

MINUTES OF THE SEVENTH MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD  
THURSDAY, AUGUST 8, 1985, AT 7:04 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 Gant, Attorney Brinson, Utilities Director Welsh, Recording Secretary Fitzgerald. Director Maher arrived later in the meeting.

**A. MEETING CALLED TO ORDER** by Chairman VanMeter at 7:04 P.M.

**B. APPROVAL OF MINUTES**

Director Bobroff requested that two additions be placed in the minutes. These additions were as follows:

1. On Bond Refinancing (page 23) add his conversation with Jean Bennett relative to what effect going with the FMPA might have on future borrowing.

Director Bobroff: "Our share of Curtis Stanton, when everything is completed, will show up on our balance sheet as an asset and will be offset, of course, by the liability, but it will be an asset. What do we have as an asset if we go through FMPA?"

Jean Bennett: "You don't have an asset but you have an O&M cost which is not counted as debt and therefore improves your ratios. This payment to FMPA, the way I understand it (if we intend to pursue it further we need some clarification), it becomes an O&M expense for you and not debt. It will improve your coverage ratios slightly depending upon the magnitude of the payment to them. It becomes an operating and maintenance expense as opposed to a debt payment."

2. Page 25 - General Manager - Add the following sentence to the last paragraph: "It was made clear that no employee transferring from the Authority to the City or from the City to the Authority would lose pension rights if they were qualified for them."

Director Hord moved to approve the minutes with the additions.  
Motion seconded by Director Bobroff.

Motion Carried 4 - 0  
Director Maher Absent

**C. AWARDS & PRESENTATIONS** - None

**D. HEAR THE AUDIENCE**

Mr. Jim Scott from Buenaventura Lakes (BVL) stated he was asked to find out what the 2% rate increase was actually going to be used for so he could inform the people of BVL.

Chairman VanMeter explained that it would be discussed under Item G., Section 4, after the three management contracts were dealt with.

**E. INFORMATIONAL REPORTS (REQUIRING NO ACTION)** - None

**F. OLD BUSINESS** - None

**G. NEW BUSINESS**

1. DATA PROCESSING MANAGEMENT CONTRACT

Jim Emory, Director of Central Services, discussed the contract for data processing services. The City is currently the owner and operator of the System 36 which provides all management information processing for the City and Utilities and we are proposing to provide that service for KUA. We are responsible for the input, recommended funding, acquisition, capabilities, etc., for what is being proposed in terms of information processing. We have done that to date with input from all of the City users and any user that might be utilizing that operation. We provide all of the

programming support or we manage any outside or third-party type contracting that may be necessary if it exceeds our resources here at the City. We attempt to provide our expertise that we have internally in helping those who may wish to look into stand-alone systems; any particular systems or software that may be unique to an individual user as compared to the centralized operation that supports the whole operation. We manage the maintenance for all of the hardware and software that may be done internally, as well as coordinating and following up on any outside services in terms of maintenance or software support. It is our proposal to continue to provide those services to KUA at their existing levels or the anticipated level in the 85-86 budget. If there would be any variation of that, that would dictate acquisition of additional resources that could be directly applied to KUA, then that cost would be directly applied to KUA or the contract needs to be worded such that we would negotiate that cost. - A question and answer period followed.

**Director Bobroff moved that the Data Processing Management Contract be approved, subject to review by the General Manager and Attorney. Motion seconded by Director Hord.**

**Motion Carried 4 - 0  
Director Maher Absent**

## **2. WAREHOUSE MANAGEMENT CONTRACT**

Mr. Welsh asked that the costs and allocation methodology for this contract be pulled from the agenda because of the need for them to be reviewed by staff.

Jim Emory, Central Services Director, discussed the services which would be covered under this contract. They currently provide a variety of services in terms of inventory, the total Electric Utility inventory for Kissimmee Utilities. That does not include any inventories at the power plant or the combined cycle area or any off-site. This is solely restricted to the Service Center inventory. We also provide all of the receipting, distribution, as well as the storage of the materials for the Utility. We provide a home for all the Utility equipment that is housed in that area and selected office space at that facility for some Utility personnel. We propose under this contract to provide and maintain the current level of services that you are presently utilizing. Any increase of magnitude that would require additional resources (i.e., personnel, storage facilities, etc.) we would want to negotiate that expansion or that increase in the cost as it relates to KUA.

Director Bobroff asked if the inventory control at the warehouse is on computer. Mr. Emory stated at this moment it is not, but it is planned to be. He explained how this system would work to enhance not only inventory but vendor information and other benefits. Chairman VanMeter asked how much square footage at the Service Center would be used by the KUA, in light of the fact that the Service Center will be paying rent to the Airport next year. Mr. Emory stated approximately 50% of the facility, including closed inventory area and parking areas, and approximately 70% of the pole yard area.

(Director Maher arrived during discussion - 8:00 P.M.)

**Director Hord moved that the Warehouse Management Contract be referred back to staff for preparation and economic evaluation of the figures. Motion seconded by Director Bobroff.**

**Motion Carried 5 - 0**

## **3. FLEET MANAGEMENT CONTRACT**

Jim Emory, Central Services Director, described the services to be rendered under the Fleet Management Contract. It is a comprehensive fleet maintenance program, providing services other than just truck repair. A comprehensive fleet management software program that gives a current and realistic mechanism to allow evaluation of the performance of the equipment, and to make economic decisions regarding purchase,

leasing, etc. It is a management system that has been provided and we are proposing to continue. There is also a preventive maintenance system to reduce the potential major cost of maintenance and repair to the units. To a minor degree, paint and body services are provided to improve the equipment appearance.

Discussion followed, with Mr. Emory answering questions from the Board.

**Director Bobroff moved that the Fleet Management Contract, as amended, be approved. Motion seconded by Director Maher.**

**Motion Carried 5 - 0**

**4. RATES**

Mr. Welsh stated that Bill Ulseth, Rate & Financial Analyst, would go over the different aspects of the proposed 2% across the board rate increase.

Mr. Ulseth began by saying the purpose of the presentation tonight was to have the Board's recommendation to go back to the City Commission on Tuesday, August 13. Following a brief presentation by Mr. Ulseth, a lengthy discussion followed, with Mr. Welsh answering questions from the Board. He stated the main purpose of the increase was to prevent "rate shock". It is also needed for operating and maintenance costs. An overall increase in operating cost has been experienced by every utility in the last few years.

**Director Bobroff moved to instruct the General Manager to appear before the City Commission on the 2% rate increase and voice the support of the Board of that increase and, at the same time, be prepared to tell the citizens how they are going to benefit. Motion seconded by Director Hord.**

**Motion Carried 4 - 1  
Director Maher Voted No**

Director Gant stated that OUC has a model for their rate structure program that might be available to the Authority if they wanted to ask. He felt OUC may be willing to let us use their model and that it might be helpful. Further discussion followed.

Director Maher said he would like to see the Board get a copy of the monthly Rate Comparison and get a chart of where it used to be before the big bond issue, and where we are now.

**H. CONSENT AGENDA**

Directors Maher and Bobroff requested that Item 2 be removed from the Consent Agenda.

**Director Hord moved to approve Items 1 and 3. Motion seconded by Director Maher.**

**Motion Carried 5 - 0**

1. A revised Calendar of Events, between now and the first regular meeting, has been provided for your information and consideration. It is recommended that this calendar be approved by the KUA.

**3. POLICY STATEMENT - TRANSFER OF PENSION RIGHTS**

Enclosed in the packets is a Policy Statement on the transfer of pension rights for a person leaving the City of Kissimmee and immediately accepting employment with the KUA. Basically, they would continue in the joint KUA/City of Kissimmee pension plan in an uninterrupted program. Staff recommends that this policy be adopted and that the Board authorize the Chairman and Secretary to sign this Policy Statement.

2. BOARD POLICY STATEMENT - BUSINESS EXPENSES

Various items in the business expense policy statement were discussed at length as to whether they would be reasonable for the needs of the KUA. The City Ordinance was used as a guideline with discussion as to whether changes were necessary for more efficient and reasonable operation of the KUA. It was determined that expense approval for the Directors and General Manager is covered in the Bylaws and this Policy Statement would so reflect.

Director Maher moved that the Policy Statement on Business Expense be approved as amended. Motion seconded by Director Hord.

Motion Carried 5 - 0

I. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

Mr. Welsh raised the question of how to refer to KUA official actions, i.e., Policy Statement, etc. Mr. Brinson stated that since we are not a legislative body, we cannot adopt ordinances. Our formal action, whether rates or what, should be resolutions. A policy such as travel expenses can be a directive. If you want something that will stay in place (rates), it should be a resolution. All ordinances on the City system will become resolutions by the KUA. Any changes to City Ordinances will be resolutions amending the ordinance. This was discussed at length with the Board agreeing with Mr. Brinson's recommendation.

Mr. Welsh highlighted the meetings of August 22 and 29, regarding the subjects of Refunding Revisited and FMPA Refunding respectively. He feels that this is a subject that will be essential for the Board to have broader insight in order to come to a decision on it in the future. Director Maher reminded Mr. Welsh of the length of the meetings and that the agenda should not be filled with material not pertinent. Chairman VanMeter said if it borders on the edge of being not needed, then we should not have it on the agenda. This would allow more time to spend on important matters.

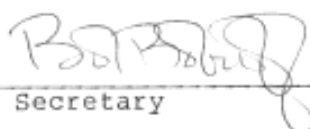
Copies of the KUA Pay Plan were distributed to the Board for them to have the opportunity to review prior to the workshop scheduled for Wednesday, August 21, 6:00 P.M.

J. ADJOURNMENT

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

  
Chairman

ATTEST:

  
Secretary