

KARL N. FLAGG  
MAYOR-COMMISSIONER

MARY LAWSON BROWN  
VICE MAYOR - COMMISSIONER

JAMES NORWOOD, JR.  
COMMISSIONER

ALLEGRA KITCHENS  
COMMISSIONER



ELWIN C. "WOODY" BOYNTON, JR.  
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

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

**MINUTES**  
**PALATKA CITY COMMISSION**  
**PRE-BUDGET WORKSHOP**  
**March 13, 2008; 3:30 p.m.**

Proceedings of a workshop meeting of the City Commission of the City of Palatka, Florida, held on the 13<sup>th</sup> day of March, 2008

PRESENT: Mayor Karl N. Flagg  
Commissioner Mary Lawson Brown  
Commissioner Allegra Kitchens  
Commissioner James Norwood, Jr.

Also Present: City Manager Woody Boynton, Assistant City Clerk Karen Venables, Police Chief Gary Getchell, Fire Chief Mike Lambert, Fire Marshal Mark Lynady, Planning Director Jim Lee, WWTP Supt Platt Drew, WTP Supervisor Melvin Register, W&S Distribution Supt. Rhett McCamey; Streets & Sanitation Supervisor Ed Chandler; Parks & Cemeteries Supv. Jeff Norton, Airport Business Manager Donna Franklin, Spanky Aaron, Golf Pro; Gina Williams, Course Maintenance Supt.,

Mayor Flagg called the meeting to order at 3:30 p.m. and read the following call:

TO MESSRS: MARY LAWSON BROWN, JAMES NORWOOD,  
AND ALLEGRA KITCHENS:

You are hereby notified that a special called workshop meeting of the Palatka City Commission is called to be held at the regular meeting place of the Palatka City Commission, 201 N. 2<sup>nd</sup> Street, Palatka, on March 13, 2008, beginning at 3:30 p.m.

The purpose of the meeting is to hold a pre-budget workshop for FY 2008-09.

*/s/ Karl N. Flagg*

Karl N. Flagg, MAYOR

We acknowledge receipt of a copy of the foregoing notice of a special meeting on the 10th day of March, 2008.

*/s/ Mary Lawson Brown*

COMMISSIONER

*/s/ Allegra Kitchens*

COMMISSIONER

*/s/ James Norwood, Jr.*

COMMISSIONER

Vacant

COMMISSIONER

## **INVOCATION – Commissioner Allegra Kitchens**

## **PLEDGE OF ALLEGIANCE – As a group**

- I. **Opening Remarks** – Woody Boynton, City Manager, said the City will be looking at budget cuts that may be necessary due to tax reform measures. They will also look at how those cuts may affect levels of service the City now provides. The passage of Amendment 1 is going to cost the City \$300,000 in ad valorem tax revenues right off the top. The Property Appraiser's office has advised him that the City can expect next year's ad valorem revenues to be similar to or even less than what was projected for 07-08. Sales tax receipts are less than anticipated. He has met with each of the department heads to discuss the upcoming budget cycle and asked them to look at possible cuts in order to reduce their budgets by at least 3%. He's asked them to look at freezing salaries for the 08-09 year; if salaries were frozen across the board, that would save the City \$300,000. Tonight the Commission will be looking at a Resolution to take to the State Legislature to have them include the City of Palatka as a fiscally constraint city in the Governor's budget. If that passes and the State does reimburse Palatka for the losses generated by Amendment 1, they expect to take that money and fund employee raises. He also asked department heads to look for ways to trim any "fat" that may be left, with a goal of budget cuts in the neighborhood of 3 to 5 percent. This is based upon projections of gas, electricity, workman's comp and other costs associated with city operations might do over the next year. Each department should be coming to the Commission with a proposal to cut 3% to 5% from their budgets, and how those cuts will affect current levels of service.

## **II. Discussions By Department:**

Municipal Golf Course Clubhouse – Mike "Spanky" Aaron stated next year one full time person will be retiring; that position will not be filled. That position costs \$15,000 to \$16,000 annually, which is 3% of his operating budget. They have formed a new committee that will formulate a short and long-term business plan, and are holding a membership drive.

Grounds Maintenance – Gina Williams stated she has several hourly employees that can be put on salary, which will cover the 3% cut. Most of her budget is spent on equipment repair; she welcomes any suggestions regarding this area. A leasing program has been suggested.

Mr. Boynton stated Mr. Aaron was asked to come up with a business plan. He noted the golf course is improving. Improvements to memberships will make it a viable enterprise. He would like Mr. Aaron to come up with that business plan before any decision is made on what to do with the golf course. At this time he believes there is a direction for the golf course to move in that will make it a viable course.

a. Public Input – There was none.

b. Commission Input – Commissioner Brown stated in the past the County had voted to provide help with the golf course; then several new Commissioners were elected and that changed. She would like to approach the County again. Commissioner Kitchens concurred, and asked if other departments had equipment that could be shared and used at the golf course.

Commissioner Norwood inquired as to the current amount of deficit; Mr. Boynton stated it is \$1.3 million. Commissioner Norwood asked if that could be made up by the end of this year? Mr. Boynton stated he did not think the \$1.3 million would be paid off, but believes

the course will be self-sufficient if a sound business plan is put in place, together with support from memberships and support from the County. Commissioner Norwood stated they need to go one step further and have a formal discussion with the County, plus approach City and County residents. He recommends the City Manager and one Commissioner sit down with the County and meet with them regarding County support for the golf course. Commissioner Brown suggested including someone from the golf course committee. Commissioner Norwood said he would like to know the percentage of golf course users that live in the City and County, and have those figures made available for the discussion.

Commissioner Kitchens noted Better Place Funds can be used for recreation, and inquired if Better Place Funds are currently used to fund the golf course, and if not, could they consider it? Mr. Boynton stated currently the City does not use Better Place Funds for the golf course. He would have to look into using Better Place Funds for an enterprise fund outside the capitol improvement-type expenditures.

Public Input – There was none

Commission Input – There was none

2. City Hall (General Government) & Water Administration – Ruby Williams, Finance Director, stated there were some expenses this year that we not be recurring next year. The payout of the former City Manager's retirement was more than 5% of the budget, which will be saved next year. There are no other line items she can cut back on in General Government or Water Administration.

Public Input – There was none

Commission Input – There was none

3. Planning, Building & Zoning Department – Jim Lee, Planning Director, stated the current budget for this year is \$483,009. There will be no replacement of existing vehicles; they plan to sell one vehicle and there will be no take-home vehicle for the building inspector. They are looking at a savings of 4.41% in next year's budget. Total revenues decreased from FY-06 to FY-07, but revenues for FY-07 were higher than FY-05. There was a reduction in permits issued for the period between 10-01-07 and 03-07-08, compared with the same period last year. Total revenues collected increased from \$99,154.50 to \$107,622.86. This is due to new fees approved by the City Commission in May 2007.

Public Input – There was none

Commission Input – Mayor Flagg asked Mr. Lee to compare the current level of service based on budget reductions, and asked if he predicts any compromise in the quality of service? Mr. Lee responded no, not with the current activity or with the current reductions.

Commissioner Brown inquired as to which vehicles were they going to cut back on. Mr. Lee stated the Code Enforcement Officer will have a car and the two Building Inspectors will have cars. He and Ms. Banks will share a car because most of their time is spent in the office. Mayor Flagg inquired if the City is still contracting the Building Official services out? Mr. Lee responded yes, it has been very successful; he is averaging between 30-32 hours per week.

Commissioner Norwood asked how many Code Enforcement Officers are currently on staff? Mr. Lee stated there is one full-time code enforcement officer, and Ms. Banks is spending around between 30 – 50% of her time on code enforcement. Commissioner Norwood said the Commission approved two code enforcement officers in the budget two years ago. Commissioner Brown stated there were two, but one left. Mr. Lee said the 2<sup>nd</sup> Officer left in early January. Ms. Banks was hired in as Assistant Planning Director and Code Enforcement Supervisor. Commissioner Norwood stated there are a lot of code enforcement issues that need to be addressed. He asked if they are as efficient now with one full-time officer as they were with two? Mr. Lee stated if there were two full time officers, there would be a greater number of cases they could deal with. There was a compromise on what this department needs at this time. There is a reduction in level of service as far as code enforcement, but other areas have been improved on. They have to look at what the State mandates.

4. General Services – Mr. Boynton stated the General Services Director position was eliminated due to his resignation to take the City Manager position in Keystone Heights. The salary and budget for that department was around \$85,000. An internal audit was done at City Hall and there is at least one position he will be recommending to fill, which would be around \$30,000 to \$40,000 depending on the level of competency hired for the position they are looking at. They are considering grant administrators and administrative assistants, and people that can help with the work load as they move forward through these economic times. There will be a person that will take over many of the responsibilities that Mr. Venables had. Currently, he has distributed those duties to others throughout the departments. He believes this to be more efficient. There are some grant issues that have to be resolved.

Public Input – There was none.

Commission Input – Commissioner Brown stated she would like to see someone in that position, as they need someone who will help the City stay on top of grants, etc. Commissioner Kitchens suggested looking at getting Experience Works personnel. Commissioner Brown suggested having part of the grant go toward the grant administrator's salary. The City has dedicated staff; they need to look at having someone that can dedicate the time to this. Mr. Boynton stated Mrs. Williams has been doing the administration of these grants and at this time it has become a full time job on her part just trying to make sure pay requests are submitted on a timely basis, making sure the money, when it is received, goes to the right account, making sure the paper work is in place. Grants Administration duties have increased significantly and it has become a cumbersome part of her job that needs to be taken off her plate.

5. Police Department – Chief Getchell prepared 4 options for budget cuts and distributed them (filed), noting this is a work in progress. Option 1 will only cut line items here and there and cuts no services. Going into this fiscal year they froze 2 police officer positions that were in the FY 04-05 and one alarm coordinator position. Retaining the Weed & Seed Program, they cut 1.26% off this year's budget with no cuts to service. He is not optimistic about future costs for fuel or worker comp insurance. There is no control over medical insurance costs. Some programs will have to be scaled back, but as far as the service level they provide to the community it will remain the same. Option 2 does not result in cuts to services. If the Weed & Seed program is eliminated, they can expect a loss of in grant revenue. If the two police officer positions remain frozen, they can eliminate the cost of two leased vehicles, generating a savings of \$798/month. The total savings for option 2 would be \$103,039.31, or 2.75%. In his experience with competitive grants, when you hand

money back, they look poorly on you when you are competing for other grants in the future. Most of their grants come through the Department of Justice, and it may compromise the City's ability to compete for other grants, should they hand this grant back, so he recommends caution on this.

Commissioner Kitchens inquired if the \$350,000 they would lose in grant money was for the Weed and Seed only, or for the whole department. Chief Getchell stated it was for Weed and Seed only, and doesn't include the other grants. Continuing, Chief Getchell noted with Option 3, cuts are made to basic services. The Weed & Seed Director & program and one police officer position are eliminated. With the elimination of the two vehicles from option 2 plus one additional vehicle due to an additional frozen police officer position, the total savings with Option 3 is \$146,846.39, or 3.91%. Commissioner Brown said she prefers not to send any grant money back. She asked if the police officers still take their cars home, and if so, who pays for the gas. Chief Getchell stated most of the officers do take their cars home; the City pays for the gas because it is part of the officer's benefit package. Commissioner Brown stated they may need to reconsider this. Chief Getchell concurred, and said they may need to have the labor attorney look at this. This should be city-wide, and not just for the Police Department. Mr. Boynton stated this is something that Chief Getchell can look into. There is a very definitive radius from the City that they are only allowed to take their vehicles, which he understands is a minimal distance. He suggests this be enforced. Chief Getchell stated it was 5 miles, but was changed to a 10-mile radius; the only exception is the K-9 officer, so they won't have to house the dog in a kennel. He noted the program is a benefit to the City, as within 30 – 45 minutes he can mobilize his entire department at a scene. In this small city, this happens quite a bit. Chief Getchell closed by submitting Option 4, which included all of options 1, 2 and 3 plus the elimination of one additional police officer position, resulting in a total savings of \$196,653.47, or 5.24%

Public Input – There was none.

Commissioner Input – included in above.

6. Fire Department – Fire Chief Mike Lambert stated they do not have the room to cut manpower, which is 86% of their budget and is the biggest part of their budget. They have the "2 in, 2 out" rule to consider. They can cut back on education, natural gas, building maintenance, uniforms, operations, make no capitol improvements next year and purchase no vehicles, which he estimates will save 2.3% off the total budget, or 16.5% off the operating budget. They are hoping to make up some of the money with inspection fees, which they are charging now. They have increased the annual fire service contract fees, which has resulted in a 36% increase in collections.

Public Input – There was none.

Commission Input – Commissioner Kitchens inquired how this would affect vehicles. Chief Lambert stated he did not cut back on vehicle maintenance, but did on building maintenance. Commissioner Kitchens asked if they plan to cut firefighting/building entry equipment. Chief Lambert Fire Marshal Lynady has organized a benefit golf tournament to help with fire prevention, as there is no money in their fire prevention budget for school supplies and the like.

Commissioner Norwood stated there has been talk about reduction of vehicles and purchases of new vehicles. The City has worked hard to get out of the maintenance issues with old vehicles, and he doesn't want to relapse back into that cycle caused by an aged

fleet; they get to a point that they can't recoup their investments. Chief Lambert stated he has talked with the Mr. Boynton about working with and utilizing the City Lot for general vehicle maintenance. He believes going a year or two without new vehicles will not hurt the Department.

Commissioner Brown stated she knows the city's first response is necessary, and would like to approach the County about reimbursing the City for the first responder services, as they are usually the first on the scene. Chief Lambert stated this has been discussed. Their relationship with the county is 100% better than it has ever been, and they are looking at the possibility of providing mutual aid with the county.

Mayor Flagg stated there is a lot of talent within the City's Fire Department. It will likely save some of the County departments money if things are properly coordinated, and that would give the City an even further reduction in costs. He is in favor of inter-departmental exchange as long as it is documented and they can show where the City is saving. Chief Lambert stated they have always done their own maintenance.

Mr. Boynton stated these cuts, or belt tightening, that the Commission is seeing are in expectation of revenue reductions that are being forecasted for 2008-09. He wanted to show the City of Palatka and the City Commission what could be addressed and still keep the same level of service that is being currently provided. He appreciates what everyone has brought to the table. Everyone has diligently gone through their budget to try to allow the City to operate at the same level of service without any major cuts throughout the process.

7. Parks/Cultural/Community Centers/Cemeteries – Jeff Norton stated there are no new vehicles in next year's budget, and he will be cutting back on overtime. The Cemeteries will be expanding services and they hope to make that an enterprise fund. Recently one of his part-time staff person retired, and he is not going to replace him. They are planning on increasing the fees in certain City facilities such as, Booker Park, Price Martin and for special events.

Public Input – There was none.

Commission Input – Commissioner Brown ask as to the current for the Price Martin Center. Mr. Norton stated it is \$150.00 for 8 hours.

Mayor Flagg asked if the building was being under used, over used or adequately used? Mr. Norton stated it was adequately used. Mayor Flagg inquired as to how many are being exempted from fees when using the Price Martin? Mr. Norton stated non-profits like the school boards, police dept., weed & seed and those types of groups are exempted. Mayor Flagg stated the City needs to come up with a plan because everyone is tightening belts. If the facility is being used, there are expenses related to the use, wear and tear. The City needs to make sure that every group, whether non-profit or not, is issued a certain amount of opportunities annually to use the facility with fees waived or reduced. After that quota is met, the group should pay for the use of the facility. Mr. Norton stated he will be presenting a fee schedule for that.

Commissioner Brown stated everyone needs to tighten up their belts, but the City has some responsibility to take care of things that go on in the community. She can see paying for the use of the facility after using it a certain number of times, but they went after the money to build a facility so there would be a place in the community that the citizens could use. For

community service events, they need to keep the fee at a minimum. Commissioner Kitchens asked if a city employee is paid overtime when the Price Martin is open and in use after hours. Mr. Norton stated if an employee works after hours, he/she will take that time off during regular hours in lieu of overtime payments.

Commissioner Norwood stated the City has lots of facilities; they have to be able to maintain them, which is what they have difficulty doing within their budget constraints. There are issues that need attention. They have to make sure they are operating the facilities in a cost-effective manner. If the facilities are not maintained properly, what good does it do to have them? Sometimes you have to do what you have to do.

8. Public Works Department:

Water & Sewer Utilities – Rhett McCamey, W&S Distribution Superintendent, said they are looking at freezing the capitol outlay line item, and can use that savings to cover the rising cost of fuel and insurance. One long-term employee will be retiring and there should be quite a bit of savings when they hire someone to take his place. They will push back the vacuum truck purchase for another year.

Public Input – There was none.

Commissioner Input - Commissioner Norwood stated the Public Works Director made a commitment to rehabbing and replacing old water pipe lines and mains, and he'd like to know the status of that. Mr. McCamey stated they are working on cutting that corner. Commissioner Norwood asked if they were going to be replacing any existing lines. Mr. McCamey stated they have done so on River Street, and there is one item in the budget for work on North 14<sup>th</sup> Street, but it is going to take a bit more investigation. Commissioner Norwood asked if the City is prepared to meet requirements in order to increase the existing services. When there is a main break, there is overtime involved, which generates manpower and equipment issues, etc. There needs to be a plan in place.

Mayor Flagg recommended Commissioner Norwood talk with the City Manager with regards to the development of a plan. The Commission may have to add another meeting to its schedule regarding an overview of the City's infrastructure across the board. They need to know what should be replaced and the areas identified for future development that have no infrastructure in place. These are issues that can affect the City economically.

Mr. Boynton stated he has recommended the capitol improvement line item not be touched. Everything that was in the CIP for capitol improvements is ongoing as proposed. For this department this will mean a 4 to 5% savings across the board. He does foresee these improvements will be made, whether they are waterlines, sewer, pump stations or whatever needs to be done. Mr. McCamey stated they have placed the first order for the large meter replacements, which will show as an increase on larger customers, and they installed their first automated flushing device today, which should cut down on the overtime.

Sanitation Department – Ed Chandler, Foreman, stated one of the biggest line items for his department will be fuel. They will not be replacing a customer service position, and will be combining customer services for utilities with public works. They will maintain the same level of service. They have been operating off the same budget for the past three years, and are comfortable with that going into this year.

Transportation, Streets & Sidewalks – Ed Chandler stated they have maintained the same budget for the past couple of years and feels comfortable with that same budget going into

next year. They have one open position that will not be filled, and have maintained the same level of service. Sidewalks are being maintained and replaced. Mr. Boynton stated the money for sidewalks comes out of the Better Place Plan.

Public Input – There was none.

Commission Input – There were none.

9. Water Treatment Plant – Melvin Register stated they looked at their line items to see what could be cut. If they freeze salaries, this will make their savings. They expect the level of service and water quality to increase with the new plant. The main cuts will be in capitol improvements and outlay areas. They are looking at about a 6% cut to their capitol budget for next year.

Public Input – There was none.

Commissioner Input - Mayor Flagg inquired if the opportunity to supply bottled water to the public had been explored? Mr. Register stated not as of yet, but they will look into it.

10. Wastewater Treatment Plant – Platt Drew stated his Department operates on a very lean budget at this time. He cut about 2.4% in his capitol outlay for next year and the operating budget is probably going to be hard to hold.

Public Input – There was none.

Commission Input – There was none.

11. Palatka Municipal Airport – Donna Franklin stated currently the airport has an extremely lean budget. They are currently looking at certain expenses that are not only going to impact their revenues, but also will impact their expenditures. Reducing an expenditure allowance that supports a revenue line item would reduce or eliminate its potential revenue, thus being counterproductive to an enterprise fund. Excluding a hanger revenue issue that is being addressed, their current budget expenditures are in line with current revenues. Still, there is always a window to reduce expenditures, barring the unforeseen. Maintenance of the airport has historically been the largest expenditure. Both building maintenance and equipment maintenance include all airfield lighting equipment and navigational aids, any given expenditure, be it a minor or major issue, is subject to be anywhere from a few hundred dollars to a thousand or more, pending the event. Although these expenditures can be predicted, it would not be feasible to reduce this allowance or consider it for conservation. The airport proposes to increase the revenue impact by reducing expenditures. Without reducing services, compromising customer service, or raising rates, they believe they can target non-revenue expenditures such as operating supplies, office supplies, paper costs, utility conservation, electricity & water, and vehicle gasoline. With rising fuel costs in mind, they are still on track to save an estimated 30% or more of this allowance by fiscal year end. Through creativity and a conscious effort to conserve and purchase wisely, they believe they can reduce expenditures in this current budget by at least 1%, barring the unforeseen. The Airport Advisory Board is currently holding a series of workshops that may redefine their future. The airport has a very skilled staff when it comes to maintenance, most of which is done in-house.

Public Input – There was none.

Commission Input - Mayor Flagg said the Commission looks forward to input from the Advisory Board, and noted any proposed policy changes must come before the Commission.

- III. **Closing Remarks** – Commissioner Brown stated she would like to thank all the staff for their work. She noted they have been on target not only this year, but in years past, and they work very hard for the City. She hopes the citizens appreciate the work they do for them, because without them there wouldn't be a City. Commissioner Kitchens said she appreciates how fast this process moved, noting it was very efficient and informative; she also thanked Staff for their work. Commissioner Norwood concurred, and said he also wants everyone to consider the safety aspect and how that can impact the City's expenses and insurance costs.

Mayor Flagg said he would like to see an employee recognition program instituted that not only calls for employees to come as an employee of the month, but when they provide opportunities for improvement or share brilliant ideas that have a measurable cost savings to the City, they should be rewarded. He would like to see employees and city staff excited about providing the types of ideas that could be implemented. Supervisors need to encourage this, and each department needs to do this.

- IV. **Adjourned** at 5:10 p.m. upon a motion by Commissioner Kitchens.

ANY PERSON WISHING TO APPEAL ANY DECISION MADE BY THE CITY COMMISSION WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE MAY NEED TO INSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. FS 286.105