

Palmetto City Commission
August 1, 2005 4:00 PM

Elected Officials present:

Larry Bustle, Mayor
Brian Williams, Vice Mayor (entered at 4:10 pm)
Eric Ball, Commissioner
Tamara Cornwell, Commissioner (entered at 4:14 pm)
Mary Lancaster, Commissioner
Tambra Varnadore, Commissioner

Staff and others present:

Michele Hall, Attorney
Chief Garry Lowe
Chris Lukowiak, Public Works Director
Frank Woodard, Deputy Public Works Director
Diane Ponder, Deputy Clerk-Administration

Mayor Bustle called the meeting to order at 4:05 PM.

A moment of silence for overseas military personnel and retired employee Miriam Burnett was observed, followed by the Pledge of Allegiance to the United States Flag.

1. APPROVAL OF WORKSHOP AGENDA

MOTION: Mr. Ball moved, Mrs. Lancaster seconded and motion carried 3-0 to approve the August 1, 2005 4:00 workshop agenda.

2. PRESENTATION – WATER & WASTEWATER FY2005 IMPACT FEE STUDY

Mike Burton of Burton & Associates introduced Andy Burhnam, the project manager for the Impact Fee Study. Mr. Burhnam presented a synopsis of the study performed for water and wastewater impact fees the City is contemplating.

Mr. Burnham explained the impact fees are capital cost recovery charges intended to collect the cost of water and wastewater facilities from new collectors. The funds collected from impact fees must be used for capital expansion projects. The methodology employed for this study is the combined reconstruction cost and marginal cost method, which is typical when some excess capacity is available and the CIP is not a complete representation of an existing wastewater system.

The impact fee results were based on one hundred percent cost recovery. As an impact fee is discretionary, the City can adopt an impact fee up to, but not more than, the proposed fees, as follows:

- Water: Current Fee - \$ 100 Proposed Fee - \$ 313 % Increase – 213%
- Wastewater: Current Fee - \$1,200 Proposed Fee - \$1,389 % Increase - 16%

The total proposed water and wastewater impact fee for the city totals \$1,702, a \$402 increase equating to a 31% increase. Both fees are based on a 21 fixture unit count per dwelling.

Mr. Burnham discussed the survey that had been conducted of surrounding governmental agencies. He informed Commission the survey does not include what percentage of full cost recovery the entities used to calculate the impact fees adopted. Because Palmetto is unique in the fact potable water is purchased for distribution, the City has a significant capital investment only in its transmission lines. Given the fact the transmission component of most impact fees is

30% to 50% of the fee, Mr. Burnham explained that percentage range could be equated to the low fee found in the survey to produce a comparable fee for the City of Palmetto.

Finally, Burton & Associates recommended the additional fixture unit charges should be reset based upon the adopted impact fee.

Discussion:

- Impact fees may fund the expansion of facilities used to serve new customers, i.e. a 16" line replaces an 8" line, 50% of the expansion cost can be funded by impact fees.
- Reclaimed water capital improvements are calculated in the wastewater impact fee.
- The ASR well was calculated into the study.
- The Building Official calculates the number of fixture units; staff confirmed 21 fixture units per dwelling unit is a reasonable number. A fixture unit count is calculated during remodeling; the property owner pays the base fee and an additional fee for each fixture unit exceeding 21. In reconstruction, credit is given for existing fixture units against the new number of fixture units.
- Impact fees adopted must be the same for the water component and the wastewater component.
- The facility investment fee the City pays Manatee County does not include a distribution component. For each new dwelling unit, the City will collect the facility investment fee and pass the fee revenue to Manatee County.
- The Accord necessitates that the City's impact fee be equivalent to Manatee County's impact fee, which currently totals \$2,770. The proposed fee for the City at 100% cost recovery is \$1,702.
- The marginal cost method was not used in the calculation of the proposed fee because the CIP did not contain enough projects in each asset classification to give a representative cost.
- Renewal and replacement of an existing facility (wastewater treatment plant) cannot be included in the reconstruction or marginal cost method of calculating a fee. If a future environmental concern required the addition of new technology to address the concern, the impact fee can be updated.

The topic will be brought back to Commission at a future meeting for further discussion concerning the adoption of the proposed impact fee.

3. PROPOSED FY 2005-2006 BUDGET REVIEW

Mayor Bustle recommended no discussion of personnel or CRA issues, as meetings have scheduled for both topics. He also suggested Commission work through the normal break between meetings, as he anticipated the 7:00 meeting would end by 8:00 pm. Commission concurred.

Mayor Bustle recessed the meeting for ten minutes.

Mayor Bustle began the proposed FY 2005-2006 budget review by discussing the following:

- Projected property tax revenue is included at 95% of the current millage rate
- Total General Fund budget is an 18% increase
- Total General Fund revenue does not include any transfers from the Enterprise Funds
- All intergovernmental revenues are entered into the budget at 95%
- The budget includes a 4% COLA but no other personnel issues

The following is a recap of the FY2005-2006 budget review:

MAYOR & COMMISSION

Staff will confirm the FICA tax figure is correct.

Machinery & Equipment:

Transfer City Center Phase II to the CIP - \$15,000

Operating Expense:

Delete SMART - \$500

CITY ATTORNEY

In-house attorney will be discussed at the August 13, 2005 budget meeting dealing with personnel issues.

CITY CLERK

Machinery & Equipment:

Transfer new office equipment into Office Furniture - \$20,000

INFORMATION TECHNOLOGY

With the IT Department being transferred under the purview of the Mayor's office, future IT budgets will reflect a city wide consolidation of IT items.

Operating Expense:

Delete three ESRI subscriptions for ArcGIS - \$4,800

POLICE DEPARTMENT

Staff advised the insurance expenses were entered in the appropriate object code rather than consolidating the expense as a total, it was previously listed in the operating expense line. Staff will provide a summary of the 2005 insurance expense to date and include where the expense is located in the 2006 budget.

Commission requested that future budgets clearly explain the quantity of items being purchased in a line item, as well as details regarding additional items being requested.

Chief Lowe was requested to prepare a breakdown for the August 13, 2005 meeting of all associated expenses for the proposed three new positions.

Meeting adjourned at 5:55 pm.

Minutes approved: August 15, 2005



James R. Freeman
City Clerk