

MINUTES OF THE EIGHTH MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD
THURSDAY, AUGUST 15, 1985, AT 7:00 P.M., CITY COMMISSION CHAMBERS,
MUNICIPAL ADMINISTRATION BUILDING, KISSIMMEE, FLORIDA.

Present at the meeting were Chairman VanMeter, Secretary Bobroff, Assistant Secretary Jones, Director Maher, Director Gant, Attorney Brinson, General Manager Welsh, Recording Secretary Fitzgerald. Director Hord was absent due to a "family expansion program" (his son's wedding rehearsal dinner).

A. MEETING CALLED TO ORDER by Chairman VanMeter at 7:02 P.M.

B. APPROVAL OF MINUTES

This item has been moved to the Consent Agenda.

C. AWARDS AND PRESENTATIONS - None

D. HEAR THE AUDIENCE

Chairman VanMeter noted that guests from Orange Gardens were in the audience.

E. INFORMATIONAL REPORTS (REQUIRING NO ACTION) - None

F. OLD BUSINESS

1. INVESTMENT POLICIES

Jean Bennett, Finance Director, began by stating that this investment policy was somewhat of a challenge since the City does not have a formalized investment policy. They have bits and pieces contained in bond resolutions, City Charter and City Code. She said the City does need such a policy and she plans to recommend it adopt one similar to this. In developing the policy she used as a bench mark a set of guidelines that are provided by the National Government Finance Officers Association for developing investment policies. The policy contains those elements which they would recommend as being inclusive in governmental investment policies. Since this is your policy and I am just suggesting what those policies might be, she said, I felt it might be appropriate to respond to any questions the Board might have about this particular policy.

In response to a request from Director Bobroff, Purchase and Repurchase agreements and Commercial Paper were explained by Mrs. Bennett, with discussion following. She also explained the State Board of Investment in which the City participates. She recommended that the KUA use this same system.

After discussion, the following changes were made:

Page 3 - OBJECTIVES - Paragraph 2, line 2, change the word "maximize" to "strive to obtain the maximum return".

Page 3 - AUTHORITY AND RESPONSIBILITY - Paragraph 2, first sentence, delete the first four words. In the second sentence, line 5, change "approving" to "recommending to the KUA Board".

Page 4 - Bonds Funds - First paragraph, line 2, change "into the following categories" to read "into categories which will include:".

Page 11 - REPORTING REQUIREMENTS - First line which states "The Finance Director shall submit quarterly and investment report"

This sentence was discussed at length as to whether this report should be made to the General Manager or the Board.

It was determined that the Finance Director would submit the report to the General Manager who, in turn, would review the report and submit it to the Board of Directors. This report or document would not be altered in any way by the General Manager before submitting to the Board. He will add his comments, if any, at the time the report is submitted to the Board. It was decided to add the following to the first line:

"to the General Manager who will in turn deliver the report to the KUA Board".

Page 11 - Mrs. Bennett agreed to make a new subheading entitled "FINANCIAL REPORTING" and refer to Accounting and Financial policy. It will say something to the effect that the Accounting and Financial Reporting Policy will apply with respect to audits of investments.

Director Bobroff moved to approve the Investment Policy as amended. Motion seconded by Director Maher.

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

2. ACCOUNTING AND FINANCIAL REPORTING POLICIES

Mrs. Bennett stated that this policy has been made short because there are voluminous requirements as to what has to be put into a set of comprehensive annual reports. Since we have that, this policy has been made fairly simple so that it speaks to generally accepted accounting principles.

The policy was reviewed and discussed with the following revision made:

Page 2 - OBJECTIVES - Paragraph 3, add the following sentence: "Such accountant shall be named by the Board but so long as the City Finance Director is also the Authority's Finance Director, the same firm shall be used for both."

Page 2 - AUTHORITY AND RESPONSIBILITY - Third paragraph, second line, delete the words "management of".

Director Bobroff moved to accept the Accounting and Financial Reporting Policy as amended. Motion seconded by Director Maher.

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

G. NEW BUSINESS

1. PURCHASING SERVICE CONTRACT

Mrs. Bennett began by stating that under this agreement they are prepared to do everything they do for the Utility and everything else they are asked to do within the constraints of the budget that they have.

Purchase orders, Check Requests, Receipt of Goods were discussed at length. The following changes were determined following discussion:

Page 1 - SERVICES TO BE PERFORMED - 1., a., second line, change "their" to "its".

Page 2 - PAYMENTS - \$33,000 may change subject to review.

Director Bobroff moved to accept the Purchasing Services Agreement as amended. Motion seconded by Director Maher.

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

Mr. Welsh explained that all of the contracts have been reviewed and agreed upon without the dollar amounts. Next week all of the cost allocation will be done. Mrs. Bennett stated that she will not be present but John Hearn would be there. Mr. Welsh said he would bring these back next week or the following week. The Board would not see all of the contracts again since they have seen them previously. The only thing we are waiting for now is the numbers and it would show how they were adjusted and why. To date, the only number other than the salary adjustment is the warehouse contract which is being adjusted. Mrs. Bennett said she is waiting for information from Jim Emory on this.

2. PURCHASING POLICIES

Mrs. Bennett stated that she has had substantial discussions with Mr. Welsh on this with respect to bid limits, etc. Basically, the policy tracks the City's, with the exception of those bid limits.

The various aspects of the policy were discussed. Director Maher asked if we were being given authority to spend up to \$25,000 without coming back to the Board. Mrs. Bennett said that is the case. She explained that in the Electric Utility there are significantly larger dollar volumes. You may not want to require bids for those, require written quotations and if at some time you want to see or approve those contracts, you may wish to do that. Director Maher expressed concern with the \$25,000 amount without Board approval. Director Bobroff suggested a report of all purchases of \$5,000 or more be presented, in writing, each month to the Board showing the date, vendor, item and amount, with a brief reason. This report will be presented to the General Manager to be delivered to the KUA Board.

Following discussion, the following changes were made:

Page 2 - AUTHORITY AND RESPONSIBILITY - Line 4, delete the comma after "Utility Authority".

Page 4 - PURCHASING LIMITATIONS - First paragraph, second line, add the following after the word limitations: "within budgetary limitations:"

Page 4 - Paragraph 2, line 2, change "\$200" to "\$199".

Delete the third paragraph.

Paragraph 4, change the dollar figures in lines 3 and 4 from "\$501 and \$5,000" to "\$200 and \$500".

Add the following new paragraph directly below the existing revised paragraph 4 to read as follows:

"A Purchase Order, authorized by the General Manager and the Purchasing Agent, and supported by three documented telephone quotations, shall be required for all purchases between \$200 and \$5,000."

Director Bobroff moved to approve the Purchasing Policy as amended. Motion seconded by Director Maher.

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

3. REPRESENTATION ON PENSION BOARD

Mr. Welsh stated that since the establishment of the KUA, and we will still be under the same pension plan, he believes there is a need to assure KUA representation on the Pension Board. He explained the membership as it is now, with the Mayor, City Manager, Finance Director and two members elected at large. He is now a member since being elected a member at large. He now feels we should have further representation assured for the future. He suggested increasing the members, adding the General Manager of KUA as a permanent member of the Board and another

member who would be a member at large, elected by the overall members of the pension fund, but would have to be a KUA employee. He further stated there should be another member at large. This would create 7 members rather than 5. These would be: Mayor, City **Manager**, **City Finance** Director, General Manager of KUA, 2 general members at large and one member at large who is an employee of the KUA. Discussion followed.

Mr. Welsh recommended that the KUA Board recommend to the Pension Board that this be taken by the Pension Board to the City Commission for approval.

Director Bobroff moved to direct the General Manager to take his recommendation to the Pension Board at their next quarterly meeting and request the Pension Board to adopt this recommendation and proceed to take it to the City Commission. Motion seconded by Director Jones.

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

H. CONSENT AGENDA

Director Maher requested Item 1 be removed. Chairman VanMeter requested pulling Item 2.

1. APPROVAL OF MINUTES

Chairman VanMeter requested that the amendments to the Fleet Management Contract be included. These were as follows:

ARTICLE I - No. 1, a., page 1, add: "5. Fuel dispensing facilities."

Page 2 - Add item "e. Provides fuel and lubricant management dispensing service."

No. 3, line 1, following "obtain all" add the word "parts,".

PAYMENTS - 1., change to read: "The Authority shall pay to the City the sum of \$18.00 per hour, plus cost and parts, actual cost of services provided by outside agencies and fuel and other lubricants at the City's cost."

PAYMENTS - 2., line 2, after "garage tickets", add "and the fuel management system".

Director Maher requested that his reason for voting against agenda item No. 4, RATES, be added to the minutes.

Following is a transcription from the August 8, 1985, tape:

"What disturbs me is that when you are looking at an 8.7 projection and staff has studied it and say we really don't need that, 2% is going to be enough, and they present a budget that balances with all the goodies, hopefully there is a little bit extra in there, it's tight to some extent, but they projected this thing to 2%, then this Board gives them 1-1/3% back and all of a sudden this brainchild comes up and I know we are going to start this program. It bothers me. It isn't a question that 2% is too hard on the rate payer. Any kind of an increase is a heartache to the rate payer. Basically, we have found 1-1/3% and now we are going to put it into a fund, which is something we should be starting to do. Do you need all of that? It just happens to be a golden number, 1.3, because this Board found 1.3. If it was 2%, then let's start with 2%. I don't think that's the way it should be done. I think we should begin to recognize that we've got to start reserves and add to it each year a little bit at a time." (Director VanMeter asked where Director Maher thought we should start. Director Maher said "half of that, 1.3%, or 1-1/2% versus 2%.")

2. ADVERTISEMENT FOR BUDGET HEARING

Chairman VanMeter noted changes in the proposed advertisement for the budget hearing which are as follows:

The correct time is now September 5, 1985, 7:00 P.M., in the Commission Chambers.

Under Expenditure Uses - this is changed now to read:
Transfer to City of Kissimmee General Fund.

Adoption time will now be October 1, 1985, 8:00 A.M.
(Changed from 8:30 A.M.).

I. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

Mr. Welsh stated there is a conflict with the date scheduled for the pay plan workshop due to the Lakefront Advisory Board being re-scheduled for the Commission Chambers. Following discussion, it was decided that **the** pay plan would be included in the August 22 meeting, with the meeting beginning at 6:00 P.M. instead of 7:00 P.M., and the workshop following the meeting.

Mr. Welsh stated that the Personnel Contract and Personnel Policies have been rescheduled for August 29.

Mr. Welsh gave information which Director Jones had requested relative to contracted services for testing of equipment, mechanical and electrical testing.

DIRECTORS

Director Maher stated that an observation he has with the pay plan is that in order for the Board to take a position on this or any other study and reject one that has been done by the City, we need to understand what the objections are to the MAI survey. He felt MAI should be represented to tell us what they did and why and determine why the staff or Board disagrees with it. The Personnel Director will not be present for the meeting so we need MAI there to explain it. Discussion followed and it was agreed that MAI would be contacted in order for them to be present August 22. Director Maher also stated that staff should be prepared to tell the Board exactly which utilities are not using a step plan, which ones are. He asked staff to have information available as to the mini surveys, where they were done, which departments were done, who they surveyed and who actually did the survey.

Chairman VanMeter suggested that each Director sit down one-on-one with Mr. Welsh and discuss the pay plan staff is presenting.

Director Bobroff stated that on the first page of the memorandum relative to the pay plan, 5th line from the bottom where the word "their" is used, it should be changed to "his/her".

Director Gant expressed a concern that came up in the Commission meeting Tuesday night relative to the Fischer Porter maintenance contract. He said they approved a contract with that firm last year for approximately \$25,000 and feels there should be some way that is appropriate to watch these charges. He doesn't know how, but there must be an appropriate way to monitor to be certain the charges are for services being performed. Chairman VanMeter suggested there was maybe a way to research what they are doing for other clients. This was discussed further.

J. ADJOURNMENT

The meeting was adjourned by Chairman VanMeter at 9:37 P.M.


Chairman

ATTEST:


Secretary