. Carey stated all impact fees are imposed in this one ordinance to be sure they are consistently applied. It is set up for collection at building permit issue, but they have the option to change it to collection at the time of issuance of the certificate of occupancy, if they feel it is more appropriate. The funds for each fee imposed have to be segregated into separate accounts and can only be used for the capital facilities for which they were collected. Fees must be spent within a reasonable period of time; this ordinance declares that period of time to be eight years. The ordinance contains the standard exemptions for impact fees. Commissioner Brown inquired if they have looked at a reduction of fees for infill construction. Ms. Carey stated this was recently done in Polk County. They adopted exemptions for CRA and Historic Districts to encourage redevelopment.

Mr. Holmes inquired as to how an exemption from an impact fee in a historic district works? Ms. Carey stated impact fees are also collected based on changes in use of the property. The change of use impact fee is contemplated by this ordinance. Mr. Holmes asked if this was between overall categories or would it also apply to more intensive uses than commercial? Ms. Carey stated not necessarily, it would have to be based on each impact fee study and what category. Roads have the most discrete number of categories, where you will see the differences between uses of property. Mr. Holmes asked her to clarify that the change in use that trips the impact fee is specified in the ordinance. Ms. Carey responded it is

Commissioner Kitchens asked Ms. Carey to explain the difference on the impact of city services, such as the difference between an infill lot with city water and sewer, where someone builds a house and they are exempted from the impact fee, and a subdivision that has water and sewer extended to it where new

houses are built are not exempted. They both affect the water, sewer, garbage, police and fire, etc. She asked what the difference is between the infill houses and the subdivision houses, and why should the infill houses be exempted? Ms. Carey stated there truly is no difference; they both have an impact. They refer to those exemptions as “public policy” exemptions. Commissioner Kitchens stated the purpose of the impact fee is to help defer the cost to the city. Ms. Carey stated when considering exemptions, the City really needs to decide if certain types of exemptions, i.e. affordable housing, economic development and infill, are a priority and if they want to encourage this type of development. In doing so, the City needs to be willing to fund any amount of impact fees on these properties that it exempts. The money still has to go into the appropriate fund. Commissioner Kitchens commented it is like shooting yourself in the foot. Ms. Carey concurred.

Mr. Holmes inquired if this ordinance contained any exemptions as drafted? Ms. Carey stated it only contained the standard exemptions for adding on to or rebuilding a home, and for government property. Mr. Holmes stated, as he understands it, the way the ordinance is written right now is “clean” and contains no discretionary exemptions. Ms. Carey stated concurred.

Mr. Jim Melfi, 411 S. 19th St., Executive Director for Habitat for Humanity, requested the Commission consider waiving the fees on properties for Habitat homes. Habitat for Humanity is dependent upon various programs to build and develop the homes and is a non-profit organization. They add homeowners to the tax rolls and are probably the most economical builder in Putnam County. An impact fee of several thousands dollars can be a rather large percentage of the overall cost of roughly \$50,000 to \$55,000 that Habitat has to spend to build a house.

Mark Miles, 414 River St., stated he is pleased to see the Commission planning to adopt impact fees. He understands what Mr. Melfi is talking about. There are difficult decisions to make, but new residents that move into the homes built by Habitat will be using the same services and are asking for fire and police protection.

Lynda Crabill, 609 S. 14th St., suggested encouraging good building by offering some exemptions in certain areas of the City.

Christy Sanford, 312 Dodge St., said she lives in a blighted neighborhood and does not believe impact fees will encourage infill. Right now, when someone comes into the area and fixes up an old house, they are being punished. Mr. Bush asked the consultant if impact fees apply when someone restores an existing home to its original use as a residence? Ms. Carey stated no, not to an existing home, only if you are adding a new dwelling unit.

Commissioner Brown stated the City has had concerns regarding housing for its employees, noting other cities offer employees incentives to help with closing cost and down payments. The City cannot do this for its employees, but wants to encourage them to have a better quality of life, live in Palatka and work for the City. She asked if there are provisions to allow the City to help its employees afford their own home inside the City limits? Ms. Carey stated there is a program called Workforce Housing for people who have a moderate income, which usually includes the category of police, firefighters and teachers. Ms. Carey stated the program waives 50% of the fees, which offers some incentive. Commissioner Kitchens stated the impact fee is not something that you pull out of your pocket and pay up front; it is part of the mortgage. Ms. Carey stated that is correct.

Mayor Flagg stated said they should address when the fee will be collected. Commissioner Kitchens noted it should be at the time of the permit because the impact fee comes out of the mortgage; the mortgage lender doles out the money as needed. The impact begins immediately, as soon as construction begins. Commissioner Brown said she had heard someone mention paying part of the fee at the time of application, and the rest when the CO is issued. Ms. Carey stated she was not familiar with anyone doing it that in Florida. The City can do that, but it adds to the administrative burdens of the City. Mayor Flagg

stated it could be done at the time of the CO with the option of paying at the time of permit. Mr. Holmes said it would complicate the collection process to try and be innovated with the timing and staging. The simplest way is to do it is up front at the time of permit application. If you are going to have an impact fee, having it collected at the time of CO compared to time of application does not add a lot of benefit to the property owner and will add a lot of burden to the staff.

Commissioner Norwood stated every time a house, commercial business or anything is built within the city limits, it impacts city services, sewer, water, police and fire, and it impacts city resources. Anyone coming into the community has to foot the bill for that, and he feels this is a good start. Commissioner Kitchens concurred, saying it is more vital now than it was a year and a half ago, what with ad valorem taxes being cut even more. The City needs revenue to fund services.

There being no further discussion a roll call vote was taken with the following results: Commissioners Kitchens, Norwood, Brown and Mayor Flagg, yes. Nays, none. The ordinance was declared passed on first reading.

Items 6 & 7 were pulled from the agenda.

8. **ORDINANCE** revising Chapter 2, Division 4, General Employees Retirement Plan, relating to non-intervening military service and DROP Plan – 1st Reading. The Clerk read an ordinance entitled AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA, REVISING CHAPTER 2, DIVISION 4 OF THE CODE OF ORDINANCES OF THE CITY OF PALATKA, FLORIDA, ENTITLED GENERAL EMPLOYEES RETIREMENT PLAN, BY AMENDING PROVISIONS RELATED TO NON-INTERVENING MILITARY SERVICE; CREDITED SERVICE; AMENDING PROVISIONS RELATED TO DEFERRED RETIREMENT OPTION PLAN; PROVIDING FOR CODIFICATION; PROVIDING FOR SERVEABILITY AND PROVIDING AN EFFECTIVE DATE. Commissioner Norwood moved to pass the ordinance on first reading as presented. Commissioner Brown seconded the motion. There being no discussion, a roll call vote was taken with the following results: Commissioners Norwood, Brown, Kitchens and Mayor Flagg, yes. Nays, none. The ordinance was declared passed on first reading.
- * 9. **ORDINANCE** revising Chapter 2, Division 6, Firefighter Pension Plan, related to non-intervening military service and DROP Plan – 1st Reading. The Clerk read an ordinance entitled AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA, REVISING CHAPTER 2, DIVISION 6 OF THE CODE OF ORDINANCES OF THE CITY OF PALATKA, FLORIDA, ENTITLED FIREFIGHTERS' PENSION PLAN, BY AMENDING PROVISIONS RELATED TO NON-INTERVENING MILITARY SERVICE; CREDITED SERVICE; AMENDING PROVISIONS RELATED TO DEFERRED RETIREMENT OPTION PLAN; PROVIDING FOR CODIFICATION; AND PROVIDING AN EFFECTIVE DATE. Commissioner Norwood moved to pass the ordinance on first reading as presented. Commissioner Brown seconded the motion. A roll call vote was taken with the following results: Commissioners Brown, Kitchens, Norwood and Mayor Flagg, yes. Nays, none. The ordinance was declared passed on first reading.
- * 10. **ORDINANCE** revising Chapter 2, Division 7, Police Officers' Pension Plan, related to Non-intervening military service and DROP Plan – 1st Reading. The Clerk read an ordinance entitled AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA, REVISING CHAPTER 2, DIVISION 7 OF THE CODE OF ORDINANCES OF THE CITY OF PALATKA, FLORIDA, ENTITLED POLICE OFFICERS' PENSION PLAN, BY AMENDING PROVISIONS RELATED TO NON-INTERVENING MILITARY SERVICE; CREDITED SERVICE; AMENDING PROVISIONS RELATED TO DEFERRED RETIREMENT OPTION PLAN; PROVIDING AUTHORITY TO CODIFY; AND PROVIDING AN EFFECTIVE DATE. Commissioner Kitchens moved to pass the ordinance on first reading as presented. Commissioner Norwood seconded the motion. A roll call vote was taken with the following results:

Commissioners Kitchens, Norwood, Brown and Mayor Flagg, yes. Nays, none. The ordinance was declared passed on first reading.

- * 11. **ORDINANCE** amending Section 2-240b, Firefighter Pension Amount, to amend chapter funds multiplier – 2nd Reading, Adopt. The Clerk read an ordinance entitled AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA, REVISING THE CODE OF ORDINANCES OF THE CITY OF PALATKA, FLORIDA BY REVISING SECTION 2-240(b), FIREFIGHTER BENEFIT GROUP PENSION AMOUNT FORMULA; PROVIDING FOR SEVERABILITY, AND PROVIDING FOR AN EFFECTIVE DATE. Commissioner Norwood moved to adopt Ordinance No. 07-21 as presented. Commissioners Kitchens seconded the motion. There being no further discussion a roll call vote was taken with the following results: Commissioners Norwood, Brown, Kitchens and Mayor Flagg, yes. Nays, none. Ordinance No. 07-21 was declared adopted.
- * 12. **ORDINANCE** amending Chapter 14, Animals – 2nd Reading, Adopt. The Clerk read an ordinance entitled AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA, AMENDING THE CODE OF ORDINANCES OF THE CITY OF PALATKA, FLORIDA TO REVISE CHAPTER 14, ANIMALS, BY AMENDING ARTICLE I, SECTION 14-1, DEFINITIONS, AND SECTION 14-4, CURELTY TO ANIMALS; BY ADDING SECTION 14-11 ENTITLED ANIMALS IN VEHICLES; SECTION 14-12 ENTITLED CONFINEMENT OF CATS OR DOGS IN HEAT (ESTRUS); SEC. 14-13 ENTITLED DOGS AND CATS OFFERED FOR SALE; HEALTH REQUIREMENTS; SEC. 14-14 ENTITLED INTERFERENCE WITH ANIMAL CONTROL OFFICER; SEC. 14-15 ENTITLED LURING, ENTICING, MOLESTING OR TEASING ANIMALS; SEC. 14-16 ENTITLED NEGLECT OF ANIMALS PROHIBITED AND SEC. 14-17 ENTITLED WARNING SIGNS FOR GUARD DOGS AND VICIOUS DOGS; BY REVISING ARTICLE III, DOGS, BY ADDING SEC. 14-64 ENTITLED BARKING DOGS; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE. Commissioner Kitchens moved to adopt Ordinance No. 07-21 as presented. Commissioner Norwood seconded the motion. A roll call vote was taken with the following results: Commissioners Brown, Kitchens, Norwood and Mayor Flagg, yes. Nays, none. Ordinance No. 07-21 was declared adopted.
- * 13. **DISCUSSION** regarding Proposal for Airport Partnership – Bud Clark, representing The Larkin Group - Mr. Arthur Clark of The Larkin Group was present requesting an airport partnership. He said the airport must be viewed as a commercial business: self-sustaining and profitable. Federal airport grant funds for capital investment projects can be used at all types of airports, but they require matching funds from the cities that own them. Increasingly, airports are being viewed as enterprises, rather than as public services, which are expected to break even at best. Cities across the country are turning to the private sector for airport management and development. Municipal and state governments in this country can use the private sector to improve airport operations in several ways. The Larkin Group believes they can supply the funds to make those improvements, and would like the Commission to consider doing this. A verbatim copy of Mr. Larkin's presentation was provided with the Agenda package (filed).

Commissioner Brown said the City needs to consider what happens to their vision for the Airport if it is privatized. There is an industrial park adjacent to the airport they need to consider. She sits on a committee that would like the City to look at doing international trade. The International Trade committee she sits on said if the City provided a building, they may be able to attract a manufacturing business that relies on international trade. They can also put a business incubator into it. They want more than just an airport. She would like to talk to the airport committee about this. She would like to bring people and business into Palatka. Mr. Clark said he has been in contact with the several tenants that would like to bring businesses here. They've been working with the high school and college to open businesses that would train students in airport-related fields. Mayor Flagg inquired as to why Mr. Clark felt the private sector would be the way to go. Why can't these items be presented from an entrepreneurial perspective? Mr. Clark said they would make \$1 million of their money to implement these ideas, and would like to be in charge of the money, because it would be their money they are putting up. Mr. Bush took exception to some of the characterizations he made about the airport. The airport is

the fastest growing City facility, and the City puts far more than \$1 million per year in it. He reminded the commission of how it was when the Airport had a “fixed base operator” arrangement. It did not work out. Commissioner Kitchens stated most of the work done there is done through grants, and asked if they’d have to return that grant money if they privatized it. Mr. Bush said not for work already done. The City could still probably build the terminal with grant funds and lease it out. Mr. Bush noted Mr. Clark had mentioned a flight school; there are individual FBOs at the airport and one of those is a flight school. If they want to bring a flight school to the airport, they can enter into a FBO agreement and open a flight school. As to available buildings, the City is getting ready to add a list of suitable buildings.

Mayor Flagg stated if the City decided to privatize the airport, the Commission would have to advertise for proposals from any interested party. The Larkin Group would have to submit a proposal. Mr. Clark stated he has received legal advise that this would not have to go out for bid as they are not asking for exclusivity. Mayor Flagg stated the City will seek its own legal advice. Commissioner Kitchens stated the city is getting grants and doing everything it has intended to do with the airport. The City should continue to run it. Mr. Holmes stated when you have privately owned property and are going to give it to an entity that wants to use it for a profit-making venture, the City has to offer the opportunity to other groups, also. He noted Mr. Larkin said they want to build the terminal. If there is only one terminal, that would be exclusivity. There can be more than one flight school, so that’s not an issue. If the City is contemplating giving an asset to a private group to use for profit, they have to give the same opportunity to other private groups. The concept Mr. Clark outlined is not something you can have several groups of people doing at the same time.

Commissioner Norwood moved to not enter into an agreement with The Larkin Group to privatize the airport. Commissioner Kitchens seconded the motion. A roll- call vote was taken, with the following results: Commissioners Brown, Kitchens, Norwood and Mayor Flagg, yes; Nays, none. The motion was declared passed.

14. **DISCUSSION** on Airport Terminal Design-Build negotiations with AJAX Construction – Mr. Bush noted, after speaking with the Airport Engineers and Mr. Hunter of AJAX, all have concurred is to work out more issues prior to addressing this item. He’d like to set up a meeting of all principles, including the City Attorney, next week, and asked the item be tabled until the December meeting. He intends to bring back a report at that time. Commissioner Norwood moved to table the discussion on the Airport Terminal Design-Build until the December Commission meeting. Commissioner Kitchens seconded the motion, which passed unopposed.
15. **FINANCING** for purchase and demolition of Frank George Apartments and Results of RFQ – City Manager Allen Bush said, at the direction of the Commission, he asked the Finance Director to put out a request for proposals to finance a loan of \$2.1 million for the purchase of the Frank George Apartments. Those results are included in the agenda package (filed). He and the Finance Director recommend acceptance of SunTrust’s proposal of 4.091% interest.

Brian Share, 51 W. Grenada Boulevard, Ormond Beach, said he represents an investment group out of Ormond Beach that would like to develop the Frank George Apartments and 100 Block. He understands they may have offended some folks by taking more of a “grassroots” approach by going to local merchants first. He believed they had a sense of the City’s position by reading minutes of past meetings, and wanted to get input from the merchants themselves. He apologized for the comments that appeared in the newspaper today that was attributed to one of his colleagues. The comments weren’t phrased properly. He encouraged the City to take the necessary steps to purchase the Frank George Apartments and secure the financing. He also asked that his group be given an opportunity to come before the Commission and officially present their plans for redevelopment before any further action is taken on this project. Mr. Bush stated tonight the Commission is taking action to borrow the funds to purchase the apartments. Mr. Share is asking for an opportunity to be able to make a proposal prior to the building’s demolition. Mayor Flagg asked how this would affect CDP’s proposal. Mr. Holmes stated it is his

understanding that CDP was the only group that submitted a proposal in response to the RFQ. They came to Palatka with an architectural engineer and inspected the property. They said they intend to submit a response if they can submit something that is financially feasible. If they do not believe what they want to do is financially feasible, they will so advise the City and waste no more of its time. For the Commission's information, the architectural engineers that inspected the property stated the construction of the building doesn't lend itself to any modifications due to the poured concrete vertical walls and fixed horizontal partitions. They are locked into the small apartments, which they believe dooms the marketing of those units to any high-end user, and likely only lend itself to public or low-end type housing. Mr. Share stated it is not their intention to do subsidized or low-end housing.

Commissioner Brown stated she does not remember receiving a response to the latest RFQ. Mr. Bush said they did receive a proposal from Community Development Partners (CDP). Mr. Holmes stated CDP candidly stated they weren't sure they could put something together. They were going to look at what could be done with the property and whether the market will support it. Mayor Flagg said there are no proposals and no commitments. They have visited the property and intend to submit a proposal. It is his position that the building needs to be history. He wants it to be crystal clear that the only thing they are doing with the Frank George Apartments is to demolish them.

Deb Miles, 414 River Street, said she is an antique dealer and loves everything historic. She wants to see the Frank George Apartments, which are not historic, demolished. They block the view of the river. The buildings on the 100 Block have been butchered and are not salvageable, and should also be demolished. Even if nothing replaces them right now, it provides more room for special events. She would like a fresh start with a clean slate.

Lynda Crabill asked the Commission to keep an open mind on any proposal for those two blocks, including maintaining and renovating any or all of the buildings. Mayor Flagg stated the Commission needs to demolish the Frank George Apartments as soon as possible.

Commission Kitchens stated she is pleased with having attracted two developers. CDP and Carlisle Group both sent in responses to the second RFDQ. When the City decided to put a Request for Qualifications only, both of them were kept "in the running." They apparently met with City staff and toured the Highrise building, and don't feel it is feasible to renovate it. The City is still waiting on their proposal. She has viewed Mr. Share's proposal and project, and was impressed with it. They have not yet toured the building. When the City sells the property, they can add deed restrictions. The Commission will have the final approval. If this group feels they can develop the Frank George, they should be offered an opportunity to develop it.

Mayor Flagg said they can either stay with the 'piece-meal' approach or provide the 'proper grounds' for downtown revitalization. It is time for the Frank George Apartments to go. The City is not doing PHA or HUD a favor; they are doing the City a favor. While the City cannot limit itself to redeveloping just the two blocks, these two blocks are what the City controls. If the Highrise doesn't go now, it will remain there forever. They not only need to address its purchase, but also its demolition.

Commissioner Norwood said he is still convinced it is time to move forward with the plan to purchase and demolish the building. They made a decision to take the apartments down, and asked the City Manager to secure financing, which he has done. They need to move forward with the plan. Commissioner Brown stated there was a developer that expressed interest in turning the Highrise into a hotel about 10 years ago, but after looking into the building, found it couldn't be done. She has seen Mr. Share's proposal, which looks great on paper. They should give Mr. Share a chance to look at the building. Commissioner Norwood said that's two entities that have stated nothing can be done with those apartments. He moved to accept the City Managers recommendation to accept SunTrust's financing proposal and demolish the building as soon as possible. Commissioner Brown seconded the motion.

Commissioner Kitchens said the financing is for \$2.1 million, but the price is \$2.2 million. Mr. Holmes said when the motion was made at the last meeting, it was made for a purchase price of \$2.1 million, and that is what he had to follow when drawing up the contract. They found out later that the price had to be \$2.2 million or the property would have to be used for affordable or subsidized housing. The Commission can change the contract tonight. Commissioner Kitchens said she has contacted Senator Bill Nelson's office, and they are looking into the matter. They may be able to get a new appraisal and pay based upon that. It may turn out to be less. Otherwise, she has no problem with increasing the amount of the contract to \$2.2 million. There was concurrence to amend the contract price to \$2.2 million.

There being no further discussion, a roll-call vote on the motion was requested, with the following results: Commissioners Brown, Norwood and Mayor Flagg, yes. Commissioner Kitchens, No. The motion was declared passed.

16. **DISCUSSION** regarding City Manager finalist interviews – There was concurrence to conduct the interviews at City Hall and hold the “meet the candidates” reception at the Quality Inn.

Commissioner Kitchens said when they voted to appoint a citizen's panel, which she was opposed to, she thought they would be grading along with the panelists, and would have some say in choosing the final five. She graded for two days. She was totally blindsided and completely surprised when she heard the panelists would be choosing the five finalists. She was speechless. Mayor Flagg it was his understanding that the Commission would only be concerned with the final five. The record should reflect that the panelists would narrow it down from 12 semifinalists to five, and the Commission would take it from five to one. Commissioner Kitchens stated she was astounded when she found that she would have no say in choosing the final five, and feels she could have just stayed home. Her top five matched her four of her panelist's top five.

Mayor Flagg said he did not set the procedure. He sent a memorandum out prior to the procedure being set in stone by the Commission. The Commission could have changed it at any time. He could not negotiate with each commissioner prior to the meeting. The City Manager is not driving this; he wrote and distributed the memo. Commissioner Kitchens said she didn't understand she could have changed the process. She was totally surprised and feels she was blindsided. She had calls from citizens and feels she has let the citizens of Palatka down by not having a vote in the five finalists. She does not feel the Mayor led her in the wrong direction, and believes this was a miscommunication, but this has left a bad taste in her mouth. Commissioner Norwood noted the process was a modified when they decided to allow the panelists to make their selection that night instead of a week later. He heard the Mayor ask if there were any more modifications to make. Mayor Flagg said he couldn't even send messages through the City Manager to them regarding this process. He apologized for any misunderstanding related to the process. This commission has never been through this process before. Commissioner Kitchens said she doesn't believe he did anything wrong, and didn't expect him to call her beforehand to discuss the process. She has not problem with the applicants, but was very disturbed with the procedure.

Mayor Flagg stated the panel was empowered by the City Commission; she is free to make a motion to amend the five finalists. Commissioner Brown stated she, too, thought the Commission was going to be grading and choosing, and they would be totaling scores. She had also put some numbers together regarding whom she wanted to take another look at. When she received the memo, she went along with it, as she understood the panelists wanted to be done with this phase. She hopes they have the five best panelists. Commissioner Kitchens stated she does not want to reject the five finalists, and believes when a background check has been completed, at least one candidate will drop off. Mayor Flagg said he laid out the template to address any discussion that would come about.

Mr. Bush noted Mr. Moody, the Range Rider, had made the comment that this process was one of the finest processes he had the pleasure to participate in. Commissioner Brown said she just thought it would be done differently. Next time they need more discussion on how to carry out this type of process. She

believes they have a good list of finalists. Mayor Flagg stated if there is some “shining star” that a commissioner would like to place back in the running, they should speak now. Mr. Holmes stated he did not think it would be a problem to add anyone from the 11 or even the 60. Commissioner Kitchens moved to add Chad Shryock to the list of finalists. Commissioner Brown seconded the motion. A roll-call vote was requested, with the following results: Commissioner Brown, Kitchens, Norwood and Mayor Flagg, yes; nays, none. The motion was declared passed.

Mr. Holmes asked if there is any confusion on how the process would proceed from here. Commissioner Kitchens said she’s satisfied as long as the Commission has the final say. The memo states the Commission will rank their choice of candidate by ballot and submit it to the present city manager. Mayor Flagg said after the “one-on-ones,” which are really “two-on-ones,” take place, they should come back into session for discussion and ranking.

After discussion, Commissioner Kitchens moved to set the date of finalist interviews on Tuesday, November 27, and begin individual “two on one” 30-minute interviews at 3:00 p.m., hold a public reception following the individual candidate interviews, and afterwards return to City Hall around 7:30 p.m. to complete the ballots and scoring. The City Attorney, City Clerk and City Manager will canvass the five ballots. The City Attorney will certify the results and the Clerk will attest it. Commissioner Brown seconded the motion, which passed unopposed. Mayor Flagg said a formal letter should be mailed to each candidate advising him of the schedule.

17. **ADMINISTRATIVE REPORTS** – there were none.

18. **COMMISSIONER COMMENTS**

Commissioner Brown said she sits on the FLC Insurance Trust Board, which meets the morning of Dec. 14. She needs to travel on December 13, which is the date of their December meeting. She missed the last Insurance Trust meeting due to Mrs. Seabury’s death and funeral. She asked if the Commission would move the date of the December meeting to allow her to attend the Insurance Trust meeting. After discussion, Commissioner Brown moved to move the regular December meeting date to December 17. Commissioner Kitchens seconded the motion, which passed unopposed.

Commissioner Brown asked if a photo could be taken of her and the members of the Commission and Staff with her Council Person of the Year trophy, for posterity, as there was no opportunity to do so after the ceremony.

Regarding the vote on the financing of the purchase of the Highrise, Commissioner Kitchens stated she did not vote against it because of the financing, but because she feels the City needs to wait on the demolition until March or so. She thinks the financing proposal is fine.

Commissioner Norwood congratulated Vice Mayor Brown on being chosen “Council Person of the Year” by the Florida League of Cities. Mayor Flagg concurred and noted how proud everyone is for her. The Clerk noted she is proud of both Vice Mayor Brown and Mayor Flagg for making it into the top five candidates, as these awards are very competitive. Palatka was the only city to have two elected officials in the top five finalists in those categories.

Mayor Flagg noted how grateful the Commission is for the five citizen panelists and the job they did.

19. **ADJOURN** upon a motion by Commissioner Brown, seconded by Commission Kitchens, at 8:10 p.m.

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

PERSONS WITH DISABILITIES REQUIRING ACCOMMODATIONS IN ORDER TO PARTICIPATE IN THIS MEETING SHOULD CONTACT THE CITY CLERK’S OFFICE AT 329-0100 AT LEAST 24 HOURS IN ADVANCE TO REQUEST ACCOMMODATIONS.