

CITY OF PALMETTO
CITY COMMISSION WORKSHOP MEETING
July 29, 2013
4:30 PM

Elected Officials Present

Shirley Groover Bryant, Mayor
Tambra Varnadore, Vice Mayor, Commissioner, Ward 2
Tamara Cornwell, Commissioner-at-Large 2
Jonathan Davis, Commissioner-at-Large 1
Charles Smith, Commissioner, Ward 1
Brian Williams, Commissioner Ward 3

Staff Present

Mark Barnebey, City Attorney
Jim Freeman, City Clerk
Allen Tusing, Public Works Director
Scott Tyler, Deputy Chief of Police
Javier Vargas, Public Works Superintendent
Amber Foley, Assistant City Clerk

Mayor Bryant called the meeting to order at 4:30 pm

1. PRESENTATION: UTILITY RATE STUDY

Javier Vargas introduced Andrew Burnham, Senior Vice President of Burton and Associates, who discussed several key issues regarding the need for a utility rate increase that include:

- There have not been any recent rate adjustments-last water rate increase was in FY 2005, last wastewater increase was in FY 2009
- Operating cost inflation-electricity, chemicals, fuel, and repair/maintenance
- Continued increases in Manatee County water expenses
- Maintaining adequate reserves and debt service coverage
- There are needed infrastructure improvements and system renewals

Mr. Burnham gave a PowerPoint presentation on the FY 2013 Water and Wastewater Rate Study that was performed. A copy of this presentation is attached to and made a part of these minutes.

Mr. Freeman discussed page 21 of the presentation that proposes three options for rate increases throughout the next five fiscal years. Staff is recommending option three which shows a 28.0% increase in water and sewer for FY14, a 10.0% increase for FY15, and a 2.0% increase for fiscal years 16, 17, and 18. Mr. Freeman stated that there will also be a 55.2% increase to reuse. Currently, customers pay \$5.80 a month for reuse; that will be increased to \$9.00 in fiscal year 2014 if approved.

Commissioner Smith departed the meeting at 5:08 p.m.

Commissioner Smith returned to the meeting at 5:12 p.m.

Discussion ensued regarding the proposed 28% increase to water and sewer rates. Commissioner Varnadore questioned if any of the CIP projects were reduced, would that lower the impact. Mr. Tusing stated that staff has proposed a \$10 million Capital and System Renewal Program (page 7 of presentation). Staff put together a program to get the City back on track with the maintenance and upgrades that need to be made to the water, reuse, and sewer systems. If Commission does not choose to increase rates by 28% for FY14, then staff will have to make adjustments and work with the funds provided. This will mean fewer improvements that will be made.

Commissioner Smith requested that residents be provided education on why their water and sewer rates are being increased. Mr. Freeman explained that every resident will get notification in their utility bills

advising them of the public hearings and the rate increase. He is proposing that the public hearing be held in September so that any rate increase can be implemented October 1st (beginning of FY 2014.)

Mayor Bryant requested more information on what utility rates would be today if a 5% increase had been implemented annually.

Commissioner Williams exited the meeting at 5:39 p.m.

Commissioner Williams returned to the meeting at 5:41 p.m.

Commissioner Cornwell is in support of staff's recommendation of option 3.

Mr. Tusing explained to Commission that as soon as this is approved, a process will be implemented to design a plan for when these projects will begin. Mayor Bryant requested that, if and when the utility rate increase is done, Mr. Tusing provide reports to the public advising them of the infrastructure repairs that are being performed throughout the City.

Mr. Burnham suggested that a utility rate study be performed every couple of years to ensure the City is able to fund CIP projects along with being able to maintain the existing infrastructure.

The consensus of Commission was to have staff send out notifications to residents in their utility bills advising them of the proposed increase, and to schedule the first reading on the utility ordinance for September 9th and the public hearing on September 23rd.

2. DISCUSSION: FISCAL YEAR 2013-2014 BUDGET

This item was continued to July 31, 2013 at 6:00 p.m.

Mayor Bryant adjourned the meeting at 6:21 p.m.

Minutes approved: August 20, 2013

James R. Freeman

James R. Freeman
City Clerk