

MINUTES OF THE SIXTH MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD THURSDAY, AUGUST 1, 1985, AT 7:03 P.M., CITY COMMISSION CHAMBERS, MUNICIPAL ADMINISTRATION BUILDING, KISSIMMEE, FLORIDA.

Present at the meeting were Chairman VanMeter, Vice-Chairman Hord, Secretary Bobroff, Assistant Secretary Jones, Director Maher, Attorney Brinson, Utilities Director Welsh, Recording Secretary Fitzgerald. Director Gant arrived later in the meeting.

1. **MEETING CALLED TO ORDER** by Chairman VanMeter at 7:03 P.M.

2. **APPROVAL OF MINUTES**

Chairman VanMeter noted in Item 6, page 19, first sentence, which states:

"Mr. Welsh announced that a meeting concerning refinancing of Stanton through FMPA will be held June 26." Amend to read: "July 26."

Chairman VanMeter also asked that an amendment be made on page 21, second paragraph, 12th line which reads: "with tax problems would never have a detax system." Amend to read: "with tax problems would never have a new tax system."

Director Bobroff moved to approve the minutes as amended. Director Jones seconded the motion.

Motion Carried 5 - 0

3. **AWARDS & PRESENTATIONS** - None

4. **UNFINISHED BUSINESS**

A. **STANTON TOUR**

Mr. Welsh asked that a date be established for a tour of the Stanton facilities. It was agreed that a date could be set and confirmed with Director Gant when he arrived. Following discussion, the date was set for Wednesday, September 11, meeting at 8:00 A.M., at City Hall, to arrive at Stanton approximately 9:00 A.M.

B. **BOND REFINANCING**

Jean Bennett, Finance Director, briefed the Board on a report she had given the City Commission at their regular meeting on Tuesday, relative to refinancing bonds through participation with the FMPA. She explained that we have considered the possibility of refunding the outstanding 28.4 million dollar issue and have received preliminary direction from the Commission that their minimum level of savings would be 5% of the contemplated outstanding debt, which translates to about \$1,300,000 in present value savings, which would require a rate of approximately 8 1/2 to 8.6 in the market place. She explained what the market has been from its low point in June to the present time. The City Commission again Tuesday night affirmed its policy direction for the \$1,300,000 savings. She explained the timing window as to when the Commission can act as the agency for refunding this debt is approximately September 1. The KUA is not as yet legally empowered to act. She suggested that the Board might instruct its attorney to proceed with validation because a sale on the part of the Kissimmee Utility Authority will require validation. That would be a minimum of somewhere toward the latter part of November if you begin the proceedings October 1.

The market and timing for refunding was discussed with questions being answered by Mrs. Bennett. Refinancing participation with FMPA was discussed at length with Mrs. Bennett explaining the advantages and disadvantages of joint participation. Participation will mean that the KUA will have to sell its share of Stanton to FMPA. Mrs. Bennett asked for direction as to whether this should be explored further. FMPA needs to know as soon as possible since they will have to make adjustments to accommodate us. She needed to know whether the Board wanted her to attend the FMPA meeting. She said she didn't feel that a great deal of staff time is lost by attending the meeting next week, exploring the matter and getting some numbers down. After that, they would be in a position to come back and talk to the Board in order that they could make a decision how they want to go. It was agreed by the Board that staff should attend the meeting and gain the needed information for the RUA to make a decision.

C. FINANCIAL AND ACCOUNTING SERVICES CONTRACT

Mr. Welsh stated that he and Mr. Brinson had reviewed the contract. Mr. Brinson prepared it in final form and it is recommended that the Board affirm this contract for execution October 1, subsequent to the execution by the Mayor and City Manager. Mr. Brinson stated that they would be asking the City Commission to execute the contracts on September 24. Chairman VanMeter asked if the \$266,000 figure is firm and Mrs. Bennett said it is not. They still had to crank in the salary increases. It will change somewhere between 3 and 10%, which is the floor and ceiling of the pay plan. Chairman VanMeter asked that the Board be given a comparative analysis of the transfers that the Kissimmee Utility Department is making to the General Fund, not the big transfer, but their transfers to the various departments in the current year, compared to the contract we are considering. In the past it has been based on the number of employees and now we are basing it on the amount of time. Discussion followed, with Mrs. Bennett answering questions from the Board.

Director Maher moved to accept the Financial and Accounting Services Contract subject to the change created by the wage increase added onto the final cost. Motion seconded by Director Bobroff.

Motion Carried 5 - 0

D. PAY PLAN WORKSHOP

Mr. Welsh stated that the Board requested a workshop to discuss the pay plan. He suggested Wednesday, August 21, 6:00 P.M. This was agreeable to the Board with Director Maher asking that the Board be reminded of the date and time.

E. MANAGEMENT CONTRACTS

Mr. Welsh stated that all contracts will be affirmed by the Board and subsequently the City Commission will affirm them or authorize the Mayor and City Manager to sign them. On October 1, when we have full authority, they will be signed by the KUA.

Mr. Welsh asked for discussion on the 90 days versus 180 days for cancellation of the contracts. He stated that the City Manager has directed Mrs. Bennett to get as much lead time or flexibility as possible in negotiating these contracts for cancellation. This was discussed at length by the Board. Mr. Welsh stated that for the first 6 months of the contract there would be a 180-day cancellation clause. The second 6 months the cancellation would be to the end of the contract and therefore would be getting shorter. If you got into 9 months of the contract, the contract only has 3 months left so, in effect, you would have a 90-day cancellation clause at that point. The only exception would be the Financial and Accounting Services Contract which is extended to the end of the fiscal year.

Director Maher moved to accept the 180-day cancellation clause which is recommended by staff. Motion seconded by Director Jones.

Motion Carried 5 - 0

F. BYLAWS

Mr. Welsh stated that Mr. Brinson has prepared another draft of the bylaws according to direction given by the Board and he feels it is in the best interest of the Board to finalize discussion and the bylaws as quickly as possible to have them in place prior to October 1.

Chairman VanMeter asked for discussion of Article I, Section 2, page 1, relative to disability or death of the Chairman. This was discussed at length. Mr. Brinson read from the Charter and said this was taken care of in the Charter.

Other articles were discussed, including Article II, Section 7, Order of Business. It was determined that the order would be as follows: (a) Call to Order; (b) Approval of Minutes; (c) Awards and Presentations; (d) Hear the Audience; (e) Informational Reports (Requiring No Action); (f) Old Business; (g) New Business; (h) Consent Agenda; (i) Hear General Manager, Attorney, Directors.

Director Bobroff moved to accept the bylaws as amended. Motion seconded by Director Hord.

Motion Carried 5 - 0

Mr. Welsh stated this would be brought back to the Board next week for the Chairman and Secretary to sign.

Mr. Brinson suggested making up a packet including the Charter, Bylaws and all of the contracts, in order for everyone to have a complete set. Mr. Welsh said they would be put into 3-ring notebooks, indexed.

5. NEW BUSINESS

A. EMPLOYEE OF THE QUARTER (MONTH?)

Mr. Welsh stated that the Representative Committee of the Employees' Organization has brought to management a recommendation for an Employee of the Quarter/Year program. A memorandum detailing this program was included in the packets for the Board. Mr. Welsh explained the procedures of the program. Discussion followed.

Chairman VanMeter recommended that a picture of the Employee of the Quarter be posted in the lobby for the following quarter, until a new selection was made. He further suggested that a picture of the Employee of the Year be posted and remain in the lobby for the ensuing year.

Director Hord moved to accept the recommendation of the Employees' Organization Representative Committee for the Employee of the Quarter/Year program and that a photograph of the appropriate winners be posted during the quarter and the Employee of the Year photograph be posted for the entire year. Director Bobroff seconded the motion.

Motion Carried 5 - 0

B. CUSTOMER SERVICE CONTRACT

Carl Wall, Customer Service Manager, discussed the Customer Service Contract and the distribution of costs for this contract to the Water & Sewer and Sanitation Departments. He began by explaining that during a cost of service study about 3 years ago he discovered, when entering a cost into the customer charge area of the study, that the full brunt of the Customer Service cost was being borne by the Electric Utility rate payers. He recommended to the City Manager a distribution of the cost to water, sewer and sanitation. This was allocated hurriedly at the time and last year was done as prescribed. Entering into this contract, the main users, Water & Sewer and Sanitation, will be allocated through a better methodology. He explained this methodology in detail, detailing all of the charges. This method of allocation was discussed at length with questions from the Board being answered by Mr. Wall. The various services were described with the time factor explained. The time, services and allocation of costs was discussed at length. Mrs. Bennett added comments as to how the contract costing was done.

Director Maher moved to accept the recommendation of staff, the billing being \$214,000, plus the salary increase when it is computed, plus any adjustment because of sales tax, if any. Director Hord seconded the motion.

Director Bobroff made a substitute motion that the contract be referred to the Attorney and General Manager and final action be taken at the next meeting. Motion was not seconded.

Discussion followed.

Director Maher amended his motion to include that if the Attorney found any problem with the Contract it would be brought back before the Board.

Motion Carried 5 - 0

C. SIGNATURE AUTHORIZATION

Mr. Welsh stated that signature authorization is necessary in order that signature plates and stamps for the checks can be ordered as soon as possible. It will take quite a lot of lead time. He recommended that plates and stamps be prepared for the Chairman and General Manager's signatures for payroll checks and other checks for the Authority.

Director Maher moved to accept the recommendation of staff for signature authorization for the Chairman and General Manager for payroll and other checks for the Authority. Motion seconded by Director Bobroff.

Motion Carried 5 - 0

6. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

Mr. Welsh said there might be some confusion in the area of the pension plan relative to new-hires, as to whether they would automatically participate in the pension plan the same as a new-hire does today. He felt this should be clarified at this time. Another point was whether a new-hire would participate in the pension plan in the exact same way as a new-hire to the City does today. Transfers, or a City employee who leaves the City and starts employment with the KUA was discussed at length. Mrs. Bennett explained that after October 1 we would have one pension plan with two employers. She felt that it would have to be a joint participation in order to be administered properly. She further explained that this is a City plan in which the KUA is being approved for participation. She explained in detail how the plan works for the various departments insofar as transfers are concerned (Police and Fire), and the need for this practice being carried through to the KUA. Mr. Brinson stated that one thing the Ad Hoc Committee contemplated in the Charter was that in the future we may be including Water & Sewer under KUA. They did not intend for Water & Sewer employees to be eliminated from the pension fund. Mrs. Bennett explained that she is trying to make sure that all employees, whether they come from the City or from the outside, are placed on the same basis as every other employee who is covered by this pension plan. All other benefits, vacation, etc., would be at the discretion of KUA.

Following a lengthy discussion, it was determined by the Board that they would follow the City's plan insofar as pension rights are concerned. All employees would have to have two years of service with the City or the KUA to be a member of the plan. Director Gant said a general statement should be written to cover this. Chairman VanMeter asked that this go back to staff to be worked out and then brought to the Board. Mrs. Bennett stated that it would have to go back to the City Commission as an ordinance for approval since it is an ordinance change.

Mr. Welsh brought up the time frame for the 1% contribution being taken over by the City. Mrs. Bennett said this would have to be 1 effective October 1 and the pension board meets quarterly. The next meeting is Thursday, August 8. The Board agreed that they would pick up the 1% contribution for the KUA employees on October 1. They agreed to be consistent with the City on assumption of the employees' contribution to the pension fund.

DIRECTORS

Chairman VanMeter stated that they had not, as a body, discussed the 2% rate increase which has been proposed. The public budget hearing is scheduled for September 5. Mr. Welsh stated that subsequent to the two public hearings of the City Commission, any ordinance to be passed and in effect by October 1 will be passed September 5. It was determined that the rate increase should be placed on the agenda for August 8.

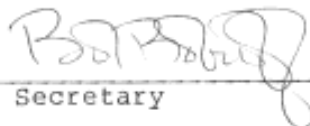
Chairman VanMeter said another area that needed to be brought forward was the Travel & Training expense procedures for the KUA. The City has an ordinance in effect on expenses and the KUA would need **to** adopt an expense policy. Director Maher suggested that the General Manager review the City policy and any changes from that policy be brought to the Board for discussion. This was agreed to by the Board.

7. ADJOURNMENT

The meeting was adjourned by Chairman VanMeter at 9:50 P.M.


Chairman

ATTEST:


Secretary