

MINUTES OF SPECIAL MEETING OF KISSIMMEE UTILITY AUTHORITY HELD MONDAY, MAY 17, 1993 AND MONDAY, MAY 24, 1993, AT 6:00 PM, BOARDROOM, ADMINISTRATION BUILDING, 1701 W. CARROLL STREET, KISSIMMEE, FLORIDA

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Present at the meeting were Chairman Hord, Vice-Chairman Gant, Secretary Bobroff, Assistant Secretary Lowenstein, Mayor Pollet, Attorney Brinson, President & General Manager Welsh, and Recording Secretary Rundio. Director Jones was not present.

**A. MEETING CALLED TO ORDER** at 6:00 PM by Chairman Hord for the nomination process of a new Board member to replace incumbent Director Jones whose term expires September 30, 1993.

**B. BOARD APPLICANT REVIEW**

President & General Manager Welsh discussed with the Board members the procedure they preferred be used in interviewing the prospective applicants. As in previous years, it was the consensus that Mr. Welsh ask the standard questions of the prospective applicants who applied for the upcoming seat to be filled on October 1, 1993, currently held by incumbent, Arnold Jones. Following that format, the meeting would be open to questions. Since there were seven prospective applicants to be interviewed, at the last meeting it was decided to interview on two different evenings so as not to have one lengthy meeting.

Director Gant said what worked best for him was to rank them as we went along. The other members agreed it was a good way to go.

Mr. Welsh stated that correspondence had been sent to the Board on a late entry. One applicant had submitted her application form after the public hearing notice deadline of May 3rd and he asked whether the Board wished to accept it. Following a brief discussion, it was the consensus that this would set a precedent for future position openings, that sufficient time to respond had been allowed.

Director Bobroff stated that no late filings should be accepted to avoid favoritism or any legal argument. Director Gant was in favor of considering anybody who wanted to apply and was qualified to do the job, whether late or not. Mayor Pollet said we should stick to the deadline. Mr. Welsh stated he would contact the applicant and inform her of the Board's decision against accepting the late application.

Those applicants interviewed on Monday, May 17th, were:

1. Charlie Harbin
2. Miriam Trace
3. Buelah Farquharson
4. Leroy Nelson

The remaining three would be interviewed on another evening.

Each applicant was informed of the standard format that was used in previous years. The prospective applicants responded to Mr. Welsh's questions (a series of 18 in all) and briefly elaborated on the reasons for wanting to serve on this Board, what they could contribute to this organization, what past experience they have had in business and other organizations, to name a few. Several applicants were not sure of the interaction between the City of Kissimmee and KUA and Chairman Hord explained the functions and stated that an interlocal agreement is held between the City and KUA.

It was felt that in the future, a blank Financial Disclosure form should be included in the applicants' packets so they are aware it is a requirement. Chairman Hord specified how factual these forms were. Some pertinent questions were asked by the members aside from the questionnaire, e.g., how they would handle outside criticism or problems called in by customers, their feelings of a surcharge being paid to the City and County, how much time they can allot to perusing lengthy documents in Board packets, etc. Several applicants were quite knowledgeable about the functions of a Board member and felt comfortable they could contribute considerably to this Board.

Ms. Farquhauson indicated she was anticipating getting on the School Board in 1996; however, she was informed that a member cannot serve on two Boards at the same time, that this is stated in the KUA Charter.

The meeting recessed from 7:04 - 7:15 p.m.

At the conclusion of each interview, the prospective applicant was thanked for their time and interest and informed they would be notified, after all applicants were interviewed, of the final decision of the selection process.

#### OTHER

Mr. Welsh stated that on the bond sales, we are getting close to going to the market. The market has not been favorable in coming down at this time and we may need to be poised to act quickly. He asked for a straw vote on the availability of the members for a quorum in case of a Special Meeting having to be called on the spur of the moment. The members felt they could call a quorum for this purpose.

Mr. Welsh said that per the Board's direction, he would inform the late entrant for the Board position that the members felt it would be unfair to accept her late application but that she might consider a future position on the Board.

Due to a conflict by Director Gant, the continuation of this meeting, formerly scheduled for Wednesday, May 17th, was **rescheduled for Monday, May 24th, 6:00 p.m.**, when the last three applicants would be interviewed.

The meeting recessed at 8:20 p.m., to reconvene May 24th.

**This is a continuation of May 17th meeting and reconvened at 6:00 p.m., Monday, May 24th, for the purpose of interviewing the remaining applicants.**

The following three candidates were scheduled for interviews using the same format as for the previous ones. However, James Shipton was unable to be present at this meeting. They were:

5. Jack Eney
6. James Shipton (absent)
7. Wayne Schoolfield

Chairman Hord suggested that at the conclusion of the interviews the members individually take a brief time to personally rate each of the applicants. A brief discussion took place about the requirement that the applicant be a representative of the County, as is Director Jones. Following the interviews, Mr. Welsh would then do a tabulation of the ratings for each member.

Having had a few spare minutes on hand before the first interview, Mr. Welsh distributed copies of the Preliminary Official Statement, dated May 19, 1993 to the Board. This concerned the Refunding Revenue Bonds, Series 1993.

Mr. Welsh stated that the financing team contributed considerable hard work and time towards putting this document together for the investors. He said it would be prudent to wait another week to get into the market, which may improve by then. Unless things change, we would not do the refunding, but do the new money side.

Mr. Welsh stated a new ruling was out which may allow us to earn real money on our sinking funds because of the negative arbitrage that we will be experiencing with the construction funds. On receipt of the construction money it would earn less because of the interest rate structure and what we're paying for it. The ruling states we might utilize those losses to offset our earning more on our sinking funds than basically earning some positive arbitrage if we do it all in one issue. In that case, even without the favorable interest rates the refunding would hit or exceed its target. Bond Counsel is looking at the numbers at this time.

Mr. Welsh then referred to a letter received from Siemens, copies of which were sent to the Board members. (Letter from bidder Siemens for the Cane Island Unit #2. The bid went to General Electric.) He stated that Black & Veatch had been asked to respond to the letter on a point-by-point basis and following some preliminary discussions a conference call would be held May 26th to discuss this in detail. The Engineers responsible for the evaluation will be responding to Siemens directly, copying Mr. Welsh. On receipt of this information it would be sent to the members.

Mayor Pollet inquired whether there was substance to that letter. Mr. Welsh said nothing concrete. He stated having asked Black & Veatch what the counter points are and to state what the validity is. Brief discussion followed. Director Bobroff said it was not appropriate to use units of different brands. We already have a GE unit as the first unit. The difference in the two brands is unquantifiable at this point. The dollar amount must also be taken into consideration. Size of units plays an important part in future units also. There's some value in having the technology from the same vendor.

The applicant interviews started at 6:15 p.m.

Messrs. Jack Eney and Wayne Schoolfield were apprised of the question-and-answer format.

Mr. Eney responded in a forthright manner to questions asked by Mr. Welsh and elaborated on his former work history and his management experience in various fields. He is familiar with the budget and review process and gave some military background information which he felt might be helpful.

When asked if he had any questions of the Board, the interviewee stated he was in agreement with Director Lowenstein's former comment (referred to in a newspaper article) about leasing the third floor of this Administration Building. Director Bobroff countered that with an explanation that KUA specifically built the third floor in anticipation of future growth and that it was cost effective having a third floor compared to building yet another building when the need arose.

Mr. Wayne Schoolfield gave his interpretation on why he desired to serve on the KUA Board, his potential contributions to this organization and highlighted his past and current involvement in various agencies. Mr. Schoolfield is Chairman of the local Chamber of Commerce. He said he foresaw future growth for the community and KUA and his expressed his familiarity of working with the City and County. Mr. Schoolfield said he has a very busy schedule of activities until late this year but was anxious and willing to serve on our Board. For the present he was keenly

interested in serving five years, and would reassess his situation for a second term at that time.

Director Bobroff inquired if he knew the difference between the City Commission and the KUA Board. Mr. Schoolfield stated that KUA was a totally independent authority voted in by the citizens to try to run a utility system in the most economical manner possible to deliver good reliable power to the district. He stated they wished to take it out of the political arena and into the management arena and that this Utility was created to give sound management.

Since Mr. Schoolfield also serves on the Sun Bank Board, Director Bobroff inquired whether he felt there might be a conflict of interest between Sun Bank and KUA. Mr. Schoolfield felt they would, of course, favor having the KUA account, underwriting, act as agent, etc., and that possibly that might become a conflict at some time. Chairman Hord stated that personally Mr. Schoolfield could always declare a conflict of interest and file Form 8B when in doubt or if there were a conflict. Attorney Brinson added that there had to be a substantial interest before being required to make a declaration and that you can't do business with your own organization. Mr. Welsh stated if there is some non-substantial interest the conflict should be declared and still vote.

Chairman Hord stated that this position begins October 1st and asked whether Mr. Schoolfield would have time to attend some workshops on the new budget, etc. Mr. Schoolfield felt he could attend even though his schedule was very busy in his current responsibilities until the transition of the new Chairman of the Chamber of Commerce took over January 1st. Chairman Hord stated that a member cannot have any direct business dealings with the KUA, e.g., property transactions. At the conclusion of the interview, Mr. Schoolfield was thanked for his time and interest.

A recess was declared from 7:20 to 7:27 p.m.

Chairman Hord stated that Mr. Eney was a City resident and that our Charter stipulates that one Board member is permitted to be from the County. Director Lowenstein said that the position in question should be filled by someone living in the KUA service territory (other than the City). Mr. Brinson said he is permitted if he lives in the territory served by this Utility. Mr. Welsh stated he explained to Mr. Eney previously that the current seat was held by someone outside the County and traditionally it has been filled by someone outside the City. Director Bobroff feels that we have designated that one seat on the Board be from a territory outside the City limits. Director Gant said that should be a consideration. Chairman Hord also felt the same. Mayor Pollet stated that this was passed in a referendum which said this seat would be available to anyone living inside the territory, including outside the City limits, and the Board cannot eliminate anyone living inside the City. If so, could this Board themselves establish stronger criteria and say it could not be anybody in the City. Attorney Brinson said that one Board member may be, but it was not mandatory. Mr. Welsh stated that a legitimate consideration of the Board might be that it's not an absolute criterion but they might have a preference for an Out-of-City member. Chairman Hord suggested they just rank the members.

Mr. Welsh then tabulated the results of the individual ranking of the six eligible candidates.

The outcome was that Wayne Schoolfield was ranked No. 1 and Charlie Harbin No. 2.

Director Lowenstein commented that he was impressed with Mr. Schoolfield's dynamic speaking abilities, that he is very concise and that we can use someone of his caliber.

Chairman Hord was acquainted with Mr. Schoolfield while serving on several Boards with him a few years ago. He had a good command of a situation. Chairman Hord has a lot of respect for his professionalism in his business ventures and his dedication to the Chamber which prompted him to choose Mr. Schoolfield. He has known Charlie Harbin many years.

Director Gant stated he is acquainted with Mr. Schoolfield a long time and that his participation in the community is quite favorable.

Director Bobroff said he was slightly acquainted with Mr. Schoolfield and liked his commitment to serve on the Chamber Board position and fulfill it, regardless of the outcome tonight, and that he carries out his responsibilities in a forthright manner, someone we would welcome on the KUA Board.

**Director Lowenstein moved to nominate Wayne Schoolfield as a candidate to serve for a five-year term on the KUA Board of Directors, effective October 1, 1993 (replacing Director Jones) and that his name be submitted to the City Commission for their review and approval. Seconded by Director Bobroff.**

**Motion carried 4 - 0  
Director Jones was not present**

As a point of clarification, Chairman Hord stated that although Mr. Schoolfield serves on the Sun Bank Board in Orlando, he is not a banker by education or profession.

**C. OTHER**

Mayor Pollet suggested we change the questionnaire used for interviewing candidates. He felt some questions were redundant and others were difficult to follow or understand clearly. Chairman Hord also felt it was a concern. The members elected to go over the entire questionnaire at this meeting and made pertinent changes to make the questions posed to candidates in future interviews more meaningful. One of the questions discussed was whether candidates understood the concept and mechanism of governmental financing, as well as whether they understood the financing mechanism to issue bonds.

Mayor Pollet felt it was also important for candidates to understand the importance of the Sunshine Law and its implications. Mr. Welsh said in the future we will inform the applicants in the original letters sent out that their applications and resumes can be subject to inspection by the press and the public (covered by Chapter 119). If candidates desired confidentiality of their applications, they have the option of not applying.

It was also pointed out that when Board applicants apply that they know up front they will be required to file a financial disclosure (Form 1, Statement of Financial Interests), which is a public record.

Mr. Welsh stated, for the record, that we will send Wayne Schoolfield's name to the City Manager to agenda it at the next City Commission meeting on June 1st for their consideration and confirmation.

D. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER - No comments

ATTORNEY - No comments

DIRECTORS - No comments

E. ADJOURNMENT: Meeting adjourned at 8:15 p.m.

  
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CHAIRMAN

ATTEST:

  
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SECRETARY