

**CITY OF PALMETTO
CITY COMMISSION WORKSHOP MEETING
September 28, 2015
4:30 p.m.**

Elected Officials Present:

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

Staff Present:

Mark Barnebey, City Attorney
Jeff Burton, CRA Director
Jim Freeman, City Clerk
Allen Tusing, Public Works Director
Scott Tyler, Chief of Police
Deanna Roberts, Administrative Assistant

Mayor Bryant called the September 28, 2015 City Commission workshop meeting to order at 4:30 p.m.

FPL SOLAR AGREEMENT (M. Barnebey)

Florida Power and Light (FPL) has proposed to construct a solar energy structure at Estuary Park. It will cover either a kayak storage facility or parking spaces. It will provide approximately \$2,500 annually to the City for the life of the project. Mr. Barnebey said tonight he is looking for conceptual approval for the thirty-year agreement. The draft agreement proposed by FPL is not legally acceptable in its current form. There are limits on FPL's liability, and the City's ability to remove it is expensive and limited.

He received revised language from FPL this afternoon. He will review the changes and bring it back to Commission for final approval. Tonight is for conceptual approval, not final approval.

Commissioner Cornwell was concerned about the location due to the wetlands there. Mr. Burton informed her that it is not in environmentally sensitive areas. CRA is working with Public Works to develop a long range plan to put in kayak storage and parking. Mr. Burton said he will bring back a proposed location for the kayak launch in the next couple of weeks.

Commissioner Smith asked if this is the same agreement that Broward County has. Mr. Barnebey said FPL would not agree to the same terms granted Broward County.

Commissioner Williams asked if the kayak launch is a CRA project or a City project. Mr. Burton said it is a City project.

Mr. Williams asked if the structure will be close to a kayak launch. Mr. Burton said the proposed launch is at the northernmost portion of the park on the Carr Drain about 100 ft. from storage. The CRA will pursue grants. He reported he actually has the county's blueprints of its facility.

Commissioner Varnadore asked for elaboration on FPL's liability. She commented she is very excited about the concept. She also has questions about signage and Section 2.4; the electrical system and high speed internet. She asked the timetable for the agreement.

In answer to Commissioner Smith's question, Mr. Barnebey explained the revisions to the Broward County agreement:

- FPL modified it from a use agreement to a lease and easement concept
- Added the right of access to the City's electrical and high-speed internet
- Changed it to a thirty-year term, beginning when construction is finished
- Struck the requirement for a payment and performance bond
- Added language which provides for determination on a reasonable interference by the City to be in FPL sole discretion (interfering with areas around the facility)

- FPL added language that capped its indemnification at \$2 million
- Modified language to allow FPL to freely assign its mortgage and interest without the City's consent
- Struck the City's right to publicize the partnership

These are some of the differences between the two agreements. He thinks this is just an attempt to standardize the agreements, but some of these are not favorable to the City.

Regarding the cap on liability, Mr. Barnebey explained that we don't usually have caps on agreements with others. This is unusual and why he is noting it. Mrs. Varnadore asked if we want to negotiate this point with FPL. He said they had upped it from \$1 million to \$2 million, and they have indicated they have gone as far as they want to go. Mayor Bryant said we need to have this discussion.

Mayor Bryant informed Commission that this came to the City as an opportunity to educate the community about solar energy. Estuary Park was deemed a convenient location, and she opined this would increase the use of the park if the kayak launches are there.

Commissioner Varnadore asked if the energy produced would cover the equipment and lighting at Estuary Park. Mayor Bryant said it stays within the grid system and goes back to FPL.

Rae Dowling, Area Manager, Florida Power and Light addressed Commission. She explained this is a power plant and the energy will go into the grid. This is a community solar project. She referenced a letter written to the Mayor in 2011 during franchise renewal negotiations. During discussions it came up that the City wanted to be sustainable and renewable. This partnership is that opportunity.

David Bates, Manager of Project Development, Florida Power and Light, explained the City will receive renewable energy credits. A monitoring system which shows the energy being generated and the environmental benefits could be located at City Hall.

He commented that FPL increased the liability to \$2 million, but they will not do unlimited liability. If that were required, they would not build the project here.

Commissioner Williams said he would be happier with a twenty-year agreement with two five-year renewals instead of thirty years. He opined the liability should begin when construction begins. Mr. Bates said during construction the contractor has the liability. He said construction generally takes three or four months.

Commissioner Williams asked about the possibility of expansion. Mr. Bates said it is modular and can be expanded. It could be increased up to a 100 kilowatt facility.

Mr. Bates said FPL does want to work with the City to publicize the partnership. They just want to make sure it is done with mutual approval.

Mr. Bates informed Commission that they work with local schools. They can take information from the monitoring system to use in their STEM initiatives. FPL will develop programs for them and have curricula they can use as well.

Mayor Bryant commented the City is trying to go "green" wherever possible. The City wants to be good stewards and pass on a good environment to our children and grandchildren.

Mr. Barnebey said he thinks he hears consensus to move forward on this. It could be pulled off tonight's agenda and brought back when the agreement is cleaned up. He will bring it back October 5 or October 19.

Mayor Bryant asked about conceptual approval as there are people working on the layout at the park. Without that approval should they continue? It was decided the decision would be made later.

A rendering of a proposed layout by Jon Moore of Moore 2 Design was shown to Commission. Mr. Burton said this would be similar to the kayak storage at Robinson Preserve except ours would have a solar energy panel over it. A copy of the rendering is attached to and made a part of these minutes.

2. CAPITAL IMPROVEMENT PLAN DISCUSSION (A. Tusing)

Finance Director Karen Simpson directed Commission's attention to spreadsheets in the agenda that show CIP projects, projects in the five-year plan, potential funding and projected fund balance levels.

She reminded Commission that fund balance is based on projection and this can change. These same projects were presented to Commission at the last meeting. A final version will be brought back to Commission for approval at the October 5 meeting.

Commissioner Varnadore commented that Road and Bridge is healthy now, but if we use all those funds this year will we have enough in coming years? Mrs. Simpson said it can replenish quickly depending on the economy. In two years it increased \$400,000.

Mr. Vargas explained that repaving the section from 14th Avenue to 10th Avenue on 17th Street to 10th Street will cost more than \$800,000. Mrs. Varnadore said this helped put it in perspective.

Mrs. Simpson said utility improvements will use carry forward money, current revenues and the BP settlement money. The settlement money is being used to fund the Waste Water Treatment Plant expansion for \$200,000. The balance is going to the chloramine injection system.

At the time the equalization tank was approved it was listed at \$2 million. The new projected price is \$3.5 million. There is the possibility of getting an SRF loan at .2% for twenty years. The .2% is fixed rate. The money is specific to water projects. The new loan would fund the equalization tank and \$500,000 of the Palmetto Area Reuse System (PARS) expansion.

Mrs. Simpson said the City is good with its debt service coverage in the budget with this SRF loan, both in reuse and water/sewer. She will continue to review and bring back additional possibilities.

Mr. Barnebey asked where the funding is coming from for 13th Avenue. Mrs. Simpson said Finance divided the cost in thirds. The cost was estimated at \$250,000. The city will be responsible for one-third and assessments would be two-thirds. This is a new road where one did not exist, so the City is using one -third from transportation impact fees. Mr. Barnebey said he would like to have a discussion with her regarding this.

Mrs. Simpson said she will try to bring this back to Commission for adoption either the first or second meeting in October.

Commissioner Varnadore expressed concern about going further into debt based upon the current rate studies. She asked if the City can afford the equalization tank. Mrs. Simpson said she will be able to answer that based on projections. Mr. Freeman explained that this is just an update.

The meeting was adjourned at 5:52 p.m.

Minutes approved: October 19, 2015

James R. Freeman

James R. Freeman, City Clerk