

Palmetto City Commission  
and  
CRA Board  
August 28, 2006 4:00 p.m.

Elected Officials Present:

Larry Bustle, Mayor  
Mary Lancaster, Vice Mayor  
Eric Ball, Commissioner  
Tamara Cornwell, Commissioner (entered at 4:08 pm)  
Tambra Varnadore, Commissioner  
Brian Williams, Commissioner

Staff and Others Present:

James R. Freeman, City Clerk  
Chris Lukowiak, Public Works Director  
Frank Woodard, Deputy Public Works Director  
Deputy Chief Mike Mayer  
Tanya Lukowiak, CRA Executive Director  
Karen Simpson-Deputy Clerk-Finance  
Diane Ponder, Deputy Clerk-Administration

Mayor Bustle called the meeting to order at 4:07 p.m. A moment of silence was observed for our military personnel serving overseas, followed by the Pledge of Allegiance.

Mayor Bustle welcomed members of the CRA Board and Planning and Zoning Board to the meeting.

1. APPROVAL OF WORKSHOP AGENDA

**MOTION: Mr. Ball moved, Ms. Varnadore seconded and motion carried 4-0 to approve the August 28, 2006 4:00 pm agenda.**

2. FISCAL YEAR 2006-2007 BUDGET

Mr. Freeman began the discussion with a budget review to date; taxable values, budget assumptions; General Fund showing a surplus of \$108,323.

Before beginning the discussion on the outstanding budget issues, Mr. Freeman informed Commission an 18% increase in the insurance premiums had been projected; \$1,144 per employee. After working with Mr. Free and insurance agent Mike Towns, it has been determined claims are 62% less than what was expected as of July 2006. It is projected the reserve fund balance as of FYE06 will be approximately \$585,000, so staff recommends no increase in the FYE07 budget. By retaining the FYE06 level, a savings of approximately \$170,000 will be realized city-wide and the General Fund surplus will increase by \$80,000. Commission agreed to retain the FYE06 insurance level.

The proposed changes to the General Employees' Pension Plan benefits were reviewed, as follows:

Proposed benefit	Cost at current staffing levels	Cost estimate assuming new position are approved
2% Ad Hoc COLA (max 10%)	\$ 20,906	\$ 30,000
Annual 2% COLA for current & future members excluding terminated vested employees	\$177,555	\$254,000
Total costs if changes adopted	\$201,994	\$284,000

Mr. Freeman stated the \$284,000 cost is city-wide; only a portion affects the General Fund. The changes have been included in the currently proposed budget.

	FY 2006	FY 2007 (without changes)	FY 2007 (with changes)
Required City contribution as a % of payroll	13.62%	13.41%	20.27%
Required City contribution in dollars	\$390,060	\$394,861	\$596,855

Mr. Freeman asked Commission to either approve both the changes as recommended by the General Employees' Pension Plan Board of Trustees, approve only the ad hoc COLA, or approve neither change, which would mean no impact at all to the proposed budget.

Discussion revealed the \$30,000 estimate should not have been included in the cost estimates for new personnel, as the amount represents an ad hoc COLA; new employees would not be included. The dollar amounts in the contribution requirements not correctly equating was discussed; staff will confirm the figures.

Mr. Ball opposed the proposed automatic annual 2% COLA, as the cost to fund could have reduced the millage rate. Ms. Varnadore stated she was in favor of everything this year, the figures were not a problem, but she opposed the automatic 2% increase each year, Commission should have the option to review it on an annual basis. Ms. Cornwell also opposed the automatic annual 2% COLA, stating she would also like to lower the millage rate. Mrs. Lancaster supported the changes, stating retirees should be paid so they can live after retirement. Mr. Williams suggested that retirees also have to deal with increased costs. He also commented on the necessity of taking care of the City employees.

Mayor Bustle questioned Attorney Hall if it is feasible to add language to the ordinance requiring the automatic COLA be reviewed every year; she deferred to the Pension Board attorney. General Employees' Pension Plan Attorney Christiansen will be consulted to confirm the proposed language is permissible. Actuary Stephen Palmquist will also be consulted to determine if the funding requirement for the automatic COLA can become a part of the annual valuation report.

In summary: The 2% ad hoc COLA was approved by the Commission. The ordinance will be amended with a proviso to trigger the Pension Board, on an annual basis, to look at the potential of an automatic 2% COLA for retirees. The automatic COLA will be funded each year, if

Commission does not agree with the expense to the City, the funding will be pulled from the budget.

Commission agreed on the following deletions to the budget that are outstanding:

Broadcasting of Commission Meetings (\$15,000)  
Commission Retreat (\$5,000)  
START funding for Red Tide (\$500)

#### Legal Services

Mayor Bustle reviewed the Dye Deitrich proposal to provide legal services as City Attorney for a twelve month period beginning January 1, 2007, as follows:

Annual flat fee of \$300,000; monthly installments of \$25,000 per month  
Litigation/specialized fees and consultation at \$175 per hour  
Pass through fees at \$200 per hour  
Michele Hall will work for the City two days a week; Edward Conrad up to three days, if necessary

For the time period October – December, 2006, should the firm act as interim City Attorney, the only deviation from the above proposed fees would be pass through fees, which will be billed at \$175 per hour.

Mayor Bustle opined it is time the City seriously considers an in-house attorney. Mayor Bustle proposed developing a job description for the position with a top salary of \$125,000. The attorney position will also require a clerical position (full or part time and qualifications have not yet been determined) and accompanying furniture and equipment. Mayor Bustle estimated the total expenditure would be approximately \$256,000 vs. \$305,000 currently loaded in the proposed budget. Ms. Cornwell voice concern about an in-house attorney, stating history shows it is more expensive than contracting the services. She also cited information from Florida League of Cities that shows other cities the size of Palmetto do not have in-house attorneys. Commission discussed the topic and the cost savings the City could potentially realize. The majority of the Commission agreed to allow the Mayor to move forward with the plan, giving him 90 days from September 30, 2006, the maturity of the current contract, to bring Commission a candidate for the in-house attorney position.

Mr. Freeman recapped the budget review as follows:

- The FY07 insurance will be reduced to the 2006 level.
- The pension changes will be left in the budget as proposed; the ordinance will require an annual review.
- All three open items will be deleted.
- In-house attorney position will be posted.

The budget workshop schedule for September 11, 2006 will be held. The public hearing for the tentative millage rate and tentative budget is scheduled for September 12, 2006. The public hearing for the millage rate and final FY 2006-2007 budget is scheduled for September 18, 2006.

Mrs. Lancaster requested an explanation for the step and grade for a dispatcher before training. Deputy Chief explained a potential dispatch employee must possess computer skills, verbal communication skills and the ability to multi-task. Mr. Freeman will consult the Human Resource Department for additional information to comply with Mrs. Lancaster's request.

### 3. DISCUSSION: CRA FISCAL YEAR 2006-2007 BUDGET

Mrs. Lukowiak discussed the CRA's proposed budget by line item. Highlights of the discussion included the personnel positions and the storefront grant program. The program is currently a \$50,000 matching grant over a consecutive 60-month period. CRA proposes to revert back to the program as developed, allowing grant funds exclusively for improvements to the outside of a building, and to prohibit short term tenants to make the improvements; all applications must be accompanied by a copy of the proposed colors and landscaping. Commission approved the CRA proposed FY 2006-2007 budget. The Finance Department will ensure the proposed City budget matches the information discussed by Mrs. Lukowiak, and matches her budget spreadsheet.

### 4. DISCUSSION: OVERLAY CATEGORIES

Mr. Williams suggested it may not be appropriate for Commission to discuss the topic before the Planning and Zoning Board has had the opportunity to review the material. Attorney Hall opined that because the material is in draft form and the P&Z Board has influence over the final product, there is no conflict in discussing the topic; there should be no decisions about details or the specifics of the ordinances offered by Commission. Mayor Bustle also reminded Commission the discussion is to only explain information of what an overlay is, and Commission approved the briefing at a prior meeting.

Mrs. Lukowiak and Interim City Planner Bob Schmitt reviewed a presentation. Mrs. Lukowiak stated the future land use categories is used in combination with the base zoning district to modify or expand regulations or to adapt to special areas. Typical overlay districts may include historical and/or waterfront districts to provide creative development. The overlay districts are proposed to allow the City to amend current land development codes to permit new types of development while protecting the rights of current property owners.

The overlay approval process requires the City change the adoption of three proposed ordinances:

- Overlay District Ordinance – amends the Comp Plan to include a new future land use category and amends the land use map to show the locations of the initial zoning overlay districts:
  1. Old Main Street Overlay:
    - Proposed properties on 10th Avenue will have retail on the bottom floor, with residential above.
    - Properties on the east side of 10th Avenue limited to 75' in height and 45 units per acre.
    - Properties on the west side of 10th Avenue limited to 55' in height and 35 units per acre.
  2. Waterfront Overlay:
    - Properties limited to 75' in height within the district
    - Properties on south side of Riverside proposed to be commercial at a maximum of 35' in height.
    - Density limited to 45 units per acre.
  3. All variances from existing base codes must be approved by the Development Review Committee and the P&Z Board before City Commission review.

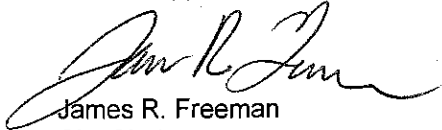
Design concepts incorporating retail and residential centers that focus on mixed-use with aspects addressing pedestrian traffic were discussed. It was suggested the remaining historical homes in the City be included in an overlay district.

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Mrs. Lukowiak reviewed the proposed meeting schedule with the P&Z Board and City Commission where the proposed ordinances will be reviewed. Mayor Bustle informed Commission the proposed ordinances will be brought to a workshop prior to first readings.

Meeting adjourned at 6:35 pm.

Minutes approved: September 12, 2006



James R. Freeman  
City Clerk