Mayor Bryant opened the meeting at 4:30 p.m.

Mayor Bryant switched the order of the items on today’s Agenda, the Utility Rate Study will be presented first followed by the discussion of the Proposed Agreement with BACC Hotel, LLC.

2. UTILITY RATE STUDY INFORMATION/PRESENTATION

Jeff Dykstra, Analyst from Stantec, discussed the presentation as attached to today’s Agenda. The objectives of the analysis were to update the multi-year financial plans with most recent available data and projections, to determine the required rate adjustments, and to maintain financial sustainability of each fund. Stantec also evaluated local and national industry trends and performed bill impacts and comparisons.

WATER AND SEWER KEY ISSUES:

- Completed multi-year approved rate plan in FY 2018; no new rate adjustments have been implemented
- Equalization Basin SRF Loan, full payments begin in FY 2020
- Maintain adequate reserves and debt service coverage
- Need capital improvements and continued system renewal; projected $13.5 million for FY 2019 to FY 2023
- Two major investments are listed for the Water System in the Five Year Capital Plan
- Nine major investments are listed for the Sewer System in the Five Year Capital Plan

Mr. Dykstra discussed the financial plan for the Water and Sewer system to continue sustainable future cash flows to invest back into both systems.

REUSE KEY ISSUES:

- Completed multi-year approved rate plan in FY 2018; no new rate adjustments have been implemented
- Maintain adequate reserves and debt service coverage
- Need capital improvements and continued system renewal; projected $1.5 million for FY 2019 to FY 2023
Mr. Dykstra discussed the financial plan for the Reuse System to continue sustainable future cash flows, reserves, and debt service coverage.

**STORMWATER KEY ISSUES:**

- Rates have not been adjusted since FY 2008
- Equalization Basin SRF Loan, full payments to begin in FY 2020
- Maintain adequate reserves and debt service coverage
- Need capital improvements and continued system renewal; projected $1.7 million for FY 2019 to FY 2023

Mr. Dykstra discussed the financial plan for the Stormwater System to overcome short term challenges and continue sustainable future cash flows and key performance metrics.

Residential comparisons with surrounding municipalities in Water, Sewer, Reuse and Stormwater were discussed. The customer bill impact was outlined with the average user in the City of Palmetto with a 5,000 gallon monthly water consumption. Current bill would be approximately $97.17. With the proposed mid-year increase in April 2019, the average bill would then increase to approximately $99.48. The following increase in October 2019 would increase this same average bill to $101.85 [these amounts do exclude the Manatee County pass through charge that occurs annually].

**RECOMMENDATION:**

- Adopt the proposed Water and Sewer, Reuse and Stormwater rate indexing plans
  - This ensures financial sustainability and meet key performance indicators
  - Fund identified and future capital improvements and system renewal
  - Minimize issuance of debt through pay as you go
- Update financial plans annually or bi-annually to account for
  - Changes in costs, demands, growth, regulatory requirements
  - Future revenue requirements impacted by capital improvement and system renewal efforts

Mr. Dykstra recommends an annual rate indexing plan so that the Commission can look at the rate annually and decide how the plan is working and if anything needs to be changed. Staff recommends a 10 year indexing plan as indicated in the presentation and to bring forward to Commission if emergencies arise and something needs to be changed.

Commissioner Cornwell is not in favor of increase in April and then again in October, she would like to see information presented at the next meeting that shows the change in residential bill if only increased every October 1st.

1. **PROPOSED AGREEMENT WITH BACC HOTEL, LLC**
   
   Attorney Barnebey discussed the following two changes since the last Workshop:

   1. The liquidated damages provision related to Article IV items would be $200.00 per day
   2. Section 4.2 modified to read “owner shall include in the name of the hotel and any lease or franchise document, “Palmetto” and the franchise name.”
   3. Section 3.1 inserted language “construction of the 7th Street Extension between US41/301 and the eastern boundary of the Hotel Property shall occur with the construction of the Hotel. Construction of the 7th Street Extension between the eastern boundary of the Hotel Property through and including the
intersection of Haben Boulevard shall occur within one year of the conveyance of the County right of way (ROW).”

Commissioner Varnadore indicated that the language in Section 3.1 needs to be carried forward to other parts of the Agreement.

Tony DeRusso, InDevelopment, LLC, discussed the naming issue. He indicated that the franchise is in agreement to title the hotel Palmetto Sheraton at Bradenton Area Convention Center. Without the Convention Center, the hotel does not exist. It will be the “headquarter” hotel for the Convention Center. The Marriot brand is firm on this name and is in agreement that Palmetto be mentioned first.

Mayor Bryant adjourned the meeting at 6:00 p.m.

MINUTES APPROVED: February 25, 2019

James R. Freeman

James R. Freeman
City Clerk