

Palmetto City Council
February 12, 2001 4: 00 PM

Elected Officials Present:

Pat Whitesel, Mayor
Shirley Groover Bryant, Vice-Mayor
Tamara Cornwell, Council Member
Donna Keefer, Council Member
Mary Lancaster, Council Member
Brian Williams, Council Member

Staff and other present:

Chief Bright, Palmetto Police Department
Mary Jean Forrester, Acting City Clerk
Margaret Tusing, Planning & Zoning Director
Mike Hickey, Public Works Director
Tonya Lukowiak, Grant Writer
Diane Ponder, Administrative Assistant

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

Mayor Whitesel distributed Karen Conlon's application for the position of City Clerk.

Mayor Whitesel discussed the need to belong to the National League of Cities, stating the dues were \$883 per year and all meetings are held out of state. It was consensus of Council not to renew the city's membership.

Mayor Whitesel discussed the absence of the City Attorney at the February 5, 2001 meeting.

Mayor Whitesel related to Council there are no term limits in the City of Palmetto.

Mayor Whitesel informed Council Legislative Day in Tallahassee is April 4. Council was asked for topics they wanted discussed at the meeting.

Mr. Williams recognized mayoral candidate Larry Bustle and acknowledged Mayor Whitesel's campaign for re-election.

Ms. Bryant stated that unless Council votes approving the absence, the City Attorney is expected to be at all evening meetings. Mr. Williams suggested getting consensus of Council would be appropriate.

1. MASTER UTILITY SYSTEM – CUSTOMER REUSE FEES

Jeffrey Siewert, Smith & Gillespie Engineers, introduced Manuel Gerakios, Senior Engineer, who has put together the presentation on avenues available to the city to develop a revenue stream to repay the anticipated loan of \$4.2 million from the State Revolving Loan to develop the city's ASR/Wastewater Facility. Estimated debt service on this loan will be \$33,000 per month beginning in year 2005, based on a 20-year repayment term at 4.0% APR.

Manuel Gerakios, together with committee members Karen Simpson, Allen Tusing and Brian Williams, worked together to develop the Reclaimed/Reuse Fee Study for ARS/Wastewater Facility presentation, a copy of which is attached hereto and made a part of these minutes.

It was the committee's belief that Monthly Rate Schedule Scenario 3, showing a sewage rate of \$3 per month to all utility customers, \$5 per month to all established reuse units, and a common area reuse fee of \$2 per month would best fit the city's SRF debt service. The scenario would generate a monthly revenue stream of \$34,647. Single-family residences would pay a combined total of \$8; common area residences (condos and apartments) would pay a combined total of \$5. Mobile homes in private parks will be impacted by sewer, and reuse only if the owner of the property elects to make reuse available to residents of the park. Charges for industry will be addressed. Discussion was held regarding Manatee Fruit, Lincoln Middle School and Palms of Terra Ceia.

Discussion was held on the different scenarios and when the increase would become effective for sewer and reuse. Mr. Gerakios explained the sewage charge was created because every resident of the city contributes to the wastewater that must be cleansed and discharged. The reuse charge will be assessed only to residents that actually have the service. Charges can be assessed immediately, to allow for the accumulation of funds to generate interest income, or they can begin when repayment of the SRF loan begins in 2005.

Mr. Gerakios also discussed the need to consider higher rates than those proposed to only repay the SRF, because the ASR/Wastewater Facility as well as the Reuse Distribution System will require maintenance.

A detailed, lengthy discussion was held on this topic. Mr. Tusing gave a brief history of the topic. Mrs. Simpson spoke of how the rates could be adjusted between the categories. Mrs. Lukowiak spoke of grants applicable to a reuse system. Joe McPherson, Tropic Isles and John Ross of Palms of Terra Ceia addressed Council on the proposed rates.

Mr. Prather recommended that a rate study be conducted to support any action Council may take before increasing rates to the citizens of Palmetto. Mr. Siewert will determine of the cost of updating the 1997 Rate Study and bring the figure to Council at the February 19, 2001 meeting. Mr. Siewert stated the study should be

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completed within a month. Mr. Prather was instructed to begin work on the ordinance so it can be completed as soon as the study is completed.

2. DEPARTMENT HEAD REPORT

Chief Bright – Palmetto Police Department

Distributed the Expenditures Over \$500 Report.

MOTION: Ms. Cornwell moved, Mrs. Keefer seconded and motion carried unanimously to approve the Expenditures Over \$500 Report not to exceed \$11,025.63 for the purchase of 42 badges and expenditures to Law Enforcement Supply Co. and Staples.

3. INDIVIDUAL COMMENTS

Ms. Cornwell

Reported on a near drowning incident of a child at Palmetto Trace. Ms. Cornwell contacted Clyde Boltz of Terra Ceia Golf & Tennis about participating in a letter campaign for a swimming facility in Palmetto. Mayor Whitesel will work diligently to obtain the pool north of the river. Mrs. Tusing was asked to determine a location for the pool and the necessary size.

Mrs. Keefer

Thanked Public Works for the help in repairing a sidewalk. Requested Mr. Hickey research “No Truck” signs for residential areas. Ms. Cornwell also advised a sidewalk is broken at Palmetto Elementary.

Mrs. Lancaster

Advised Public Works there are lights out on 12th Street Drive. FPL will be contacted.

Discussed parking on both sides of 12th Street off 8th Avenue. Chief Bright advised it is legal to park on both side of a street until Council recommends prohibiting parking on one side of the street. Chief Bright and Mr. Hickey will review the area and bring their recommendation back to Council.

Inquired about the hit-and-run incident; no information has come forward.

Mr. Williams

Requested copies of the salary audits that have been done to date.

Inquired about the planned spring-cleaning event that will be held citywide.

Inquired about any information received from Mr. Henningson. Requested Mr. Hickey provides Council an update.

Ms. Bryant

Thanked Mr. Tusing for the excavation update.

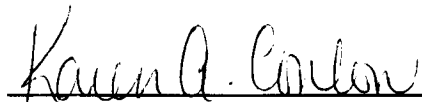
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Ms. Bryant moved, Mr. Williams seconded and motion carried unanimously to approve the February 19, 2001 agenda.

Mrs. Keefer requested Mrs. Jones be thanked on the job done in preparing the packet on City Clerk applicant Karen Conlon.

Meeting adjourned at 7:00 p.m.

Minutes approved: March 5, 2001

A handwritten signature in cursive script that reads "Karen A. Conlon". The signature is written in black ink and is positioned above a horizontal line.

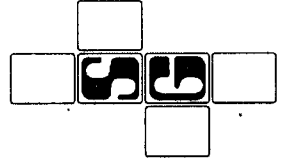
**Karen A. Conlon
City Clerk**

ATTACHMENT TO CITY COUNCIL MEETING MINUTES FEBRUARY 12, 2001



RECLAIMED/REUSE FEE STUDY
for
ASR/Wastewater Facility

City Council Workshop
February 12, 2001



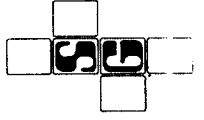


Loans to City

Up to \$4.2-Million to be borrowed
for project completion

Loan Source: State of Florida,
State Revolving Fund (SRF)

Reclaimed/Reuse Fee Study for ASR/Wastewater Facility



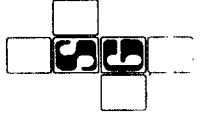


Financial Risks to City

Annual Interest Rate has been Increasing

Assume continued Increase before Lock-In

Smith & Gillespie's Recommended Approach:
"Hope for the Best, but Plan for the Worst"





Terms of SRF Loan

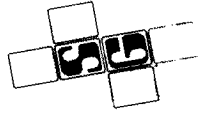
20-Year Repayment Term

3.25% Annual Interest Rate (Current)

Minimum payments required from City to State:

\$33,000 per/mo to Begin in Year 2005

(based on current Interest Rate)

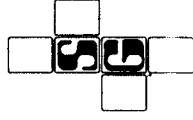




Loan Repayment Alternatives

**Preliminary Alternative Analysis
for loan repayment performed**

Several Methodologies for repayment evaluated





Alternative Evaluation

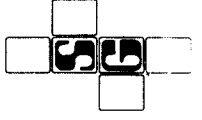
One stable source of repayment identified:

– Increase Sewage Customer Billing Fee

and

– Introduce New Line Item on City Utility Billing Statement for Reclaimed/Reuse Customers

Reclaimed/Reuse Fee Study for ASR/Wastewater Facility

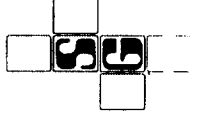




Types of Utility Customers

Contributors to the loan repayment:

- 6549 Sewage Customer Units
- 2000 Single Family Home Owner Reuse Units
- 2500 Common Area Resident Reuse Units
(Condominium/Townhouse/Apartment)





Monthly Billing Rates

Monthly Rate Schedule – Scenario No. 1:

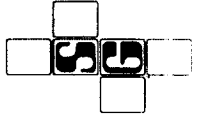
– \$2 x 6549 Sewage Units = \$13,098/mo

– \$5 x 2000 SFH Reuse Units = \$10,000/mo

– \$2 x 2500 CAR Reuse Units = \$5,000/mo

Total Revenue Generated = \$28,098/mo (Insufficient)

(\$33,000/mo Required)





Monthly Billing Rates

Monthly Rate Schedule – Scenario No. 2:

– \$5 x 6549 Sewage Units = \$32,745/mo

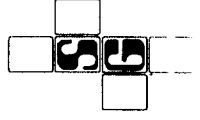
– \$5 x 2000 SFH Reuse Units = \$10,000/mo

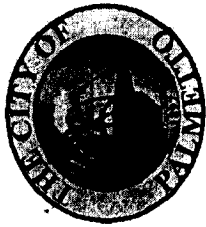
– \$5 x 2500 CAR Reuse Units = \$12,500/mo

Total Revenue Generated = \$55,245/mo (Excessive Rsrve.)

(\$33,000/mo Required)

Reclaimed/Reuse Fee Study for ASR/Wastewater Facility





Monthly Billing Rates

Monthly Rate Schedule – Scenario No. 3:

– \$3 x 6549 Sewage Units = \$19,647/mo

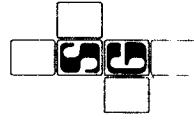
– \$5 x 2000 SFH Reuse Units = \$10,000/mo

– \$2 x 2500 CAR Reuse Units = \$5,000/mo

Total Revenue Generated = \$34,647/mo (BEST FIT)

(\$33,000/mo Required)

Reclaimed/Reuse Fee Study for ASR/Wastewater Facility

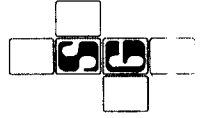




Comparative Billing Analysis

Sample Reuse Rates from around the State:

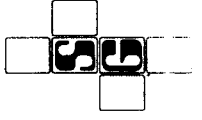
SYSTEM NAME	Residential Rate	Non-Residential Rate
Hammock Dunes (Flagler County)	\$24.35/mo	N/A
City of Rockledge (Brevard County)	\$10.00/mo	(per contract)
Valrico AWTP (Hillsborough Co)	\$7.50/mo	\$7.50/mo
Manatee Co SE (Manatee Co)	\$5.25/mo	\$40.00/mo





Additional Considerations

- Need to consider increasing fees to higher rates than those required to only repay SRF Loan
- ASR/Wastewater Facility will need maintenance
- Reuse Distribution System will need maintenance

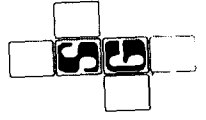




Presentation Conclusion

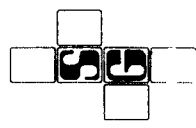
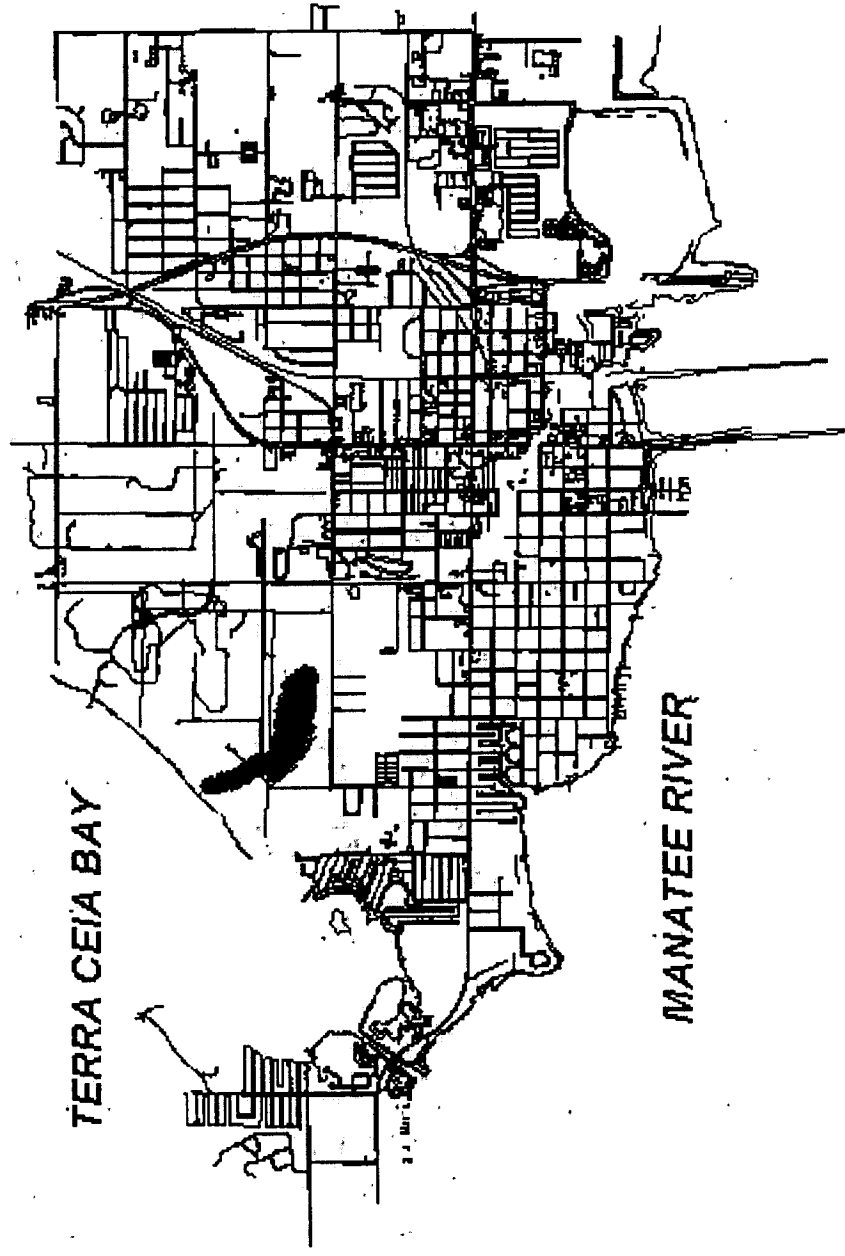
Questions/Comments

Reclaimed/Reuse Fee Study for ASR/Wastewater Facility





City Map (for Reference)



Reclaimed/Reuse Fee Study for ASR/Wastewater Facility