

Palmetto City Commission
November 19, 2007 4:00 p.m.

Elected Officials Present:

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

Staff and Others Present:

James R. Freeman, City Clerk
Chris Lukowiak, Public Works Director
Lt. Craig Himes
Michele Hall, City Attorney
Diane Ponder, Deputy Clerk-Administration

Mayor Bustle called the meeting to order at 4:02 pm. A moment of silence was observed for our military men and women, followed by the Pledge of Allegiance.

1. AGENDA APPROVAL

MOTION: Mr. Ball moved, Ms. Cornwell seconded and motion carried 5-0 to approve the November 19, 2007 4:00 pm agenda.

2. DISCUSSION: HEALTH INSURANCE

Mr. Freeman informed Commission the City's health insurance program is self-funded and managed by a third party administrator, Self Insured Plans, LLC (SIP), GE Financial is the re-insurer and Mike Towns of Atlas Financial is the agent of record. The current agreement for insurance services expires December 31, 2007. Mr. Towns has negotiated a renewal that equates to an 8.3% reduction in insurance costs to the City, assuming the third party provider changes from SIP to Meritain and the implementation of changes to employee benefits.

Mr. Freeman discussed the budgeting philosophy for funding the insurance reserve account, which at the beginning of 2007 had a balance of approximately \$450,000, and now has a balance of \$90,000. He explained the depletion of the reserve account was due to several large and unexpected claims, as well as the partial funding of dependent medical insurance coverage. Mr. Freeman suggested it is necessary for the City to consider amendments to the insurance's benefit program to reduce the expense for the necessary year.

Mr. Freeman and Mr. Mike Towns discussed the proposed changes in the benefits plan. Major changes discussed with Commission were increases in the copay amounts, prescription tiers and amounts and the City's reinsurance amount increasing from \$50,000 to \$60,000. Ms. Varnadore stated she would rather put aside the reserve funds now, rather than possibly experiencing another bad claims year and have to fund a high payout. Mr. Freeman was asked to identify possible sources from which funds could be reallocated.

3. MSA FUNDING UPDATE

Jim Free, CRA, distributed the projects the Manatee School for the Arts is planning for the \$8 million bank qualified loan, for which they are seeking the City's support. The \$8 million will pay off an existing \$5.4 million debt and fund various projects. He informed Commission he is working with the school, tax attorney and bank to prepare the documents for the December 3, 2007 Commission meeting. He assured Commission the City's participation does not affect the

City's credit rating or obligate the City in any way. He also confirmed the City could seek additional funding over its \$10 million cap, but the debt would be issued at a higher interest rate.

4. DISCUSSION: REMOVAL OF TRACKS FROM ABANDONED CSX SPUR

Jim Free, CRA, led a discussion regarding the CSX spur from 5th Avenue across 10th Avenue that was abandoned at the City's request. The abandonment fees are \$3,500, which CRA has committed to pay. CSX has now bid the removal of the tracks and has quoted the City a price of \$58,000.


Commission discussed the topic at length, and added to a list of questions Mr. Free has compiled concerning the abandonment, track removal vs. retaining the tracks, right-of-way, etc. Mr. Free will copy Commission on correspondence sent to the CSX attorney. The topic will be brought back when more information is available.

5. DISCUSSION: CO-SPONSORED EVENTS

Commission discussed the list of annual co-sponsored events and the proposed guidelines to be considered by Commission when evaluating a request for co-sponsorship of a special event. Commission could not come to consensus on either topic. The item will be placed on the December 3, 2007 agenda for a formal action on which events will be co-sponsored by the City and the guidelines for evaluating applications for co-sponsorship.

Meeting adjourned at 6:05 pm.

Minutes approved: December 3, 2007


James R. Freeman
City Clerk