



MINUTES

**THE TOWN OF FORT MYERS BEACH
PUBLIC WORKS SERVICES INC.
2523 ESTERO BOULEVARD
FORT MYERS BEACH, FLORIDA 33931**

AGENDA

September 21, 2009

5:30 PM

I. CALL TO ORDER

Chairman Kiker called meeting to order at 5:40 PM. Present with Chairman Kiker was Director Babcock, Director List and Director Raymond by phone. Vice Chairman Acken was not present as the meeting began. Also present was General Manager Jack Green, Corporate Attorney Anne Dalton and Corporate Clerk Michelle Mayher.

MOTION: Director Babcock made a motion to permit Director Raymond to participate via conference phone with Director List seconding. A clarification was made that Director Raymond was participating by phone for medical reasons.

VOTE: Motion passed 3 to 0

II. INVOCATION

Invocation led by Deacon Scoop Kiesel, Church of the Ascension

III. PLEDGE OF ALLEGIANCE

Pledge led by Deacon Scoop Kiesel

IV. CONSENT AGENDA

A. Adoption of Minutes: August 17, 2009

MOTION: Motion by Director List to approve Consent Agenda with a second by Director Babcock.

VOTE: Motion passed 4 to 0

V. PUBLIC HEARINGS

A. Resolution 09-22-U, Petition for Rate Increase

Resolution title read by Attorney Dalton:

RESOLUTION NUMBER 09-22-U, RESOLUTION OF THE TOWN OF FORT MYERS BEACH PUBLIC WORKS SERVICES, INC., A FLORIDA NOT FOR PROFIT CORPORATION. ADOPTION OF WATER RATE AND CHARGES STUDY AND APPROVAL OF FILING OF PETITION FOR RATE ADJUSTMENT AND REQUEST FOR HEARING BEFORE THE TOWN COUNCIL OF THE TOWN OF FORT MYERS BEACH AND RELATED MATTERS.

General Manager Jack Green presented an overview to the Board of the water rate study with modifications such as size of meters, use thresholds and considering condos in aggregate.

Interim Public Works Director Cathie Lewis walked the Board through a slide presentation of current and modified block rate structures.

Public Comment Opened

No Public Comment

Public Comment Closed

Chairman Kiker invited Mr. Alan Mandel of the Ad Hoc Committee to join in the conversation. Mr. Mandel stated the committee proposed a base fee of \$9.54 for each resident, \$2.77 administration fee and \$5.10 per gal up to 6,000 gallons used, with the amount increasing after 6,000 gallons. Mr. Mandel also stated it was critical to add \$300,000.00 to reserves going forward.

Director Babcock asked for a time frame for the \$9.54 base rate to garner \$300,000.00 for reserves with Mr. Green indicating the \$9.54 would provide \$300,000.00 annually. Director Babcock questioned the goal of the reserves. Mr. Mandel noted that there was \$11 million worth of repairs at this time with no means of financing it. The reserves could go toward immediate repairs or be used as a down payment toward a loan or matching funds toward a grant. Mr. Mandel stated it was necessary to now find ways to finance the system. It was indicated by Mr. Mandel that this was a one year strategy to get out of default, start to build reserves and begin to look into ways to finance the system.

Director List asked for an explanation of parallel billing as well as how the residents would receive information regarding their new bills.

Director Raymond agreed with the base rate of \$9.54 and suggested a sunset of

two years be put on the \$300,000.00.

Chairman Kiker asked if this recommendation promoted conservation. Mr. Mandel stated yes, there were conservation recommendations.

Answering a question by Chairman Kiker, Ms. Lewis indicated the break even amount from last year to be in compliance was \$3,143,000.00.

Director Babcock asked for an explanation of the difference of the rate study base rate amount of \$6.82 and the proposed \$9.54 base rate. Also if there was to be an increase in all fees, with Cathie Lewis indicating the recommendation of the Florida Rural Water Association was for a 23% increase across the board, including hookup fees, permit fees, administrative fees, etc.

Vice Director Acken joined the meeting at 6:20 PM

Director Babcock began a discussion regarding the increases and the matter of being fair and equitable to all users and his concern that the consultant had not seen this type of method utilized before.

MOTION: Director Babcock made the following motion:
page 4 of 6 of the Petition to select option 2 e)

Approve a request for 10% base rate increase in conjunction with a per-unit base rate charge for Multi-Family accounts and a 23% increase in all other fees plus the percentage base rate increase needed to fund annual capital and emergency reserves of \$300,000.00.

On page 4 of 6 select option 3 d) **Approve a request for an automatic rate increase in an amount determined by PWSI by application of the FPSCPI, but no less than 2% annually and no greater than 5% annually.**

On page 4 of 6 select option 4 b) **The automatic annual rate increase provided for in Paragraph 3 shall have a sunset date of December 31, 2012, unless the Town Council takes other action prior to that date.**

A discussion ensued whether to move forward as a motion.

Recess: 7:05 PM

Reconvene 7:15 PM

Chairman Kiker suggested the Board proceed with each issue individually.

Director Babcock suggested leaving in the highlighted wording, **creation of reserves for emergency and capital improvement purposes** on page 3 of 6 item 1.

There was a consensus from the Board on item 1.

On page 4 of 6 item 2 e) **Approve a request for 10% base rate increase in conjunction with a per-unit base rate charge for Multi-Family accounts and a 23% increase in all other fees plus the percentage base rate increase needed to fund annual capital and emergency reserves of \$300,000.00.**

There was a consensus from the Board on item 2 e).

On page 4 of 6 item 3 d) **Approve a request for an automatic rate increase in an amount determined by PWSI by application of the FPSCPI, but no less than 2% annually and no greater than 5% annually.**

There was a 4 to 1 approval from the Board with Vice Chairman Acken dissenting

On page 4 of 6 item 4 b) **The automatic annual rate increase provided for in Paragraph 3 shall have a sunset date of December 31, 2012, unless the Town Council takes other action prior to that date.**

There was a consensus from the Board on item 4 b).

Director Babcock stated the rest of the document read as drafted.

Attorney Dalton indicated she would modify the document adding the rate study objectives.

General Manager Jack Green reminded the Board that they needed to determine the cost of water per thousand as well as the methodology to submit to Council.

Director Babcock and Vice Chairman Acken selected the straight Block method, Chairman Kiker and Directors Raymond and List selected the Modified Block.

There was a 3 to 2 approval to go with the Modified Block Method.

MOTION: Director List made a motion to approve Resolution 09-22-U Resolution of the Town of Fort Myers Beach Public Works Services, Inc. The Resolution which will move forward the petition for rate adjustment and related relief and also approving the water rate study with the changes as indicated, with a second by Director Raymond.

VOTE: Motion passed 4 to 1 with Director Babcock dissenting.

Chairman Kiker asked Mr. Mandel of the Ad Hoc Committee to please name all who had worked on the committee. Per Mr. Mandel the committee consisted of Bob Young, Bob Lenertz, Stephen Roberts and himself.

Hearing closed at 7:45 PM

B. Resolution 09-23-U, Adoption of Budget FY 2010

Open Public Hearing 7:45 PM

Resolution title read by Attorney Dalton:

RESOLUTION NUMBER 09-23-U, RESOLUTION OF THE TOWN OF FORT MYERS BEACH PUBLIC WORKS SERVICES, INC. A FLORIDA NOT FOR PROFIT CORPORATION ADOPTION OF BUDGET FOR FISCAL YEAR 2009-2010.

Interim Town Manager Jack Green reviewed the resolution stating it was a balanced budget taking into account the water component of the North Estero Project, that it was a budget that brings the Board to this point of the year and once the rate petition was decided upon they would need to meet again for a modified budget. Approval was recommended.

Public Comment Opened
No Public Comment
Public Comment Closed

MOTION: Director Babcock made a motion to approve Resolution 09-23-U to adopt Fiscal Year 2009-2010 Budget for Public Works Services, Inc. with a second by Director List.

VOTE: Motion passed 5 to 0

VI. GENERAL MANAGER'S ITEMS

None

VII. CORPORATE ATTORNEY'S ITEMS

None

VIII. CORPORATES' ITEMS AND REPORTS

None

IX. PUBLIC COMMENT

Public Comment Opened
No Public Comment
Public Comment Closed

X. ADJOURNMENT

MOTION: Director Babcock made a motion to adjourn with a second by Director List.

VOTE: Motion passed 5 to 0

Meeting adjourned at 7:50 PM

Adopted _____ With/Without changes. Motion by _____

Vote: _____

Michelle D. Mayher, Town Clerk

- End of document.