

Palmetto City Commission
June 1, 2009 4:30 p.m.

Elected Officials Present:

Shirley Bryant, Mayor (entered the meeting at 4:55 pm)
Brian Williams, Vice Mayor
Tamara Cornwell, Commissioner
Mary Lancaster, Commissioner
Tambra Varnadore, Commissioner
Alan Zirkelbach, Commissioner

Staff Present:

Mark P. Barnebey, City Attorney
James R. Freeman, City Clerk
Tanya Lukowiak, CRA Executive Director/Grants Coordinator
Mike Mayer, Captain
Allen Tusing, Public Works Director
Diane Ponder, Deputy Clerk-Administration

Vice Mayor Williams called the meeting to order at 4:30 pm, followed by a moment of silence and the Pledge of Allegiance.

Mr. Freeman requested that item #2, Verizon Cell Tower, be moved forward to the next workshop agenda, as information necessary to the topic was not received. Commission agreed.

1. OCTOBER 1 2008 ACTUARIAL VALUATION REVIEW

Mr. Freeman informed Commission that Steve Palmquist, actuary for both the General Employees' and Police Officers' Pension Plan was present to review each plan's Actuarial Valuation Report. The Boards of Trustees for both plans met earlier in the day to review the October 1, 2008 Actuarial Valuation Report.

Mr. Palmquist reported that the General Employees' Plan required employer contribution as a percent of payroll increased to 21.50% from last year's rate of 16.59%, which equates to \$226,587; Police Officers' Plan increased to 19.59% from last year's rate of 9.74%, which equates to \$203,019. He attributed both increases to poor investment earnings.

Mr. Palmquist stated both Boards of Trustees took steps to mitigate the increase in the employer required contribution amount. The General Employees' Board of Trustees implemented steps that will reduce the rate to 19 – 19.5%, a reduction in the contribution amount of \$90,000 - \$100,000. The Police Officers' Board of Trustees implemented steps that will reduce the rate to approximately 16.5 %, a reduction in the contribution amount of \$50,000 - \$60,000.

Mr. Freeman and Mr. Tusing sit on the General Employees' Board of Trustees. They discussed the steps that Board had taken to protect investments. Mr. Tusing acknowledged the Board had not looked at changing investment consultants because even though the plan had suffered losses, the losses had not been as much as the benchmark. Mr. Tusing also informed Commission that unless Commission changed the benefits, the Board had a fiduciary responsibility to properly fund the Plan. Mr. Palmquist concurred with the statement that the Board of Trustees operates the Plan; the Commission decides the benefit program.

Commission agreed that the expenses have got to be lowered. Mr. Palmquist discussed other clients he represents and how they are looking to reduce the costs, even so far as going to Florida Retirement System (FRS). He further stated that FRS will increase its percentage for police plans to 25% in July, 2010 and general employee plans by 3% to 4% over the current 10% level. Commission stated the Boards of Trustees must look at different ways to reduce the costs of the Plans or they will have to step in and make decisions regarding strategies and/or benefit amendments to lower the costs.

2. SPECIAL FUNCTION PERMITS

Mr. Koper confirmed that the City's insurance coverage insures public buildings. He further confirmed that the insurance policy a permittee can purchase covers only \$100,000 in the event of fire loss, but still is of the belief, with agreement from Florida League of Cities, that renters should provide additional insurance. Discussion ensued on the topic with Commission directing Mr. Koper to determine how much per day insurance would cost a permittee under City insurance coverage, based on the building that is being rented.

Commissioner also directed that a dual fee system should be developed for City residents and non-city residents. It was determined that proof of residence could be as simple as presenting a City utility bill. He was instructed that language should be included as to a resident's responsibility should they rent a facility for a non-resident.

Commissioner Varnadore suggested that the rental fees for all the buildings are too high and staff should look at all the rental fees that have been imposed. Mayor Bryant stated that a review of the rental fees may be necessary, but users of the public buildings should share in the upkeep and maintenance of the buildings.

Commissioner Williams requested that Commission look at the meeting schedule, as he is not comfortable taking a vacation period in July; workshops should be held. Commission declined to adjust the meeting calendar. Commissioner Williams stated he does not like items being placed on a 7:00 agenda before it being on a workshop meeting.

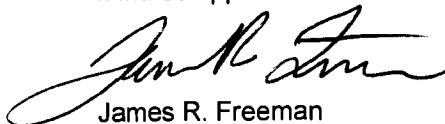
The following Palmetto Elementary documents were discussed:

Just for Girls: Original documentation indicated the organization was interested in purchasing their property; they are in the process of securing funding for the purchase. Commission debated whether or not the Just for Girls club was originally included in the project. Jerilyn Hattendorf stated a contingency clause has been drafted into the contract should Just for Girls not close on the purchase of the property; the funding and the balance of the properties would not be affected.

Termination of the Boys and Girls Club lease: Attorney Barnebey stated there is value to the lease. Tim Knowles, Boys and Girls Club, related that real dollars for the school board purchase of 8.8 acres of City property was not enough to fund the entire project; therefore, the Boys and Girls Club agreed to buy the land to assist in funding the project. He related that the club currently does not pay a stormwater fee, and his organization is of the opinion that if the water has to cross school property, and they are giving up a lease on ten acres to purchase two and one-half acres to allow the sale of 8.8 acres under fee simple title, this is a way to compensate all the parties to make the project whole. Some Commissioners were of the opinion the City was not being considered in that thought process, and discussed their reasons for why the City was not being compensated on this particular topic. Attorney Barnebey and Mr. Tusing both agreed that Just for Girls is not affected by a stormwater fee because they are not altering their building. While Commission did not agree with having to pay to terminate the lease, they agreed that the project must move forward.

Meeting adjourned at 6:10 pm.

Minutes approved:



James R. Freeman
City Clerk