

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 PALATKA CITY COMMISSION Regular Meeting – July 12, 2007

The following is a record of the proceedings of a regular meeting of the City of Palatka City Commission held on the 12th day of July, 2007.

PRESENT:

Mayor	Karl N. Flagg
Commissioner	Mary Lawson Brown
Commissioner	Allegra Kitchens
Commissioner	James Norwood, Jr.
Commissioner	George Sanders

ALSO PRESENT: City Manager Allen Bush, City Attorney Donald Holmes, City Clerk Betsy Driggers, Finance Dir. Ruby Williams, Asst. City Clerk Karen Venables, Police Chief Gary Getchell, Fire Chief Mike Lambert, Public Works Dir. Woody Boynton, Parks/Cemetery Supt. Jeff Norton, Water Plant Supt. Melvin Register, General Service Dir. Ken Venables, Asst. Planner Debbie Banks

CALL TO ORDER – Mayor Flagg at 6:00 p.m.

- Invocation – Given by The Reverend John Miles, Pastor of Visitation, First Presbyterian Church of Palatka
- Pledge of Allegiance – Led by Tim Parker
- Roll Call - Clerk

APPROVAL OF MINUTES – 6-14-07 Regular, 6-28-07 Workshop, 6-28-07 Tour - Commissioner Norwood moved to approve the minutes as read. Commissioner Brown seconded the motion, which passed unopposed.

PUBLIC RECOGNITION

INTRODUCTION – Beth O’Grady, Lee Conlee House DVS Executive Director - Caroline Tingle, a volunteer and President of the Lee Conlee House, introduced Ms. Beth O’Grady as the new Executive Director of Lee Conlee House Domestic Violence Shelter/Program. Mayor Flagg noted the late Lee Conlee, the namesake of the domestic violence shelter, was a former City Commissioner, and said the work of this organization is greatly appreciated and respected.

RECOGNITION – 4th of July Fireworks – International Barge & Santore & Sons - Jeff Norton stated the Fourth of July Fireworks display was a complete success, and he wished to recognize two important contributors. The fireworks display has been a success due to the expertise and management of Santore & Sons. Mayor Flagg presented Gary Delia of Santore with a plaque in recognition of the services his company renders to the citizens each and every 4th of July. Mr. Norton noted Gene Gstohl, Vice President of International Barge & Equipment Co., LLC, offered his barge services for the Forth of July Fireworks Display, saving the City thousands of dollars. Without his company’s contribution, the fireworks could not have been displayed. The use of barges to stage the fireworks display ensures the safety of our citizens and visitors as well as removing any threat of damage to the City’s riverfront dock. Mayor Flagg presented Mr. Gstohl with a plaque in recognition of their contribution of the barge service for the 4th of July Fireworks Display.

EMPLOYEES OF THE MONTH – Parks & Cemeteries Dept. Employees - Jeff Norton, Parks & Cemeteries Supt. said he nominated Parks & Cemeteries employees for recognition as Employees of the Month for their work in connection with the Blue Crab Festival. Mayor Flagg, assisted by Commissioner Norwood, presented Certificates

of Appreciation to the following employees: Tom English, Darnell Brown, James Lucia, Patrick O'Neill, Raymond Denson, Fred Lumpkin, Rita Session, Jonathan Filion, Ke'Ondra Wright, Jose' Aviles.

PUBLIC COMMENTS (speakers limited to three minutes – no action taken on items)

Lynda Little Crabill, 609 S. 14th Street, stated the Putnam Co. Historical Book project is getting close to the deadline and they are hoping for enough submissions to make the book. She can extend the deadline again if needed. They hope to get all the stories in by the end of October. She left information with the Commission and for anyone who was interested regarding the project.

Ms. Crabill, on behalf of the Blue Crab Committee, also thanked those employees who received awards tonight saying the Blue Crab Committee could not do the Festival without their help.

CONSENT AGENDA:

- a. **Authorize the Mayor to execute a contract with Florida Div. of Emergency Management for FEMA Proj. #1561-137-R** for engineering on SR20/Moseley Avenue Drainage Project (Federal Share \$23,678; City share \$7,892; total grant \$31,570)
- b. **Declare three automobiles as surplus property** for disposal at auction, per recommendation
- c. **Authorize 1-year extension of Memorandum of Agreement with State Attorney's Office beginning July 1, 2007** for Prosecution Services for the City of Palatka, for an annual fee of \$50.00 plus associated costs of prosecution.
- d. **Adopt revised 2007 City Commission Calendar for Month of July, 2007**
- e. **Reappoint June Filion to the Palatka Historic Preservation Board** as S. Historic District Property Owner for a three-year term to expire June, 2010 (Now sole applicant/incumbent – 2nd applicant has withdrawn).

Mayor Flagg stated there has been a request to pull Consent Agenda Items 3(a) and 3(d) for discussion. Commissioner Sanders moved to approve Consent Agenda items (b), (c) and (e) as presented. Commissioner Brown seconded the motion, which passed unopposed.

Commissioner Kitchens stated Consent Agenda item (a) involves the massive drainage problem the City has on Moseley Ave. at Crill, and she asked Mr. Bush or Ken Venables, General Services Director, to briefly explain the project to the public. Mr. Bush stated as a result of the 2007 hurricanes, Mr. Venables applied for FEMA grants addressing two sites that have historically had severe drainage issues, which worsened during the hurricanes.

Ken Venables, General Services Director, stated the grant that is on the agenda tonight is only for the engineering for the Crill & Moseley project, and hopefully a 2nd grant to complete the work will be forthcoming. He spoke to Commissioner Kitchens' concerns of eminent domain being invoked to demolish the home at that intersection, saying FEMA grants specifically exclude usage of eminent domain. The City has a signed statement from the homeowner stating she will voluntarily sell the house to the City if the City gets the grant. There will be no forcible taking of property; the goal is to eliminate the flooding that takes place there on a regular bases. Commissioner Kitchens said she hopes this will solve the drainage problem at that intersection, which has been on-going for 60 years. Commissioner Brown moved to approve Consent Agenda item 3(a). Commissioner Kitchens seconded the motion, which passed unopposed.

Mayor Flagg read Consent Agenda Item 3(d). The City Clerk stated she distributed a memorandum noting the General Facilities tour and budget workshop were originally scheduled for today. The tour was held last month and the budget workshop was cancelled due to uncertainties regarding legislated tax relief, and tentatively rescheduled for the 19th, but one Commissioner has a conflict with that date concerning a medical procedure, and has requested another date be set. Commissioner Kitchens moved to move the Budget Workshop to July 24th at 3:00 p.m. at City Hall. Commissioner Sanders seconded the motion, which passed unopposed.

As to the remaining new addition to the schedule, the Clerk stated the Advisory Board Workshop has been moved to August 28th, which is two weeks away from any Commission meeting and a week where there are no advisory board meetings scheduled. Commissioner Brown noted she will be out of town on that date. Mayor Flagg noted this workshop is primarily geared towards advisory board members. The Clerk said this workshop travels around the state, and she could attend one the next time it comes to the area. The workshop will be videotaped for those who cannot attend. Commissioner Norwood moved to adopt the revised 2007 Palatka City Commission Calendar. Commissioner Kitchens seconded the motion, which passed unopposed.

CONVENE COMMUNITY REDEVELOPMENT AGENCY - Mayor Flagg recessed the Regular City Commission Meeting and convened the Community Redevelopment Agency to hear the following agenda item:

Award of Bid for 100 Block Appraisal to Bruce Limanti Appraisals, Inc. for \$3,200, per results of Request for Proposals. Downtown Redevelopment Project Expense; payment to come from Downtown TIF District Tax Increment Funds

PRESENT: Mayor Karl N. Flagg, Commissioners Mary Lawson Brown, Allegra Kitchens, James Norwood, Jr., George Sanders, Downtown Palatka Inc. President Sam Deputy and Palatka Main Street Manager Harry Eaken.

Mr. Bush stated at the June 16 Commission meeting he was directed to acquire an appraisal on the 100 Block. An RFQ was sent out and he received four responses. The lowest and most reasonable was that of Mr. Bruce Limanti. Although an appraiser with a MAI designation was desired, Mr. Limanti, who is state certified, does not hold that certification, but has noted his reasons in his response. Mayor Flagg noted his letter and response are in the agenda package, as is a memo regarding the recommendation.

Lynda Little Crabill, 609 S. 14th Street, said it is her opinion that a MAI certified appraiser should be used. She is aware of Mr. Limanti and is sure he does an excellent job, but it is to the City's benefit to have an MAI certified appraiser do the work in order to be able to present it to a developer, which she strongly urges. Mr. Bush read Mr. Limanti's letter into the record (filed). Mr. Bush stated he has talked to a couple of people about this and they say that State Certification is really the important factor, and Mr. Limanti holds that credential.

Vernon Myers, 2500 Fairway Dr., stated he knows Mr. Limanti, who is extremely competent. As far as he knows and is concerned, an MAI certification holds no great significance. Commissioner Brown moved to award the bid for the 100 Block appraisal to Bruce Limanti. Commissioner Sanders seconded the motion, which passed unopposed. Commissioner Kitchens asked if Mr. Limanti's State Certification was up to date. Mr. Bush responded it was. Mr. Bush also noted the letter from Mr. Limanti stating the cost of any updates to his appraisal would be dictated by the amount of sales data for similar comparable properties that might take place after the original date of the appraisal. Considering the current trends and market conditions, he agreed to charge no more than \$800 for an update during the first 12 months, \$1,200 for up to 24 months and \$1,600 for up to 36 months.

ADJOURN CRA - Mayor Flagg adjourned the Community Redevelopment Authority and reconvened the July 12, 2007 City Commission meeting, and returned to the Orders of the Day.

Mayor Flagg asked why the survey maps still show Memorial Parkway/First Street as Water Street. Mr. Bush stated that is a plat that is on record at the County Property Appraisers office. Commissioner Kitchens stated that is the original recorded plat of Palatka, recorded sometime around 1853 or earlier. Mayor Flagg asked if this is something that is never revised. Commissioner Kitchens stated that deeds tend to carry the same legal description; you do not change the legal description unless you actually cut up a piece of property. The property appraiser probably needs to put Water Street in parenthesis and the current street name on the map. Mayor Flagg stated if a person is coming to Water Street, they will never arrive. Commissioner Kitchens stated they should contact Pat Bennett at the Property Appraiser's office about changing it. Mayor Flagg said he feels this should be handled through more official channels than a phone call. Commissioner Kitchens stated the proper channel was the Property Appraiser's office, and Pat Bennett is the mapper. For the City's purpose the Building Dept. can put Memorial Parkway in place of Water Street on its maps. Commissioner Brown stated there are two signs on St. Johns Ave. saying it is historically known as Lemon Street. Commissioner Kitchens stated these are 1800's records. If you search a title or deed, St. Johns Avenue was not there prior to the 1960's, so if you were trying to run a deed and you didn't know they were the same street, you would have a problem. Commissioner Sanders asked that the City Manager and City Clerk start the proceedings to make these changes.

PRESENTATION ON PROPERTY TAX REFORM – Tim Parker, Chief Deputy, Putnam Co. Property Appraiser - Mr. Parker gave the Commission a power point presentation regarding Tax Reform, saying the goal of the property appraiser's office is to appraise all property at the market value. Statutes govern how they appraise the property. Regarding the property tax relief bills in the legislature, tax relief is going to come in two phases. The first bill requires all governments except school districts to cut taxes this year. Tax revenues for county, cities and special districts for 2007 and 2008 shall be capped at last years amounts plus or less 3% of new construction. The intent is to make government entities operate off last year's budget less a minimum of 3%. There are some counties in the State that had to cut 9%; the percentage is based on budget increases over the last 5 years. On January 29, 2008 in the Presidential Primary, citizens will vote on whether or not to adopt the proposed Super Homestead Exemption. This will increase the homestead exemption to 75% of the first \$200,000 in market value, plus 15% of the next \$300,000 in market value. It provides a minimum exemption of \$50,000 dollars for seniors, which is increased to \$100,000 dollars for low-income seniors. Right now there is a Senior Exemption if you are over age 65 and your adjusted gross income is not more than \$24,214 dollars. Seniors that qualify for the super senior exemption will find that even though they may qualify for the \$100,000 exemption, once the value goes above \$134,000 they will pay less, but as of now there is already a "super exemption" in place. He provided some examples of the difference in ad valorem tax as the law now provides, and what they would be if the super exemption passes, and said if anyone has any questions about what they will be paying under the proposed super exemption versus what they are paying now, they can contact him at his office. He will leave business cards on the back table. According to his calculations, approximately 77% of Palatka's residents would benefit from going with

the super exemption. Homes established after the amendment passes would not be subject to the 3% Save Our Homes (SOH) cap. If the super exemption passes, homeowners can opt to say with their 3% SOH cap, but they can't have both, and can never go back to the 3% cap once they give it up. Affordable Housing will receive special treatment, and the new law will allow for working waterfronts to be assessed by general law. The restrictions require the legislature to limit the authority of local governments with the exception of school districts to increase property taxes. The limit is allowed to increase by new growth and Florida per capita first loan home growth. Since 1996, Florida per capita first loan home growth has been 8.6%, so you could figure about an 8.6% increase in your budget, which is less than has been experienced over the last five years. The limit can be overturned by a supermajority vote of the taxing authority, but it would be at the expense of losing ½ cent sales tax revenue sharing by the State. This super exemption bill will require at least a 60% passage before it can pass.

Commissioner Kitchens asked, assuming the new Super Homestead Bill passes, right now the taxable value is not the market value, so if she votes to go with the Super Homestead, won't they bring her taxable property value up to the market value, removing her Save Our Homes benefit? She stated if the Homestead people get rid of Save Our Homes it will probably initially cause a tax increase, because they will be taxed at market value and not taxable value. The public needs to know that if they opt out of their Save Our Homes cap, then the Super Homestead will not go against the taxable value they are currently taxed at, but it will go against the market value, which is sometimes three times or more what the taxable value is. Mr. Parker stated that was correct, but people do not have to choose this year whether they want to change or not. Commissioner Kitchens stated you could keep the Save Our Homes benefit as long as you stay in the same place and don't move, but once you move, or if you drop it, you can never go back. Mr. Parker stated this is the kind of thing he can go over with anyone to help them make the right decision, and asked people to call him to discuss the options. Mr. Bush stated Palatka is a community of special financial need, as are all the municipalities in Putnam County, so according to the legislation, Palatka is fixed at a 3% reduction, and asked if they were going to come back with any surprises. Mr. Parker stated that was correct, it is last year's budget plus 3%.

REQUEST TO APPEAL 6/7/07 HISTORIC BOARD DECISION Regarding the Issuance of a Certificate of Appropriateness for Roofing Materials – Historic Board Case No. 07-25 - 414 River Street; Mark and Deborah Miles, owners/applicants - *STAFF RECOMMENDATION TO REMAND BACK TO HISTORIC PRESERVATION BOARD FOR REHEARING* - Mark Miles, 414 River Street, stated he would accept the recommendation of Staff to remand this back to the Historic Preservation Board for hearing. For the record, the City Clerk read a letter of recommendation from City Attorney Holmes to the City Commission (filed), and a letter from Mr. Holmes to Mr. and Mrs. Miles regarding this request (filed). Commissioner Kitchens moved to accept Staff's recommendation to remand Historic Preservation Board Case No. 07-25, Mark & Deborah Miles, back to the Palatka Historic Preservation Board for hearing. Commissioner Brown seconded the motion, which passed unopposed.

APPOINTMENT TO BOARDS AND COMMITTEES: – Palatka Historic Preservation Board - (1) position for North Historic District Property Owner for a Three-year term to expire June, 2010. It was noted that only one applicant, Vicki Mast, remains for this position, as Mr. Svetlik has withdrawn his application. Commissioner Kitchens stated she knows Ms. Mast, who has worked for and with her, and thinks she would do a splendid job. Commissioner Kitchens moved to appoint Vicky Mast to the Palatka Historic Preservation Board. Commissioner Sanders seconded the motion. Commissioner Norwood asked if the Commission was going to deviate from City Policy, where individuals should be present at one of the meetings? Commissioner Kitchens stated she would be willing to appoint Mrs. Mast tonight as she is the only applicant. Commissioner Norwood stated if the Commission deviates from procedure they are setting precedence. After discussion, Commissioner Kitchens withdrew her motion to appoint Vicky Mast to the Palatka Historic Preservation Board. Commissioner Sanders withdrew his second to the motion. Commissioner Norwood moved to table the appointment to the Palatka Historic Preservation Board until the candidate can appear at a scheduled City Commission Meeting. Commissioner Kitchens seconded the motion, which passed unopposed.

WATER TREATMENT PLANT FUNDING for plant construction costs and funding options currently being considered - Woody Boynton, Public Works Director referenced his memo to the Commission regarding funding options for the City's Water Treatment Plant. The City has been authorized under the FDEP Priority List for Drinking Water Facilities to expend up to \$13,407,290.00. Of these funds, 85% is a grant and 15% is a loan. Currently, an agreement to except the terms has not been fully executed between the City and the FDEP. A resolution has been placed on the agenda to authorize the City to enter into an agreement with the FDEP to accept this \$13,407,290.00 grant/loan application. Mr. Boynton presented 5 different cost scenarios that were developed with repayment amounts calculated. He stated the 85% grant is only for the 4mgd facility, which was bid in the initial package with the contractor at the \$10.9 million referenced on the first page of his memo. The Water Management District does not believe the City will exceed the 4mgd on average for some time, so speculation of growth was not allowed. He recommends that the City move forward and finance the additional \$823,000 to build the additional 2mgd facility. In each of the scenarios it is noted that \$300,000.00 was deducted from the expected City commitment. This is the estimated amount the SJRWMD will reimburse the City for constructing secondary

filters at the plant. These filters will decrease the amount of raw water needed for final distribution, thereby reducing the amount of backwash pumped to the WWTP. He noted that three of the scenarios include an additional \$823,000.00. This is the contractor's bid amount to construct an additional 2 mgd of filtration expanding the plant to its full capacity of 6mgd. He recommends the Commission approve Option #5 per his memo. They expect that a minimum loan repayment of \$100,000 will be required regardless of the scenario chosen. By adding the additional 2 mgd of filter treatment, this loan repayment increases to approximately \$150,000. He believes this investment is in the best interest of the City both short and long term. Regardless, it is expected that the base rates for both water and sewer will need to be increased by a minimum of \$1.00 to cover the cost of the loan repayment. He has requested congressional assistance from each of the City's congressional representatives through a formal application made through Sen. Nelson's Office. To date he has not had any response from either representative. It is imperative that each Commissioner informs the City's Representatives in Congress and the Senate of the financial need and the ensuing rate increase that will result if financial assistance is not realized.

Commissioner Kitchens asked, if the City does not get the \$2 million grant from the Federal Government, will the water rate continue to increase each year after 2010, or is that a one-time \$2.00 increase that will help repay the loan for the remaining 10 or 20 years of loan payments? Mr. Boynton stated it would be solely for the expansion. Mayor Flagg asked if Mr. Boynton was speaking of an increase related to the new construction and not the cost of doing business. Mr. Boynton stated no, it is just the new construction. Commissioner Norwood stated he has not seen any building project of this significance that has not required any change orders. He also added Mr. Boynton is wise to plan for the City's future, and he believes this is a good investment for the water quality people are going to be getting. Commissioner Kitchens stated the City did not have a choice, but she is concerned with any increase in the water rates. She also had a question regarding one of the resolutions. Commissioner Norwood stated he concurs with scenario #5.

RESOLUTION - The Clerk read a resolution entitled A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PALATKA, FLORIDA, AUTHORIZING THE NEGOTIATION OF A LOAN IN AN AGGREGATE AMOUNT NOT TO EXCEED \$14,000,000 FROM THE FLORIDA RURAL UTILITY FINANCING COMMISSION FOR THE PURPOSE OF FINANCING THE COST OF IMPROVEMENTS TO THE CITY OF PALATKA'S WATER SYSTEM; APPROVING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE CITY OF PALATKA, FLORIDA AND THE FLORIDA RURAL UTILITY FINANCING COMMISSION TO PROVIDE INTERIM FINANCING TO THE CITY OF PALATKA; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE. Commissioner Norwood moved to adopt the resolution as read. Commissioner Sanders seconded the motion. Commissioner Kitchens questioned Page 2, Section 6, where it states the Mayor is authorized to approve the interest rate, maturity of the financing and any other terms of the financing, without further approval of the City Commission, upon satisfaction of the certain conditions. She asked if this means the utility rates can be raised without the approval of the full Commission. Mr. Boynton said this bond and resolution do not incorporate the need for an increase in rates, it is only to secure term financing over a 3-year period until DEP pays the City 100% of the bond amount. Revenues of up to \$14,000,000 for this bond resolution have already been committed by DEP. Commissioner Kitchens asked if that covered the \$2.00 increase that was discussed; Mr. Boynton responded it would. The Clerk noted the utility rates are set by ordinance and are in the Municipal Code, which can only be amended by an ordinance that comes for a vote before the City Commission. There being no further discussion a roll call vote was taken with the following results: Commissioners Brown, Kitchens, Norwood, Sanders and Mayor Flagg, yes. Nays, none. Resolution No. 08-16 was declared adopted.

RESOLUTION - The Clerk read a resolution entitled A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PALATKA, FLORIDA, AUTHORIZING AN APPLICATION FOR A STATE REVOLVING FUND LOAN IN AN AGGREGATE AMOUNT NOT TO EXCEED \$14,000,000 FROM THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION, BUREAU OF WATER FACILITIES FUNDING, FOR THE PURPOSE OF FINANCING THE COST OF IMPROVEMENTS TO THE CITY OF PALATKA'S WATER SYSTEM; APPROVING THE EXECUTION OF A LOAN APPLICATION TO PROVIDE FINANCING TO THE CITY OF PALATKA; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE. Commissioner Norwood moved to adopt the resolution as read. Commissioner Kitchens seconded the motion. A roll call vote was taken with the following results: Commissioners Kitchens, Norwood, Sanders, Brown and Mayor Flagg, yes. Nays, none. Resolution No. 08-17 was declared adopted.

Regarding Mr. Boynton's request for the contract addendum, Mayor Flagg stated he did not feel this request had met the notice requirements for official action to be taken. Mr. Holmes said if it is not on the agenda, it cannot be considered. Mr. Boynton stated he will bring it to the next Commission Meeting.

ORDINANCE Amending Chapter 78, Article V, Sections 162 through 178 regarding statutory changes to Occupational Licensing - 1st Reading - The Clerk read an Ordinance entitled AN ORDINANCE OF THE CITY OF PALATKA, FLORIDA, AMENDING CHAPTER 78, ARTICLE V, SECTIONS 78-162 THROUGH

78-178 OF THE PALATKA MUNICIPAL CODE PERTAINING TO OCCUPATIONAL LICENSES AND OCCUPATIONAL LICENSE TAXES TO REFLECT STATUTORY CHANGES RELATIVE TO THEIR DESIGNATIONS; ADDING ADMINISTRATIVE PROCEDURES PERTAINING TO APPLICATIONS FOR LICENSES, THEIR ISSUANCE AND DURATION, AND COLLECTION OF TAX; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE. Commissioner Norwood moved to approve the ordinance on 1st reading. Commissioner Sanders seconded the motion. Mr. Holmes noted the word Florida appears twice in the title; also, he is not comfortable with the first paragraph of Section 2, page 2, paragraph (c) and recommended a motion to amend be made to strike that paragraph from the ordinance. In his opinion, the paragraph is too vague. It states that “a business tax may be levied upon any person who does not qualify under subsections (a) or (b) of this section and who transacts any business or engages in any occupation or profession in interstate commerce, if the business tax is not prohibited by Section 8, article I of the United States Constitution” which he feels is too broad. It does not say what the criteria would be for levying the tax. The subsections (a) and (b) that are referenced refer to someone who might have a business in the city limits, which is a clear standard. The way this section reads, it essentially states that if you don’t have a business in the City you might still be taxed if you engage in interstate commerce, and that is just too open-ended. He thinks that the confusion stems from the fact that when the legislature adopted the new statute it said, in its enabling legislation, that cities may go ahead and impose taxes on people who don’t fit the description of sections (a) and (b) above, if the tax isn’t prohibited by the Constitution. This is the Legislature’s way of saying you might come up with a way of doing it, but he thinks it’s incumbent upon the City to put standards and criteria in place regarding when the tax will be imposed on people that don’t maintain a business in the City. The tax that you levy still may not pass constitutional muster on issues of interference with interstate commerce, but as this is written, it does not pass muster because it is so vague. If the City wants to subject people who don’t have business in the City to a business license tax, the City can come up with standards for that. He suggests they see what other cities are doing and go from there.

Pam Sprouse, Occupational License/permit clerk, said this section was included at the suggestion of a State representative that spoke at a conference she attended in April, who said it should be inserted exactly as written to cover insurance companies and the like that are not physically located in the City, but do business and collect premiums for services in the City. After some discussion, Mrs. Sprouse agreed with Mr. Holmes as to his suggestion to strike subsection (c). Commissioner Kitchens moved to amend the proposed ordinance by removing subsection (c) from Section 78-162. Commissioner Brown seconded the motion. A roll call vote on the motion to amend was taken, with the following results: Commissioner Norwood, Sanders, Brown, Kitchens and Mayor Flagg, yes. Nays, none. Motion carried.

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

- * 10. **CONSIDER QUALIFICATIONS OF NABORS, GIBLIN & NICKERSON, PA and estimate of \$20,000** to prepare an Impact Fee Ordinance for Fire, Police, Parks, Transportation and Water & Sewer Utilities - Mr. Bush noted the recommendation is to retain the firm of Nabors, Giblin and Nickerson, PA to prepare the impact fee ordinance per the study done by GSG for a blanket fee of \$20,000. The City could go put out an RFQ to select the most qualified firm and then negotiate a fee, but this firm has prepared the great majority ordinances for other government entities, including Putnam County. More importantly, this firm worked closely with GSG in the preparation of the impact fee study. Because of their experience and expertise, as well as their familiarity with Palatka’s study, this firm would be best qualified to defend the City from any challenge to its ordinance. They are the most qualified in addressing any questions that might arise from the general public during the adoption process. The best method for avoiding future difficulties with the ordinance is to utilize the most experienced firm with the most knowledge of the methodology utilized in preparing and setting impact fees. Commissioner Brown moved to accept the recommendation of the City Manager to contract with the firm of Nabors, Giblin & Nickerson, PA to prepare an Impact Fee Ordinance for Fire, Police, Parks, Transportation and Water & Sewer Utilities. Commissioner Brown seconded the motion. A roll call vote was requested and taken with the following results: Commissioner Brown, Kitchens, Norwood, Sanders and Mayor Flagg, yes. Nays, none. Motion carried.

CITIES OF EXCELLENCE AWARDS – additional nominations – It was noted that the following individuals were nominated for the Cities of Excellence awards at the June 28 meeting:

Mayor of the Year	Karl N. Flagg
Council Member of the Year	Mary Lawson Brown
City Manager of the Year	Allen R. Bush
City Clerk of the Year	Betsy J. Driggers
City Finance Official of the Year	Ruby M. Williams
City Employee of the Year	Jeff Norton

Commissioner Norwood moved to accept the list of nominations for the Cities of Excellence awards as presented. Commissioner Sanders seconded the motion, which passed unopposed.

DISCUSSION REGARDING FEASIBILITY OF PURCHASE OF FORMER ED POWELL REALTY BUILDING (next door to City Hall Annex on North 2nd Street) for additional City Hall Annex – Commissioner Kitchens said the Commission has discussed the overcrowded conditions at City Hall and Annex for the past year or so. She noticed the former Ed Powell Realty building, located next door to the Annex, is for sale, so she and Mr. Bush checked on the price and toured the building, which was built in 1960 and renovated first in 1986, and again more recently. It has 1,272 square feet, seems to be in very good condition and may have a new roof. The door that goes out the back is close to the side door that comes out of the City Building Dept. There are ceiling fans, air conditioning and it has been repainted. The purchase of the building would alleviate the overcrowding problems Mayor Flagg and Commissioner Norwood have talked about. It is her understanding that the asking price right now is \$175,000 and she believes Mr. Bush could negotiate that down. If and when the City decided to sell the Annex/Building Department, they could sell this adjacent building with it. She recommends purchasing the building by borrowing the money from the Gas Authority for repayment with Better Place Plan Funds, which is how the City recently purchased the building for the PD expansion. Mr. Bush confirmed with the Finance Director that all Better Place funds in next year's budget have been pledged. Commissioner Kitchens asked if the money can be borrowed now and repaid in the following budget year? Mr. Bush agreed it is possible. Mayor Flagg asked as to the progress of the space/needs analysis the Commission had requested? He understands this may be a good opportunity, but he does not feel the City should take the piecemeal approach to this space crisis. There is still the possibility of the occupation of the Bank building across the street. The City needs to take a holistic approach to this. Commissioner Sanders inquired about the availability of parking at this site. Commissioner Kitchens stated there is property behind the building, which the City owns, that can be made into parking space. Commissioner Sanders stated the bank building offers everything the City could possibly need, and would have greater value. Commissioner Kitchens noted that property is not now available. If and when the City does occupy it, they can tear down the present Annex and create parking for the present City Hall, which would become a satellite office. She thinks this is a win/win situation, more so if the price can be negotiated down.

Mr. Bush said a needs study had been under discussion. Other options have come up in recent months. He would like to appoint a committee to include Commission representation and city staff to look at the various options. This does not mean it would be implemented tomorrow, but it would provide direction. Commissioner Kitchens reminded the Commission that the citizens have repeatedly said they do not want City Hall moved from this downtown location, and would not object to the Capitol City Bank location. Mr. Bush stated they will sit down and explore the options, time lines and financing, and will come back with a recommendation.

Commissioner Norwood concurred on the necessity of a needs assessment and committee, noting overcrowding and needed repairs at most city departments. Mr. Bush said it may not happen this year, but it would be a plan. Commissioner Kitchens stated the option of purchasing this building is the most feasible and cheapest at this time. They have needed a needs study for several years. Mr. Bush stated this was discussed with department heads at one time, and stated a dollar figure should be put to it. Mayor Flagg said there is a difference between an analysis and an assessment. The City is capable of doing an overview, but you need an independent entity to analyze space, how it is best used, and what the requirements would be. The Commission needs something to work with. The PD did a similar study.

Gary Getchell, Police Chief, stated they could provide the Committee with the material to tell them what to look at. A consultant still has to provide an impact study. The prior City Planner and members of PD staff went to a class in Orlando hosted by an architectural firm that specializes in public structures, and they were provided with a manual to follow. Mayor Flagg said department heads would need to be a part of the process. Chief Getchell stated it took them a year to complete their study, but this could be done in a couple of months if they assigned people to this on a full-time basis. As to a time line, Mr. Bush said they'd have to get into it to know what it entails. It may take some time to accomplish.

ADMINISTRATIVE REPORTS

Mayor Flagg stated two department heads have asked to revisit the Budget Workshop date, as they will be on vacation that week. The Clerk noted it should be done by the end of July in order to comply with the TRIM calendar deadlines. After discussion, consensus was reached to set the budget workshop for 3:00 p.m. on July 31, 2007.

COMMISSIONER COMMENTS

Commissioner Sanders said he attended a meeting this morning at the Chamber of Commerce regarding workmen's compensation coverage, which was very interesting and informative.

Commissioner Brown said on Tuesday she and Mr. Venables attended a JTA regional meeting in Jacksonville. They have asked her and Mr. Venables to sit on the Steering committee for the Waterborne Transportation Feasibility Study, and asked her to sit on the Advisory Committee for it. She brought back information on it to share with the Commission. The City of Palatka is a part of this study; they are looking at waterway transportation, such as the hovercrafts that can get you to Jacksonville in 60 minutes, and waterway tourism, which includes ferries and water taxis. She has also asked that a brochure be published to help promote the City.

She met with a Mr. Evans, who has a boat in Daytona, who states they are looking for a place to dock. She has asked him for three scenarios of what they propose to do with their operation. As to the riverboat, they have around \$1 million sitting there, which was held by DOT pending a start-up plan and money. She knows the City has no money to help start up a water taxi, but she proposes approaching businesses the City patronizes via a letter of solicitation for donations for start-up money. Pride of Palatka is a nonprofit agency and can give them a tax right-off if they need it. They have already received a start-up donation of \$1,000 from Quality Inn. She asked for consensus from the Commission as to approaching businesses, and if they can get a list of City vendors. They are looking at around \$100,000 per year for operations.

Commissioner Kitchens stated she did not see the harm of contacting the big corporations that the City does business with, and to also contact JTA as they want to tie in with this. Mr. Bush stated he thought the gentleman they were negotiating with was interested in bringing his private operation here, and he would assume all the risks and operational cost. Commissioner Brown stated that was one scenario he proposed, but they did not want someone else coming in with their boat and taking all the money someplace else. The other proposal was to help market and operate a boat for the City. They don't just want a boat; this is for economic development. They want people to do more than just take a boat ride. Amtrak is willing to help advertise and bring people here for day trips. She has been contacted by the schools, who've said this may be someplace for them to hold or cater for meetings. They could shuttle people to Murphy Island, which is owned by Water Management, for picnics. This gets people off Hwy 17 and into the Park. They can also use this to evacuate people during emergencies. As to the current status of Pride of Palatka, they have been struggling to find a way to get funds for operations. Commissioner Norwood stated the Commission asked the Vice Mayor to move forward on this, so the Commission should support her and give her the names of the vendors that the City does business with, as well as the businesses the City normally solicits for donations, so she can solicit donations for the operational costs of the boat.

Mr. Bush said his greatest fear is, should the City purchase the boat, which he thinks is being eluded to, then these people are free to walk away if it is not a successful operation. If the City allows them to operate a boat and they take on the risk, they can negotiate all these other points, such as dockage and use of other facilities, local caterers, school services, etc. Commissioner Brown stated they are to present three business plans for three scenarios, and the Committee will bring them to the Commission. She wants to do the most feasible one. Mayor Flagg stated they have to have something precise to put in the hands of the public and vendors. Once everyone knows what plan the Pride of Palatka is endorsing, the Commission will know how to proceed. Commissioner Brown stated she spent a lot of time showing these people around town and providing them with background information. She hopes some grant funds will be left after the boat is purchased, so they can be used to upgrade the docking facility and waterfront.

Commissioner Norwood said the turn signal at the corner of 19th has been installed. He also inquired about shrubbery on City right-of-way that blocks the view of traffic at intersections. Mr. Bush stated if the shrubbery is on City right of way, it is a City problem. Commissioner Kitchens said this is covered in the Code.

Woody Boynton, Public Works Director, said in early 2006 the City did significant tree & shrubbery trimming throughout the City. They plan to do it again this fall. He asked that they call specific locations of this in to his department, and they will take care of it. Commissioner Norwood said this is a problem throughout the City, and needs city-wide attention. Per the question, Mr. Boynton said if the problem exists on private property, it becomes an issue for Codes Enforcement. Mayor Flagg asked that the City do a press or public information release that would raise levels of awareness on this hazard; they'd like to get voluntary compliance. Mr. Boynton stated one issue that was raised by the Tree Committee is that most people don't realize that they can't plant in utility easements or right-of- ways. Mayor Flagg suggested doing a presentation in a future Commission meeting, as it will be televised, in addition to newspaper coverage.

ADJOURN - 8:33 p.m. upon a motion by Commissioner Brown.