

Palmetto City Council
Capital Expenditure Workshop
December 16, 2002 4:00 PM

Elected Officials Present:

Larry Bustle, Mayor
Mary Lancaster, Vice Mayor
Shirley Bryant, Council Member
Tamara Cornwell, Council Member
Charlie Grace, Council Member
Brian Williams, Council Member

Staff and others present:

Karen A. Conlon, City Clerk
Capt. Clyde Hedrick, Palmetto Police Department
Mike Hickey, Public Works Director
Diane Ponder, Administrative Assistant

Mayor Bustle called the meeting to order at 4:00 p.m.

Vice Mayor Mary Lancaster gave the invocation followed by the Pledge of Allegiance to the United States Flag.

Mayor Bustle updated Council on the status of the Recovery Plan presented October 21, 2002. Projected revenues and expenses based on actual 2001-2002 data have both been reassessed.

The Solid Waste Department will be evaluated to determine any impact of deleting two unfilled positions; approximately \$69,000 in savings will be recognized. Leasing equipment vs. purchasing will also be investigated, as a savings of approximately \$160,000 could be realized. The City Clerk will research fees charged by each municipality in Manatee and Sarasota counties for comparison purposes. Temporary labor will be considered for peak work periods in the Solid Waste Department. The Mayor and City clerk will consult with the City of Bradenton, Manatee County and Sarasota County regarding the possibility of obtaining solid waste service through their department.

Mayor Bustle discussed the need to establish a level of service objective for the Storm Water Department to eliminate incidents of flooding in which residents are forced to evacuate their homes on a repetitive basis. Mrs. Conlon discussed how FEMA can help provide funds for repetitive flooding losses but the residents must file insurance claims to substantiate the occurrences. Discussion also covered the City's Master Stormwater Drainage Plan where areas of flooding have previously been identified and prioritized. It was suggested Council may need to review the plan.

Mayor Bustle discussed the Reuse Plan suggesting priorities be established: networking with Manatee County and/or the City of Bradenton to address excess reuse water disposal, continue efforts to develop an ASR and conduct a rate study. Several Council Members again stated the reuse system must be completed before they would be willing

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to network with another municipality and then only if there is no cost to the City. Mr. Hickey stated the technical discussions taking place were to explore the networking and everyone is aware of the fact the City is not willing to donate its water.

Mayor Bustle discussed the analysis of the Enterprise Funds for 2002-2003: Solid Waste net \$18,725, Water/Sewer/Reuse net \$1,523,325 and Stormwater net (\$3,657,718). Expenses include the Tropic Isles waterline replacement project at \$122,800 in the Water/Sewer fund and \$942,000 in Stormwater, the Oakridge and Carr Drain projects, and potential project expenses totaling \$432,893. The equipment expenditure was decreased to \$189,754 from \$866,166 by leasing vs. purchasing.

Mayor Bustle discussed the City's debt capacity, using current annual net income rather than prior year reserves. Based on that assumption, the City could support a \$6.3 million project based on today's rates.

Mayor Bustle recommended deferring the extension of the US Filter contract, using the \$460,000 spent on reuse installation as part of the debt calculation. Discussion ensued on the importance of continuing with the reuse installation and the plan to bid the reuse project in January.

Mayor Bustle asked for Council's approval in principal of the method described for obtaining solutions for reuse and solid waste issues by (1) establishing a CIP Team consisting of the City's consulting engineer, land use and zoning planner, Public Works Director, financial consultant and CRA Director, and (2) authorization for he and staff to develop a proposal for Council's review and approval.

Ms. Bryant concurred with a CIP Team and rate study, voicing her concern about not having a planner on board. Ms. Cornwell suggested Ms. Tusing may be willing to contract the planning services. Mayor Bustle stated it could take the CIP Team approximately six months to develop recommendations for Council's review. The majority of Council stated they did not want to put the reuse installation on hold for up to six months. Mr. Williams called for the cost involved in having an in-house team to install reuse. Mayor Bustle stated that if reuse is not put on hold he needed direction from Council on how to balance the books. He stated it was his opinion it may be best to defer reuse installation until an overall solution to the problem can be formulated. Ms. Bryant suggested a shorter time period for a proposal from the CIP Team.

Mrs. Conlon informed Council the only funds in the budget before them for reuse was \$162,000, the balance of the US Filter contract through the end of January. Mrs. Conlon also stated the City still has the ability to obtain an SRF loan for reuse but the City would have to have biddable specs and a plan designed by an engineer for a loan. This type of expense would be no more than 15% of the total reuse project.

Mayor Bustle stated his opinion the City should look to the most economical way to solve the Enterprise Fund dilemma and that would be the development of the CIP Team to create a proposal for Council.

It was the consensus of Council to develop the CIP Team as quickly as possible. Additionally, Council agreed that rates should be looked at and the reuse distribution should be completed as soon as possible, in the most efficient and financially effect

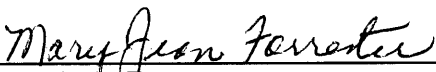
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manner. The installation of reuse will be addressed by the CIP Team, assuming the review can be completed by the end of January. If a determination by the team is not complete by that time the topic will come back to Council for a decision on how to proceed with the installation.

The approval of an equipment lease will be placed on the January 6, 2003 meeting agenda.

Meeting adjourned at 5:30 pm.

Minutes approved. January 6, 2003



Mary Jean Forrester
Deputy City Clerk