

Palmetto City Commission  
May 5, 2008 4:00 PM

Elected Officials Present:

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

Elected Official Absent:

Eric Ball, Commissioner

Staff and Others Present:

James R. Freeman, City Clerk  
Chief Garry Lowe  
Chris Lukowiak, Public Works Director  
Tanya Lukowiak, CRA Executive Director  
Bob Schmitt, Planning Supervisor/Zoning Administrator  
Karen Simpson, Deputy Clerk-Finance  
Diane Ponder, Deputy Clerk-Administration

Mayor Bustle called the meeting to order at 5:05 p.m., followed by a moment of silence for overseas military personnel and the Pledge of Allegiance.

1. AGENDA APPROVAL

**MOTION:** Mrs. Lancaster moved, Mr. Williams seconded and motion carried 4-0 to approve the May 5, 2008 4:00 pm agenda.

2. DISCUSSION: PALMETTO PALMS FORECLOSURE

Mr. Freeman informed Commission the property under discussion is a vacant parcel titled to the Palmetto Palms Homeowners' Association, which is no longer a formal entity. In July 2006 the Code Enforcement Board placed a \$250 per day lien on the property. The current amount of the lien is in excess of \$170,000.

Attorney Bob Schermer was retained to assist the City in foreclosing on the lien, and has filed for a final default judgment, which should be completed within the next month. The next step in the process is to auction the property on the courthouse steps, and staff is seeking direction on how to proceed by either

1. No one bids on the property and the City obtains the property by way of foreclosing on the lien.
2. If someone bids more than the outstanding lien amount, the bidder would receive the property and the City would receive the money associated with satisfying the lien. If the City still wanted the property, we would have to outbid the person trying to acquire the property. The City would have to pay any amounts greater than the outstanding lien amount to retain the property.
3. Someone could bid less than the outstanding lien amount and the City could decide to accept a lesser amount and the bidder would receive the property.

Discussion ensued on the advantage/disadvantage of the City retaining the property and how it could be used in the future. Commission requested that staff provide the following information prior to a decision on how to direct staff concerning the auction of the property:

- Confirmation of all monies that may be due, i.e. other liens, real estates, etc.
- Access to the park because of its land-locked status

- How the property could be utilized and any of those associated expenses
- Any existing easements or drainage issues
- Amount of the parcel that is available for use

Mr. Williams voiced his belief the property should be sold.

### 3. DRAFT FUND POLICY AND DEBT POLICY

As previously committed to Commission, Mr. Freeman presented the first draft of the Debt Fund Policy and the Fund Balance Policy for discussion. He stated the policies had been drafted from personal knowledge, other municipal policies, and assistance from the recently hired financial advisor, RBC Dain.

Mr. Freeman explained the Fund Balance Policy is intended to establish reserves for catastrophic or unexpected events. He further explained that if the City meets the suggested benchmarks the reserve would grow. Staff will develop a plan to replenish the applicable fund if the City should fall short of one of the benchmarks.

Commission discussed the draft Fund Balance Policy with Mr. Freeman and Mrs. Simpson, Deputy Director-Finance, and made the following comments for amending the policy:

1. Use of the Trailer Park Trust Fund should be removed from the calculation of fund balance reserves.
2. The reserve should be equal to six months of the current fiscal year expense budget.
3. Utilization of any excess reserve funds should come to City Commission for approval. (Staff explained this would occur in the form of a budget amendment resolution.)
4. Contact Bank of America to see if interest only payments on outstanding liabilities could occur in the event of a catastrophic event.
5. Review the Trailer Park Trust Fund resolution. Use interest from the fund to help build the reserve.

Commission discussed the draft Debt Policy, and made the following comments for amending the policy:

1. Contract for capital projects will not be entered into until financing is secured.
2. Debt obligations, other than capital leases, shall have a maximum maturity of up to thirty years.

In addition, Commission discussed the various teams named in the draft policy; the make-up of the teams and their respective roles in the Debt Policy management. Commission discussed whether or not a commissioner should be a member of the team. Attorney Hall advised it would be appropriate for the commission liaison to City Hall to keep in touch with the team, just as any other liaison would keep in touch with their assigned department, but if a commissioner were named as a team member, that commissioner would have to make full disclosure of his/her knowledge related to any item that comes before the Commission for action. Mayor Bustle opined that the Financing Team should be independent and bring its recommendations to Commission. Mrs. Simpson stated that the Financing Team is the team that will be active; the Bond Team and Underwriting Team will be active only in the event the City issues a bond.

Ms. Cornwell suggested that when discussing the City's debt capacity, it would be helpful if the City's statistical information can be compared to the proposed benchmarks.

Mr. Freeman stated he will take Commission's comments and amend the policies. He stated he will also present information comparing where the City is relative to the benchmark, together with plans on how the City will achieve the stated benchmarks. The policies will be brought back to Commission at another workshop in the very near future, but will be presented in ordinance form.

4. DISCUSSION: CORVUS IMPACT FEE REFUND

Mr. Freeman informed Commission that Corvus International, the developer of Bel Mare at Riviera Dunes, has requested that the impact fees for the third tower be refunded because it will not be constructed at this time. Mr. Freeman stated total payment for the building permit and impact fees was received in 2006. Because the building permit has expired, that fee of approximately \$260,000 will not be refunded, which the developer has acknowledged and agreed to. The developer feels projected impact from the third tower will not be seen by the City, thus the request for the refund.

Mr. Freeman stated that based on research staff has performed, the developer probably has a legal right to receive the \$117,203 impact fee refund. Staff has identified the Impact Fee account as a source for \$40,000 of the refund, and various CIP projects are being considered for the \$77,000 balance. Attorney Hall confirmed the City must maintain the integrity of the impact fee account; therefore water impact fees will have to be paid from water impact fees paid by another project.

Discussion ensued on DRI, of which Bel Mare is a part. Mr. Lukowiak confirmed that the City did not improve any infrastructure on Haben Blvd. to accommodate the Bel Mare project. Mr. Schmitt assured Commission that if the DRI exchange matrix is changed, or if a new structure is proposed, both instances would require a new general development plan and Commission approval.

Ms. Varnadore questioned if the City was setting precedent with this refund; how many potential impact fee refunds are there. Attorney Hall discussed the fact there is currently no law dealing with this type of refund; conversations have been held with the legal staff of Florida League of Cities. Mr. Lukowiak confirmed that on the scale of the Bel Mare project, there are no existing permits and impact fees that have been paid.

Staff will bring the topic back once the funding for the remaining \$77,000 is identified.

5. DISCUSSION: COMMISSION AND CITY ATTORNEY LINES OF COMMUNICATION

Mayor Bustle maintains the Charter extends the executive power [of the mayor] to the day-to-day operations of the City, which includes direct supervision of the City Attorney. Several Commissioners maintain they have lost the ability to make an individual request to the City Attorney.

Discussion between the Commission and the Mayor ensued on a commissioner's right to individually direct the actions of the City Attorney. During the debate Attorney Hall offered her opinions. Final resolution from the discussion is that commissioners may individually contact and request the City Attorney to perform tasks.

Meeting adjourned at 6:10 pm.

Minutes approved: May 19, 2008 (Corrected to reflect Mr. Williams, not Mr. Ball, seconded the motion to approve the agenda.

James R. Freeman  
City Clerk