

Palmetto City Commission
October 2, 2006 4:00 p.m.

Elected Officials Present:

Larry Bustle, Mayor
Mary Lancaster, Vice Mayor
Eric Ball, Commissioner
Tamara Cornwell, Commissioner
Tambra Varnadore, Commissioner
Brian Williams, Commissioner

Staff and Others Present:

James R. Freeman, City Clerk
Chris Lukowiak, Public Works Director
Mike Mayer, Deputy Chief
Michele Hall, City Attorney
Tanya Lukowiak, CRA Executive Director
Donny Burkhardt, IT Director
Deanna Roberts, Administrative Assistant

Mayor Bustle called the meeting to order at 4:05 p.m. A moment of silence was observed for our military personnel serving overseas, followed by the Pledge of Allegiance.

1. APPROVAL OF WORKSHOP AGENDA

MOTION: Mr. Ball moved, Mrs. Lancaster seconded and motion passed unanimously to approve the October 2, 2006, 4:00 p.m. agenda with the change to move the IT Assessment Report to the first item, followed by the Presentation of the Stormwater User Fee Study.

2. IT ASSESSMENT REPORT (J. Freeman)

Final assessment report prepared by PCM Networking.

Gregg Pember, Regional Sales Manger, and Stu Erskine, Network Consultant of PCM Networking, presented a PowerPoint presentation of the results of an IT assessment authorized by City Commission. A copy of the presentation is attached and made a part of the permanent record. Attached to the PowerPoint is a detailed Network Assessment for the City of Palmetto prepared by PCM Networking.

The network review looked at domain structure, routing and security, how remote connections are being established, backup strategy, security policy review, IT staffing needs and disaster recovery.

Mr. Erskine outlined the findings in four parts: Network structure, Email operations, IT staffing and Business Continuity. Further detail of findings is contained in the attached assessment. He commented that the City's email operations are poor. Staff spends too much archiving email and dealing with spam. This will be addressed in the proposed plan. The IT staffing load is inadequate, especially in terms of the acquisition of the police department, and there is not a GIS Application Specialist for the GIS package the City purchased. An IT Specialist is recommended for the police department. The Disaster Recovery Plan will be enhanced so that there is minimum down time in a disaster situation. The City needs to finalize policies which will be approved by the City Commission. Additional training for existing staff is recommended.

Mrs. Varnadore and Mayor Bustle inquired about the funding for the proposals. Mr. Burkhardt said that quite a few of the items are funded in the 2007 budget including the Storage Area Network (SAN) which allows for replicating data across a wide area network; that is, all three City sites, Public Works, Police Department and City Hall. The email recommendation has not been budgeted. Staff and Business Continuity have been funded.

Mr. Freeman interjected that part of the plan is to draft and approve policies, and that contains no cost.

Mrs. Varnadore asked about servers that are currently out of warranty. Mr. Burkhardt said that the warranties can be extended, or if a new server has to be purchased Mr. Pember said it can run in the \$5,000 - \$8,000 range.

In answer to Mrs. Varnadore's question, Mr. Burkhardt said that he will be adding training for MS Access and various other applications this year. Mr. Freeman said that IT will now be in charge of training for the phone system.

Mrs. Lancaster asked about the new positions. Mr. Burkhardt said one of the positions is to fill a vacant IT Specialist position at the police department, and the other, the GIS Specialist, is a new position. Both positions are funded in the 2007 budget along with additional training for Mr. Burkhardt and Mr. Drummond.

Mr. Williams asked how much additional hardware is needed beyond what is already budgeted. Mr. Burkhardt said he will be bringing a quote back to Commission in a Workshop. Mr. Freeman said there is enough money in the current budget to at least begin implementation. It will take time for full implementation.

Mr. Williams asked if the City needs to look for new servers. Has the technology changed? Mr. Pember said servers are good for three to five years.

Mr. Williams said he hopes the City will monitor usage of the internet. Mr. Burkhardt said that will fall under the Acceptable Use Policy and IT will be able to monitor. City Commission will have to approve the policy.

Mr. Ball asked how much interviewing PCM did of actual users, referring to prior problems. Mr. Lukowiak said some of the existing problems had been solved since the installation of the fiber optic ring. The GIS Specialist will be at Public Works and can also handle basic problems with the computers. He inquired if internet access can be blocked and Mr. Pember said yes. Users can also be given access to only certain domain sites.

3. PRESENTATION OF STORMWATER USER FEE STUDY (J. Freeman)

Results of the Stormwater User Fee Study to be presented by Burton and Associates.

Mike Burton, President, and Andy Vernon of Burton & Associates gave a PowerPoint presentation of the Stormwater Rate Study. Based on the study, Mr. Burton said the City has a critical issue with regard to revenue. The City needs to move forward with an adjustment to rates before there is time to finish the rate structure. The rate structure needs to be addressed in a separate action either mid-year or next October. The current rates need to be raised because there is a significant shortfall in the cash flow. If rates are not raised, the City either cannot address needs, or the fund will have to be supplemented from another source.

In 2006, there will need to be subsidy of about \$1.2 million from another source. That amount is not in the Stormwater Fund to meet revenue requirements. The current rate is \$2.88 for each residential unit. There would need to be a 353% increase in 2007, or a rate of \$13.05 per residential unit to have cash inflow meet cash outflow. Additionally, the rates would have to be adjusted for inflation at the rate of 4.5 %. That would eliminate the need to subsidize the fund. The rates could be gradually phased in over time while continuing to subsidize the fund. A detailed schedule of proposed rate increases is contained in the attached PowerPoint presentation which is made a part of the permanent record.

Mr. Burton recommends the City adopt a three-year plan of across the board increases, and in the current year immediately, and consider a new rate design structure for implementation mid-year. This will not fix the rate apportionment issue now, just the revenue generation issue.

Commissioner Ball remarked on a previous session that addressed how businesses that most impacted the system would pay and also looked at mitigation credits. He thought the rest of the plan was ready to go. Mr. Burton explained that was a study done by another firm. That firm may not have looked at the overall revenue requirement in the same way he is doing now. Mr. Freeman said staff had tried to take an existing study and finish it and became concerned about the ability to defend the study as it was prepared. Staff then turned to Burton and Associates. Mr. Ball asked what the budget is based on. Mr. Lukowiak said the budget is based on full adoption of this plan. If it is not adopted, the City is in the red.

Mrs. Varnadore asked if this was known during budget discussions. Mr. Lukowiak said the City was aware of the problem for two or three years. Supplemental funds will have to come from another source if this is not implemented.

Mr. Ball asked how this was paid for last year and Mr. Lukowiak said money was borrowed to cover it.

Mr. Williams stated that the onus is on staff to fix this. Staff may have apprised Commission of this problem, but did not emphasize the importance. Staff needs to go back and review the budget and see where funds can be moved around. It should have come up during the budget discussions.

Mrs. Varnadore concurred that staff did not emphasize the importance.

Mayor Bustle suggested that Commission wouldn't have done anything differently with the budget. The Commission has said the cost has to go in user fees. He asked what would happen if the plan were implemented over five years, assuming that there would be a general fund impact. Mr. Vernon began calculating the plan over five years.

Mr. Williams said that Commission's displeasure has been heard and asked staff and the Mayor to fix the problem.

Mr. Freeman asked what direction staff should move in. Should the fund operate and stand alone based on the O & M budget, capital improvement projects that we have scheduled – do you want the fund to support that going forward, or should the fund continue to be subsidized as in the past?

Mr. Williams suggested staff review the budget and move some funds around. He is not in favor of hitting the citizens with such an increase. Bring back another plan.

Mr. Vernon reported that he calculated the rate, based on a five-year implementation as the Mayor suggested, would move towards a rate of \$15.50 in 2011 and at that point the City would be at full

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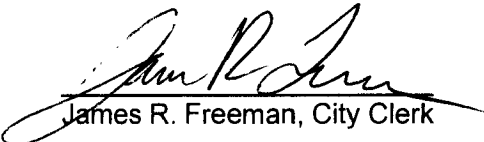
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cost recovery and no subsidy would be required. Mr. Burton said due to an outstanding SRF loan this would require DEP approval.

Mrs. Lancaster said she believes every fund should pay for itself, but since there has not been a gradual increase she is not in favor of such a lump sum increase for the citizens.

The meeting was adjourned at 6:15 p.m.

Minutes approved: October 16, 2006



James R. Freeman, City Clerk