

Palmetto City Commission
November 6, 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 Dire
Chief Garry Lowe
Tanya Lukowiak, CRA Executive Director
Michele Hall, Attorney (entered at 5:15 pm)
Diane Ponder, Deputy Clerk-Administration

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

1. APPROVAL OF WORKSHOP AGENDA

MOTION: Mrs. Lancaster moved, Ms. Cornwell seconded and motion carried 5-0 to approve the November 6, 2006 4:00 pm agenda.

2. PRESENTATION: TELEMETRY METERS

Mr. Lukowiak introduced Jeff Kembro, Sun State Meter & Supply, and Jeff Marshall, Triton Water Technologies. Mr. Kembro informed Commission Sun State Meter & Supply is the sole distributor for Neptune Technology, which supplied the automated pro read meter system the City began approximately five years ago. .

The telemetry meter system is a fully automated meter system that is read by a drive-by wand system. Of the 4,593 meters installed in the City, 2,138 are Neptune pro read meters that can be retrofitted to convert them to the telemetry system; 2,455 meters will be replaced by Triton Water Technologies. Some of the benefits the City may realize by installation of the new telemetry meter system are as follows:

- Estimated accuracy improvement in meter reads of \$191,000
- Better efficiency estimated at \$45,000
- Capability to read 15,000 meters per day
- Total GPS meter location capture by Triton
- Replacement of turbine meters with compound meters to improve low flow accuracy
- Turnkey solution provider

Commission discussed the product guarantees, product maintenance, software upgrades and their costs, compatibility with any future WiFi plans, accuracy guarantees for residential and commercial meters, formula used to estimate the revenue generated by the new equipment. Also discussed was the fact that City meters removed become the property of Triton, some of which will be tested for accuracy, a report on the data will be generated and the City may purchase the report if it desires. Mr. Kembro estimated the back office cost of the \$1.6 million program is approximately \$50,000. Mr. Marshall confirmed the contract is not performance driven.

The cost to fully implement the program is \$1,624,000, which can be spread over a ten year period with an annual payment of \$207,000. The two estimated revenue improvements identified by the presenters (accuracy and efficiency) amounted to \$236,000. Commission discussed the possibility of phasing in the program rather than full implementation in one year.

Mr. Lukowiak informed Commission Manatee County has installed the telemetry system. His efforts to resolve overage readings on the City's master meters with Manatee County have been unsuccessful because of the 15 minute interval electronic reading reports provided by the telemetry master meters. He also suggested the telemetry meters will provide additional savings in personnel expenses as the City grows.

Mr. Lukowiak stated the full implementation costs have been added to the CIP. Commissioners were asked to speak with Mr. Lukowiak for further information before the CIP's presentation at the November 20, 2006 Commission workshop meeting.

2. STORMWATER RATE STUDY

Mr. Freeman recapped prior storm water discussion; full implementation in FY2007 (350% increase on the residential rates) and a two-year phased-in approach (50% and remain in the second year, 177% increase in the residential fees). Mr. Freeman reiterated the fact the budget was based on the adoption of the fully implemented fees. Staff was instructed to revisit the topic to develop an alternate solution to the proposal.

Based on the prior City Commission discussion, Andy Burnam of Burton & Associates and staff proposed the following alternate solutions:

- Residential:
Fee increase of 100% during FY 2007, 33% increase during FY 2008 and 25% increase during FY 2009
- Commercial:
Same percentage increases, subject to a \$100 cap
- Multi-family/mobile home parks
Same percentage increases, subject to a \$4 increase per dwelling unit
- Itemized reductions to the FY07 budget in the General Fund and Enterprise Funds (Water, Sewer, Customer Service, WWTP and Stormwater)

In addition to the proposed implementation plan for FY 2007, Mr. Freeman informed Commission of efforts to update commercial property square footage to reflect the Property Appraiser's data and plans to conduct field and billing audits to identify further revenue enhancement measures. During the FY 2008 budget process, alternative revenue and expenditure plans will be considered, as well as identifying multi-year financial plans in an effort to make the Stormwater Enterprise Fund self-sustaining.

Commission discussed the implementation plan. Mr. Burnam stated that even with the proposed increases, revenue will not the deficit balance in the Stormwater Fund, thus it will still require subsidy from other funds. Discussion ensued on how the proposed rate is calculated. Commission requested that a commercial rate schedule be developed. It was also suggested that staff determine if Manatee County contributes to the stormwater system so the City could possibly be reimbursed for any potential county expense.

Several Commissioners commented on the fact the initial stormwater rate was implemented in 1999, with no subsequent increase, and questioned the necessity of doubling rates in one year. Also questioned was when the City began to subsidize the fund.


Staff and Commission briefly discussed the proposed itemized reductions to the FY07 budget.

Mr. Freeman stated staff was seeking approval to have the first reading advertising approval at the November 20, 2006 Commission meeting, and schedule a public hearing December 4, 2006. This time frame would allow for public noticing of the increase in the stormwater fee so they could become effective January 1, 2007. Any delay in implementing the fee will require further subsidy from other funds. There was not consensus among the Commission to allow the item to progress to the first reading of the proposed ordinance. Mayor Bustle suggested that Commissioners with unanswered questions should meet with staff prior to the November 13, 2006 Commission meeting. Mr. Freeman will also provide the prior calculated commercial rate schedule and a sample of the 20 businesses that will be capped.

Mayor Bustle proposed carrying the #3 item on the agenda forward to the 7:00 for discussion prior to the first reading of the title of the ordinance.

Meeting adjourned at 6:20 pm.

Minutes approved: November 20, 2006


James R. Freeman
City Clerk