

Palmetto City Commission  
August 25, 2008 4:00 PM

Elected Officials Present:

Larry Bustle, Mayor  
Tambra Varnadore, Vice Mayor (entered at 4:40 pm)  
Tamara Cornwell, Commissioner  
Mary Lancaster, Commissioner  
Brian Williams, Commissioner

Elected Officials Absent:

Eric Ball, Commissioner

Staff and Others Present:

James R. Freeman, City Clerk  
Michele Hall, Attorney  
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 4:05 pm, followed by a moment of silence for overseas military personnel and the Pledge of Allegiance.

1. AGENDA APPROVAL

**MOTION: Mrs. Lancaster moved and Ms. Cornwell seconded to adopt the August 25, 2008 agenda.**

Discussion: Mr. Williams requested that the agenda be amended to include, time permitting, discussion of the irrigation well issue. After subsequent discussion of the topic, Mr. Williams withdrew his request, as Commission agreed to place the item on the next 4:00 workshop agenda.

**Motion on the floor carried 3-0.**

2. FISCAL YEAR 2008-2009 BUDGET & HEALTH INSURANCE UPDATE

Mr. Freeman reviewed data showing the breakdown of expenses the City and employees pay to fund the health insurance program. Mr. Freeman and insurance agent Mike Towns lead a discussion on the components of the health insurance coverage. To fully fund the insurance program at the maximum out of pocket expense to the City, it will cost \$1,378,409. Currently, the City budget contains \$1,314,592 for medical insurance, which equates to a \$63,816.84 deficit at 100% funding of the program. He further informed Commission that for the last two years, total out-of-pocket expenditures have exceeded the medical reserve; this year \$130,000 will be needed from the General Fund reserve to fund medical expenditures.

Mr. Freeman stated that he preferred to fully fund the medical insurance reserve account, and presented different options that could produce additional revenue to assist in the full funding of the program:

- Plan changes wherein the employee pays 10% of non-copay procedures at an annual maximum of \$2,000/\$4000 per calendar year (will reduce the deficit to fully fund the program to approximately \$28,000)
- Possibility of retirees paying 100% of premiums (\$15,000 savings to the City)

- Possibility of increasing dependent care coverage

Commission discussed the options that were presented. While Commission did not voice opposition to the 90/10 plan change at this time, they instructed staff and Mr. Towns to bring back what the impact of an increase in dependent coverage would mean to the employee, instructed that the retirees are to be taken out of the equation, garner information on the cost differences between an HMO/PPO, look at increasing employee financial responsibility for level of service uses, and any other options to reduce the cost of the program. It was also suggested that the department heads should review their budgets to determine if they could fund the \$28,000 deficit if the 90/10 plan change is implemented.

Mr. Freeman informed Commission the state revenue sharing has been further reduced by \$43,000. While the proposed budget is balanced, the General Fund surplus has now been reduced to approximately \$8,000 vs. \$55,000.

Employee Matt Bloom, speaking for himself, stated he had no problem with the 90/10 plan change, but any increase in premium would have an adverse impact.

Mr. Freeman informed Commission the health insurance was the only pending item for the proposed budget. Mayor Bustle stated the budget is balanced and inquired if the Commission wished to make further amendments. Mr. Freeman asked that the insurance be brought back to Commission before September 8, 2008. Commission set a budget workshop for Wednesday, September 3 at 5:00 pm.

Mr. Williams informed staff his only issue with the budget is the allocation from the Building Department. He requested that Attorney Hall research to determine the appropriate percentage that is allowable as an administrative fee allocation from the Building Department.

Ms. Cornwell requested that any open positions not be advertised until after the budget is completed. Mr. Freeman stated only his IT position is open; Chief Lowe stated he has filled his vacant police officer position, Mr. Lukowiak stated he has no vacancies.


Ms. Varnadore requested that the information for the quarterly well monitoring charged to the wastewater treatment plant be provided.

### 3. PROPOSED ICE CREAM TRUCK ORDINANCE

Chief Lowe confirmed that the sheriff's office will continue to conduct truck inspections county-wide and will perform all background checks; Bradenton Police Department has agreed to opt in to the ordinance. Attorney Hall opined that all employees fall under the definition of operator in the Manatee County ordinance and will be subject to background checks. Adoption of the proposed ordinances allows the City to enforce the county ordinance. Chief Lowe confirmed there will be no administrative costs to the City. Commission moved the ordinance forward to the 7:00 agenda for first reading and advertising approval.

Meeting adjourned at 5:40 pm.

Minutes approved: September 8, 2008

  
James R. Freeman  
City Clerk