

Palmetto City Commission  
August 20, 2007 4:00 p.m.

Elected Officials Present:

Larry Bustle, Mayor  
Eric Ball, Vice Mayor (entered at 4:30 pm)  
Tamara Cornwell, Commissioner  
Mary Lancaster, Commissioner  
Tambra Varnadore, Commissioner  
Brian Williams, Commissioner

Staff and Others Present:

James R. Freeman, City Clerk  
Chief Garry Lowe  
Chris Lukowiak, Public Works Director  
Frank Woodard, Deputy Director-Project Management & Engineering  
Tanya Lukowiak, CRA Executive Director  
Diane Ponder, Deputy Clerk-Administration

Mayor Bustle called the meeting to order at 4:05 pm, followed by a moment of silence for overseas military personnel and the Pledge of Allegiance to the United States Flag.

1. AGENDA APPROVAL

Mr. Williams commented on the agenda, stating item #5, Draft Ordinance Amending Chapter 17, Housing should be removed from the agenda because of its low ranking on the Suspense Log, and item #2, Presentation: Palmetto Town Center Conceptual Plan should be placed last on the agenda, to allow for a complete discussion of the stormwater rate presentation.

**MOTION: Mr. Williams moved to remove item #5 from the agenda and place item #2 last on the agenda. Motion died for lack of a second.**

Mayor Bustle explained he requested the Palmetto Town Center presentation because of its importance.

**MOTION: Ms. Varnadore moved to approve the August 20, 2007 agenda and stated that in the future these types of discussion should be held outside of Commission before everything is set up to allow participants the right to know what is happening. Ms. Cornwell seconded the motion.**

Discussion: Mr. Williams commented on the fact there have been numerous conversations regarding the fact the agenda is the Commission's, and items are repeatedly placed on the agenda without Commission's knowledge or items are included that are ranked a low priority on the suspense log. Mrs. Lancaster suggested that in the future it would be beneficial for Commission to receive prior notice of when a presentation will be placed on an agenda. Mr. Williams also suggested that presenters should not be allowed to set up until after the agenda is approved.

**Motion on the floor passed 3-1. Mr. Williams voted no.**

2. PRESENTATION: PALMETTO TOWN CENTER CONCEPTUAL PLAN

Developer Bill Manfull presented a very conceptual plan for a mixed-use development to be named Palmetto Town Center. The project will be located in the 400 block of 10<sup>th</sup> Avenue West, and will be developed in six phases over the next three to five years. Upon build-out, the project will consist of 26 storefronts and 88 residential units. The development will offer residential units priced from \$160,000 to \$200,000 in Key West/Florida Style Buildings. Parking is adequate for

the first three phases, after which the developer is willing to partner with the City in some fashion to provide adequate parking for the balance of the development. Commission expressed interest in the development, but stressed the importance of assuring adequate parking will be integrated into the project.

### 3. REPRESENTATIVE BILL GALVANO – LEGISLATIVE UPDATE

Representative Galvano briefed Commission on results of the regular and special legislative session. Topics of his review included the tax reform, insurance, the \$1.5 billion that must be cut from the budget due to revenue shortfalls, funding to Manatee County, transportation, health and environmental issues. Concerns briefly discussed with Representative Galvano were unfunded mandates, the impact of the super exemption if approved by the voters, and the impact of the calculation of revenue based on assessed values.

### 4. STORMWATER RATE DISCUSSION

Andy, Burnham, Burton and Associates, presented Phase II of the Stormwater User Fee Study that considers two options in user fees that will enable the Stormwater Fund to become self-sustaining. Mr. Burnham discussed the cost allocation analysis as follows:

#### Residential Rate Schedule

No change is recommended for 2008. The basis of billing may change based on the updated square footage of impervious areas obtained from the Property Appraisers. It is estimated 55% of current customers will not see an increase and some will see a decrease in the monthly billing. The 45% of customers that will see an increase based on updated information will provide an increase of 17% in revenue collected for the stormwater utility in 2008

#### Non-residential Rate Schedule

Currently the non-residential rate is based on per acre of developed property. Burton and Associates is proposing to change the basis of billing going forward beginning in 2008 to per square foot of impervious area, to make the program more equitable for all non-residential customers. The change in billing increases the revenue in proportion to square footage, and will match the residential impervious area revenue. Fifty percent of non-residential customers will not see an increase in the monthly billing. The change will generate 76% more commercial revenue, and added with the 17% increase in residential revenue, will produce a 50% overall revenue increase in the stormwater fund for 2008.

Mr. Burton reviewed the five-year plan that includes a 10% rate increase beginning in 2009. By the year 2012 the fund will be self-sustaining; supplemental funding continues through the year 2012. The three-year plan provides for a 20% rate increase for 2009 and 2010 and supplemental funding through year 2011. After the year 2012 inflationary increases should support the fund.

Mr. Burton confirmed a 6% mitigation credit and debit service of \$70,000 per year had been factored into the analysis. He also confirmed that if the City chose to elect the three-year plan, it has the ability to revert back to the five-year plan.

Mr. Freeman requested Commission to make a decision on which plan should be implemented so staff has adequate time to prepare the ordinance adopting the new rates by October 1, 2007. He further stated that if Commission elects a lower rate increase, there will have to be a reduction in capital projects and an additional subsidy will be necessary if a rate increase lower than 50% is made during the first year.

Discussion ensued on mitigation credits. Mr. Freeman stated the process for calculating the credit is in the current ordinance; staff will have the application forms prepared by January. Regarding the forms, Ms. Varnadore requested a copy of what staff has prepared to date.

Commission instructed staff to make preparations to implement the three-year plan of rate increases.

5. DRAFT ORDINANCE AMENDING CHAPTER 17, HOUSING

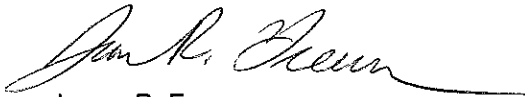
Code Enforcement Director Bill Stollo narrated a slide show of properties with issues on the inside of structures, explaining the pictures were the basis for proposing changes to Chapter 17. He explained he cannot enforce the Building Code, but the International Property Maintenance Code will give Code Enforcement the opportunity to resolve interior issues of a structure.

Commissioner Ball discussed the fact there is no reference in the ordinance to historic structures. Attorney Hall was instructed to explore the possibility of exempting historic structures from full compliance of the International Property Maintenance Code.

The ordinance will be brought back for an additional workshop, with the intention to carry the item forward to the 7:00 agenda for a first reading and advertising approval.

Meeting adjourned at 6:05 pm.

Minutes approved:



James R. Freeman  
City Clerk

## 5-YR FINANCIAL FORECAST FOR STORMWATER ENTERPRISE FUND: 5-YR PLAN OF RATE INCREASES

	<u>FY 2007 -</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
	<b>100% Inc.</b>					
1 Revenue/Rate Increase		50.0%	10.00%	10.00%	10.00%	10.00%
2 Total Stormwater Revenue	\$512,817	\$857,263	\$971,279	\$1,100,459	\$1,246,820	\$1,412,647
3 Annual Capital Expenditures		\$ 847,500	\$ 1,195,000	\$ 1,075,000	\$ 500,000	\$ 500,000
4 Debt Service (Existing & New) (1)	(\$439,217)	(\$507,223)	(\$603,112)	(\$689,373)	(\$729,495)	(\$769,616)
5 Net Revenue After Payment of Debt	\$73,600	\$350,040	\$368,166	\$411,085	\$517,325	\$643,031
6 Total O&M Budget	(\$499,169)	(\$515,873)	(\$533,929)	(\$552,616)	(\$571,958)	(\$591,976)
7 Surplus / (Shortfall) of Revenues for O&M/Minor Capital, and Debt	(\$425,569)	(\$165,833)	(\$165,763)	(\$141,531)	(\$54,633)	\$51,055
8 Total Supplemental Funding Sources	\$512,140	\$300,000	\$250,000	\$250,000	\$225,000	\$225,000
9 Surplus / (Shortfall) With Supplemental Funds	\$86,571	\$134,167	\$84,237	\$108,469	\$170,367	\$276,055
10 Cash Balance - BOY	(\$837,673)	(\$751,102)	(\$616,935)	(\$532,698)	(\$424,228)	(\$253,861)
11 Cash Balance - EOY	(\$837,673)	(\$616,935)	(\$532,698)	(\$424,228)	(\$253,861)	\$22,194
12 Residential Bill	\$ 7.36	\$ 7.36	\$ 8.09	\$ 8.90	\$ 9.79	\$ 10.77
13 Commercial Bill	\$ 50.00	\$ 89.92	\$ 98.91	\$ 108.80	\$ 119.68	\$ 131.65

(1) Assumes annual CIP is funded with bank loan proceeds (20 years, 5% interest) and that payments on borrowed amounts start at beginning of the fiscal year.

### RESIDENTIAL RATE SCHEDULE

<u>Res. Sq. Ft.</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
14 0 - 999	\$ 3.72	\$ 3.72	\$ 4.09	\$ 4.50	\$ 4.95	\$ 5.45
15 1,000 - 1499	\$ 5.76	\$ 5.76	\$ 6.33	\$ 6.96	\$ 7.66	\$ 8.43
16 1500 - 1999	\$ 7.36	\$ 7.36	\$ 8.09	\$ 8.90	\$ 9.79	\$ 10.77
17 2000 - 2499	\$ 9.48	\$ 9.48	\$ 10.43	\$ 11.47	\$ 12.62	\$ 13.88
18 >2500	\$ 14.12	\$ 14.12	\$ 15.53	\$ 17.08	\$ 18.79	\$ 20.67

### COMMERCIAL RATE SCHEDULE

	<u>Per Acre</u>	<u>Per Sq. Ft. I.A.</u>	<u>Per Sq. Ft. I.A.</u>	<u>Per Sq. Ft. I.A.</u>	<u>Per Sq. Ft. I.A.</u>	<u>Per Sq. Ft. I.A.</u>
19 Constructed / Developed Property	\$ 33.60	\$ 0.00354	\$ 0.00389	\$ 0.00428	\$ 0.00471	\$ 0.00518

### 5-YR FINANCIAL FORECAST FOR STORMWATER ENTERPRISE FUND: 3-YR PLAN OF RATE INCREASES

	<u>FY 2007 -</u> <u>100% Inc.</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
1 Revenue/Rate Increase		50.0%	20.00%	20.00%	0.00%	0.00%
2 Total Stormwater Revenue	\$512,817	\$857,263	\$1,059,577	\$1,309,637	\$1,348,926	\$1,389,393
3 Annual Capital Expenditures		\$ 847,500	\$ 1,195,000	\$ 1,075,000	\$ 500,000	\$ 500,000
4 Debt Service (Existing & New) (1)	(\$439,217)	(\$507,223)	(\$603,112)	(\$689,373)	(\$729,495)	(\$769,616)
5 Net Revenue After Payment of Debt	\$73,600	\$350,040	\$456,464	\$620,263	\$619,431	\$619,778
6 Total O&M Budget	(\$499,169)	(\$515,873)	(\$533,929)	(\$552,616)	(\$571,958)	(\$591,976)
7 Surplus / (Shortfall) of Revenues for O&M/Minor Capital, and Debt	(\$425,569)	(\$165,833)	(\$77,464)	\$67,647	\$47,474	\$27,802
8 Total Supplemental Funding Sources	\$512,140	\$300,000	\$250,000	\$200,000	\$150,000	\$0
9 Surplus / (Shortfall) With Supplemental Funds	\$86,571	\$134,167	\$172,536	\$267,647	\$197,474	\$27,802
10 Cash Balance - BOY	(\$837,673)	(\$751,102)	(\$616,935)	(\$444,400)	(\$176,752)	\$20,721
11 Cash Balance - EOY	(\$837,673)	(\$616,935)	(\$444,400)	(\$176,752)	\$20,721	\$48,523
12 Residential Bill	\$ 7.36 \$	7.36 \$	8.83 \$	10.60 \$	10.60 \$	10.60 \$
13 Commercial Bill	\$ 50.00 \$	89.92 \$	107.90 \$	129.48 \$	129.48 \$	129.48 \$

(1) Assumes annual CIP is funded with bank loan proceeds (20 years, 5% interest) and that payments on borrowed amounts start at beginning of the fiscal year.

### RESIDENTIAL RATE SCHEDULE

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
14 Res. Sq. Ft.						
0 - 999	\$ 3.72 \$	3.72 \$	4.46 \$	5.35 \$	5.35 \$	5.35 \$
15 1,000 - 1499	\$ 5.76 \$	5.76 \$	6.91 \$	8.29 \$	8.29 \$	8.29 \$
16 1500 - 1999	\$ 7.36 \$	7.36 \$	8.83 \$	10.60 \$	10.60 \$	10.60 \$
17 2000 - 2499	\$ 9.48 \$	9.48 \$	11.37 \$	13.64 \$	13.64 \$	13.64 \$
18 >2500	\$ 14.12 \$	14.12 \$	16.94 \$	20.33 \$	20.33 \$	20.33 \$

### COMMERCIAL RATE SCHEDULE

	<u>Per Acre</u>	<u>Per Sq. Ft. I.A.</u>	<u>Per Sq. Ft. I.A.</u>	<u>Per Sq. Ft. I.A.</u>	<u>Per Sq. Ft. I.A.</u>	<u>Per Sq. Ft. I.A.</u>
19 Constructed / Developed Property	\$ 33.60	\$ 0.00354	\$ 0.00425	\$ 0.00510	\$ 0.00510	\$ 0.00510

HISTOGRAM RESULTS - FY 2008 CUSTOMER IMPACTS

RES \$		RES %		NON-RES \$		NON-RES %		ALL \$		ALL %	
	Frequency		Frequency		Frequency		Frequency		Frequency		Frequency
\$ (5.00)	35	1.1%	0	\$ (5.00)	58	8.1%	0	\$ (5.00)	93	-100%	0
\$ (4.00)	18	0.6%	5	\$ (4.00)	3	0.4%	17	\$ (4.00)	21	-75%	22
\$ (3.00)	15	0.5%	22	\$ (3.00)	4	0.6%	9	\$ (3.00)	19	-50%	31
\$ (2.00)	46	1.4%	71	\$ (2.00)	154	21.5%	62	\$ (2.00)	200	-25%	133
\$ (1.00)	57	1.8%	75	\$ (1.00)	81	11.3%	260	\$ (1.00)	138	-10%	335
\$ -	1600	49.4%	0	\$ -	60	8.4%	5	\$ -	1660	-5%	5
\$ 1.00	9	0.3%	1599	\$ 1.00	12	1.7%	4	\$ 1.00	21	0%	1603
\$ 2.00	423	13.1%	2	\$ 2.00	15	2.1%	9	\$ 2.00	438	0%	11
\$ 3.00	408	12.6%	4	\$ 3.00	23	3.2%	12	\$ 3.00	431	5%	16
\$ 4.00	123	3.8%	2	\$ 4.00	10	1.4%	9	\$ 4.00	133	10%	16
\$ 5.00	173	5.3%	0	\$ 5.00	12	1.7%	6	\$ 5.00	185	15%	11
\$ 7.00	187	5.8%	1	\$ 7.00	26	3.6%	8	\$ 7.00	213	20%	6
\$ 9.00	128	4.0%	840	\$ 9.00	16	2.2%	29	\$ 9.00	144	25%	9
\$ 11.00	14	0.4%	245	\$ 11.00	17	2.4%	23	\$ 11.00	32	50%	869
\$ 15.00	0	0.0%	201	\$ 15.00	15	2.1%	18	\$ 15.00	15	75%	268
\$ 20.00	0	0.0%	129	\$ 20.00	24	3.4%	46	\$ 20.00	24	100%	219
\$ 25.00	0	0.0%	23	\$ 25.00	22	3.1%	34	\$ 25.00	22	150%	175
\$ 30.00	0	0.0%	16	\$ 30.00	13	1.8%	65	\$ 30.00	13	200%	57
\$ 50.00	0	0.0%	0	\$ 50.00	60	8.4%	48	\$ 50.00	60	300%	82
\$ 70.00	0	0.0%	0	\$ 70.00	28	3.9%	15	\$ 70.00	28	400%	48
More	0	0.0%	1	More	62	8.7%	36	More	62	500%	15
	3236		3236		715		715		3952		3952