

Mr. Huskey asked, "What would be the action regarding the present \$165,000 in reserves and renewal and replacement funds?"

Mr. Wulbern said, "They would be left intact, exactly as they are. It might involve some transfer of funds, but the net effect would be leaving them just exactly as they are."

Mr. Willes inquired, "Mr. Wulbern, is this a negotiated sale? You don't expect to put the bonds out for bids?"

Mr. Wulbern said, "I suppose you would call it a negotiated sale. We would not put the bonds out for bids. We would be the purchaser and acting as agent for the City."

Mr. Willes pointed out, "Legally you can do this, but it is ill-advised."

Mr. Wulbern explained, "Cities like Kissimmee, Eau Gallie, Melbourne, Jacksonville, Lakeland and others have done advance refunding this way."

Mr. Harding commented, "Earlier you said you could not explain the proposal, but you have just explained it."

Mr. Wulbern said, "I can explain it in that manner, but as far as a precise bid, if I make a precise bid and it is published in the paper, etc., I am leaving myself open for anybody who wants to bid \$50.00 less. It is not good business practice."

Mr. Harding pointed out, "As I see a negotiated sale, we negotiate with you and we will never know whether someone else could have done it cheaper."

Mr. Wulbern explained, "The problem is a little different here. It is a matter of saving money rather than some interest cost figure. It gives you a lot more flexibility for the market to go up and down within a period of two or three weeks and cost you more. We would try to hit a fairly reasonable market and save the maximum amount of money for the City."

Mr. Harding suggested, "I don't see how any of us working administratively can judge this until something is resolved in writing and can be analyzed."

Mr. O'Laughlin said, "I want it clearly understood that I don't have any urge to negotiate a sale, and somebody is going to have to explain to me why we should. It may be the thought that there is some kind of a deal being made. I know, and I think I speak for the men on the Commission that there will be no deals. We have explored this thing and the best I have come up with is \$22,000 savings."

Mr. Huskey said that is right depending on the interest rate. Mr. O'Laughlin continued, "Here is a man who says \$100,000 can be saved, and is willing to put it on the line and has brought a good faith check. I don't know what the mechanics are, but when we talk about \$22,000 and we talk about \$100,000, negotiated sale or otherwise, it does not mean a thing to me because I am here for one purpose and that is to serve the people best. I don't think anybody is going to argue with me on \$78,000, if that is the best way to do it. As to what the mechanics are, I leave that up to Mr. Wulbern, Mr. Willes, Mr. Harding and Mr. Huskey, but I don't want to leave this hanging on the vine. If there is some merit to it, let's explore it."

Mr. Willes suggested, "Let's explore it and have a report next Monday."

Mr. White expressed the opinion, "I think we are obligated to the taxpayers to try to save \$100,000 if it is there to be saved."

Dr. Dannahower suggested, "Let's by all means explore it to the fullest extent."

Mr. Nelson advised, "I agree with Mr. White, that we are obligated to the taxpayers, but I also think we have some obligation to Pierce, Wulbern & Murphey. They are the first to inform us of the fact there was a substantial saving to be made. I am going to have to agree with the Mayor. I have no objection to negotiating as long as our people are satisfied we can make the savings you claim."

Mr. Wulbern pointed out, "We have always had a continuing sincere interest in the City of Fort Pierce, and actually bought the last issue of bonds the City sold and I think we paid a fair price for them. Our interest is of course in acting as financial advisor in certain circumstances, but also in bidding the bonds, paying the top price either in competitive sale or in private sale."

Mr. Willes, Mr. Harding and Mr. Huskey were instructed to have a meeting and report back next week regarding the advisability of this negotiation.

There being no further business, upon motion duly made, seconded and carried, the meeting adjourned.

Adjournment

ATTEST:

E. C. Huskey
CITY CLERK

L. A. Laughlin
MAYOR - COMMISSIONER

MINUTES OF THE REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE MUNICIPAL COURT ROOM, NORTH SEVENTH STREET, FORT PIERCE, FLORIDA, ON MONDAY, JULY 6, 1964 AT 7:30 P.M.

Those present: Mayor O'Laughlin, Commissioners Dannahower, Nelson and White; City Manager Harding, City Attorney Willes, Director of Finance Huskey, Chief Christianson and Mrs. Lowry, Secretary. Excused: Commissioner Starratt.

Mayor O'Laughlin called the meeting to order.

July 6, 1964

Opening prayer was waived due to lack of a minister.

Motion was made by Mr. White, seconded by Dr. Dannahower and unanimously carried that minutes of the regular meeting of June 29, 1964 be approved.

Mr. O'Laughlin stated Mr. Starratt is absent tonight and that his absence is excused.

Mr. O'Laughlin explained due to an error in the time of publishing our notice for bids on the alterations equipment to convert Boiler No. 6, it would be improper to open the bids tonight. There will be a two-weeks delay on this bid opening.

Mr. Nelson entered the meeting room.

Mr. Carl Fremaux was next on the agenda. He introduced Mr. Joe Byer of the Florida Engineering Staff of Southern Bell Telephone & Telegraph Company. Mr. Fremaux stated the existing joint use agreement between City and Bell Telephone was negotiated in 1962, at which time the pole attachment rental was changed from \$1.00 to the present figure of \$2.00, and was negotiated on the basis of one year. They had at that time asked for a five year contract which is customary in other places. This contract has been up for renewal for a while. Southern Bell feels that the \$2.00 figure is an extremely liberal one in favor of the City, and they would like the City to continue this present figure in the continuation of this agreement. Their present agreement with most cities is \$1.00, while it is true that their contracts with some of the private municipalities and the REA Power Systems is somewhat different from this, varying in denominations to a maximum of \$3.50.

Mr. Fremaux pointed out that \$1.00 figure is established by cities in Florida, because cities have attempted to attract Southern Bell to use their poles as it is an opportunity to minimize the poles that are placed in the city limits. The amount of the agreement with other cities would be a factor to be taken into consideration, but he feels that a more significant factor would be the factual approach as to what is the investment that the City makes in a pole and what is the annual carrying cost maintenance and depreciation on that investment.

Mr. Harding said he did not have a figure on carrying cost, but the investment on pole replacement is about \$60.00 in place. The average life of a pole is eighteen to twenty years.

Mr. Fremaux explained that \$2.00 figure indicates that they are paying their fair share of being located on the City's poles, as the City's poles are of sufficient height that Southern Bell can attach to them without any modification, but a pole that is adequate for telephone service is not adequate for power and therefore it is necessary for them to change poles in order to accommodate the City when the City attaches to their poles. On that basis many of their agreements are non-reciprocal in that the charge to the power company is greater than the charge is to the Telephone Company. Southern Bell is anxious to bear their fair share of the cost of City administration, but they do feel they should not pay beyond what is a fair rate for any item of operating expense on their part. He appealed to the Commission to consider present cost in relation to the investment and carrying cost of the City's poles, and he believes they will find the present cost an adequate one.

Mr. Harding stated he has a number of pieces of literature on this subject and one piece of literature shows a number of cities with a municipally-owned utilities reciprocal agreement at \$1.00, but it also shows Florida Power Corporation as \$2.00, the Florida Public Utilities at \$1.00, Florida Power & Light at \$3.60, Gulf Power Company at \$3.60 and various REA cooperatives ranging from \$2.00 to \$2.30. He has information on an agreement between Lakeland and the General Telephone Company at \$3.75 per pole per year, and Southern Bell is paying \$3.00 per pole on the municipals in the Tennessee Valley.

Mr. Byer of Southern Bell stated agreement between General Company and Lakeland is not a joint use agreement. It is an attachment rental agreement and on entirely different basis than here, as Lakeland owns all the poles. The Telephone Company has none.

In answer to Mr. White's question, Mr. Fremaux stated he feels that if the City raises this pole tax on \$3.75 it will cost the telephone subscribers of Fort Pierce more. Southern Bell is already paying a 10% municipal tax, and net income on that tax to City of Fort Pierce in 1963 was \$49,539. This is in addition to the many other taxes which they pay. They are the largest taxpayer in the City and County. He stated there is no need for the City to charge a higher rate to force them to place more poles. We are doing everything we possibly can to set poles. We are cooperating in every way we know. We have considerably reduced the differential between the telephone company attachments to City poles, and City attachments to ours, and we hope to continue to do so. Mr. Fremaux stated they do not charge the City anything for collecting the utility tax. They just issue a monthly check. He does not know what it costs to collect the tax, but it is a significant factor.

Dr. Dannahower asked if a hurricane blows down a lot of poles, does the City put back their poles and the Telephone Company put back its poles?

Mr. Fremaux answered, "This is a factor that was involved in the discussion when we negotiated this agreement two years ago. At that time we made a commitment to the City and we stated we are ready to stand behind that figure - that we will have poles available on immediate notice. The day after the storm we will be placing poles and we would welcome the opportunity to use that to improve the balance between City and Telephone Company. We have reduced this out-of-balance condition by 750 poles in the last two years. The net difference up to now is 3,644 poles belonging to the City that the Telephone Company is using.

Mr. Nelson stated he asked Mr. Fremaux the other day if an increase in pole rental would be reflected in increased telephone service prices, and Mr. Fremaux told him that the Utilities Commission established prices, and Mr. Fremaux told him that the Utilities Commission established prices dependent upon the population in the area, and that he would furnish him with this range to find out where we stand. This information has not been forthcoming and he would like Mr. Fremaux to elaborate on it.

Mr. Fremaux explained he is sorry for not furnishing the information, but it is a matter of information and he will be most happy to provide it. Southern Bell does have a guide range within which the Utilities Commission establishes rates in each city. We might not say there would be a direct and reciprocating increase in the rates for telephone service to compensate for this change in the course of their operations

July 6, 1964

67

as a result of this increase. Certainly rising costs must affect the cost of telephone service. The Utilities Commission is receptive, but not always agreeable, to please when it becomes necessary. This exchange is negotiated on an individual basis and the Company would be happy to provide those figures.

Mr. Harding stated, "I don't understand the relationship in this other city where you are paying General Telephone Company \$3.75 - the fact that they have all the poles and you have none. There is nothing reciprocal there because the reciprocal part just cancels off poles and you are left with a net, so I don't see what difference that makes."

Mr. Fremaux explained it makes a considerable difference in that in this instance the Telephone Company has no investment to make. They are out renting space on a pole. The cost to the Telephone Company to accommodate the City is greater than the City's cost to accommodate the Telephone Company because the City would use a standard 40-foot pole and the Telephone Company would use a 30-foot pole on which you can't place a power line as a ten-foot greater length is needed to accommodate the City. This is a primary factor to be considered.

Dr. Dannahower asked, "If you put up a pole, do you put it on City right-of-way or buy it from someone? Do you get an easement? This might compensate for the difference in the size of the poles."

Mr. Fremaux pointed out it would vary. In some instances they are on private right-of-way and in some instances they are on public right-of-way, City, County or State. They use public right-of-way wherever possible. They locate on property lines, and a good large portion of their spot poles to serve individual service entrances are on property lines.

Mr. Harding pointed out, "Florida Power & Light Company gets \$3.60 a pole outside the City. What is the difference there and why is that proper and something less inside the City."

Mr. Fremaux explained there are two factors to be considered. First, that Florida Power & Light Company, being a privately-owned utility corporation has franchise costs, license fee, advalorem taxes, etc.. Their operating cost in money is considerably greater than what the municipalities' costs are. Therefore, their average investment would be less. Also, another factor is that traditionally a power company could not care less whether they attach to their poles. However, the City would prefer that they attach to City poles.

Mr. Harding asked if the charge the Florida Power & Light Company makes to Southern Bell is subject to the Utility Commission rules, and Mr. Byers stated no.

Mr. Harding concluded that it all boils down that you could not negotiate as well with Florida Power & Light Company and also maybe some recognition of this tax differential.

Mr. O'Laughlin advised Mr. Fremaux that they appreciated his coming and will take into consideration everything he told them.

Letter addressed to City Manager from County Administrator Ordway, dated July 1, 1964, relative to report on sidewalks around various schools, was read.

Mr. A. F. Harding, City Manager
City of Fort Pierce
Fort Pierce, Florida

July 1, 1964

Dear Mr. Harding:

Attached is report of the Board of Public Instruction and Board of County Commissioners Sidewalk Committee relative to sidewalks around various schools. Also attached is tabulation sheet showing sidewalks conditioned on what is done by city, paving conditioned on what is done by city and sidewalks unconditioned.

The following is an excerpt from the minutes of the Board of County Commissioners, meeting held January 30th, 1964:

Moved by Commissioner Hebb that the program be adopted as reported, and authorize going ahead with the paving indicated which is not contingent upon city participation, was seconded by Commissioner Nelson, and upon roll call, unanimously carried.

The sidewalks on the tabulation sheet under unconditioned were authorized for construction without further action by the Board. The balance of the work is not authorized at this time pending action by the City Commission. I will appreciate your having your City Engineer give us an estimate of the cost of the sidewalks and paving shown on the tabulation sheet.

I was advised by Mr. Ben Bryan that the Board of Public Instruction approved the report under the same conditions as that of the Board of County Commissioners at their meeting held on the evening of June 30, 1964.

Yours very truly,

C. F. Ordway, Jr.
County Administrator

CFO:mr

Encl:

CC: Mr. Ben Bryan
Mr. Weldon B. Lewis

Mr. Lewis reported that there is some question concerning Mr. Ordway's letter which says, "Also attached is a tabulation sheet showing paving conditioned on what is done by City and sidewalks unconditioned." Mr. Lewis said originally it was his impression when the City Commission, School Board, and County Commission met

that the questions concerning paving adjacent to a school were thrashed out and settled at that time. It was agreed that generally, the streets adjacent to the schools, subject to paving, would be paved, one-third of the cost would be paid by the City, one-third by the property owner, and one-sixth by the School Board and one-sixth by the County. As to whether he agrees or not with the Committees recommendations, Mr. Lewis summarized his opinions as follows:

"Lawnwood School - Sidewalk Committee has stated that they recommend sidewalk adjacent to the Lawnwood School provided that the City extend sidewalks along 23rd Street down to Virginia Avenue together with installation of street paving along 23rd Street to Virginia Avenue. I would not recommend that installation at this time due to decisions to be reached in the Lawnwood area. It would be my recommendation that the street paving along 23rd Street be installed as originally proposed, together with street paving on Rhode Island and the sidewalk adjacent to the school then be deleted until a future date when development of Lawnwood is proposed south of the school. It would be my recommendation that Rhode Island be included if 23rd Street were to be paved. This gives access from 25th Street and then north and south. These rights-of-way are more or less fixed because of the development of 25th Street.

As far as their proposal in which they condition the installation of sidewalks on 23rd Street with the installation of additional sidewalk and paving on 23rd Street, south of the school, I would recommend that none of those installations be made.

Fairlawn School - The proposed street paving under Improvement District #4 includes three streets adjacent to Fairlawn north, south and east. The sidewalks 33rd Street be installed on front of the school provided that the sidewalk extend along 33rd Street to Okeechobee Road. In addition sidewalk on the north side of Fairlawn be installed provided the 33rd Street installation is made. They make no reference to Sidewalk to the other two sides because there is a tremendously deep ditch on those two sides which bar installation of sidewalks on the south and on the east. In this instance I would agree with the sidewalk Commission recommendation. I feel that sidewalk along 33rd Street north of Okeechobee Road should be included as part of the assessment program.

Dan McCarty High School & St. Lucie County Junior High School - As far as the pavement proposed in Improvement District #4, we have proposed reconstruction of pavement along Mississippi. That pavement turns southerly on Ohio. That section needs to be reconstructed, also. We have proposed additional paving the full length of Royal Poinciana together with proposed street pavement on the streets west of Sunrise Boulevard. I agree with the Committee's recommendations.

Chester A. Moore School - I agree with the Committee's recommendations.

Means Court School - I agree with the recommendations of the Sidewalk Committee."

Dr. Dannahower expressed the opinion that part of Avenue I west of 29th Street, which is only about a block, should be paved, and then that whole area would be paved. Mr. Lewis said they will check that portion and whatever part is necessary will be included as part of the street paving.

Lincoln Park Academy - I agree with a portion of the Committee's recommendation. Paragraph 'a' their recommendation is that sidewalk be installed along 17th Street from Avenue D to Avenue Q and they said if this is done that they recommend the sidewalk installation adjacent to the school. I do not concur with that recommendation at this time because of the problem of right-of-way involved and other finance troubles in that area. 17th Street is included in Improvement District #2, and the property owners will be bearing that share of the cost. For their paragraph 'b' recommendation, the Committee has recommended that sidewalks along Avenue K from 17th Street to 21st Street, together with that along 21st Street from Avenue I to Avenue K be installed provided that street paving is installed 21st Street from Avenue K to Avenue Q and sidewalks installed along at the same time. I would concur with the Committee recommendation here because it would link Garden Terrace Elementary School, and Lincoln Park Academy.

Garden City School - I concur with the Committee's recommendations which included again the pavement of 21st Street.

Frances K. Sweet School - There are certain problems that the City will want to consider, namely, that the City limits extend to the center of line of Avenue Q and the street paving proposed into F. K. Sweet is not included in the original Improvement District 4, and if included some means of a portion of the cost will have to be worked out between the City Commission, the County and School Board."

Mr. O'Laughlin stated until we have our overall master plan on the development of Lawnwood, how are we going to know we are putting improvements in in the right place?

Mr. Lewis said we will not know about anything south of the school. The only surety would be the right-of-way adjacent to the school.

Commission agreed to proceed with street paving only on part adjacent to the school, but omit any other improvements until we have our master plan from the Planning Board for Lawnwood School area.

On sidewalk along 33rd Street from Rhode Island to Okeechobee Road, cost of approximately \$1400, this would not be of any cost to City, but City would have to furnish the right-of-way. Commission agreed this would be included.

Decision on 21st Street from Avenue K to Avenue Q where the City's share would be one-third cost of the street paving for that distance, was unanimous in favor of going ahead.

Mr. Lewis will present a report to the Commission next week, and will be in contact with the County with respect to Item 8 of the Sidewalk Committee Report, and Commission will finalize their action on these improvements.

July 6, 1964

Letter from Superintendent of Public Instruction, dated June 27, 1964, addressed to Mr. Harding, regarding athletic stadium was read.

June 27, 1964

Mr. Alfred S. Harding
City Manager
P. O. Box 660
Fort Pierce, Florida

Dear Mr. Harding:

Mr. Willes told me that you would like to have a statement relative to the construction of an athletic stadium, provided the City deeds sufficient land to the School Board for such a purpose.

I. I have discussed the proposition with Dr. Sims, the Chairman of the Stadium Committee, and Coach Slay, a member of this committee. I am in agreement with them that a site in the Lawnwood Subdivision would be a good location for a stadium.

II. I advised Dr. Sims that if sufficient land is made available, I would attempt to promote the construction of the stadium without a tax levy.

III. This has been discussed with the Board of Public Instruction and I feel that the board members will give their support to the construction of a new athletic plant.

IV. In order to carry through on a project of this nature, it will be necessary to have the cooperation of all city and county governmental agencies and civic groups. If the project is attempted, I hope we can secure this cooperation.

Sincerely,

/s/ Ben L. Bryan

Ben L. Bryan, Sup't. of
Public Instruction

BLB:w

Copies of this letter are to be furnished the members of the Stadium Committee. A meeting of Stadium Committee is to be arranged for Wednesday night. Mr. Kelly and Planning Board to be invited.

Letter from Pittsburgh Baseball Club, addressed to Mayor O'Laughlin, dated July 2, 1964, regarding Fort Pierce stadium field to be used for their minor league spring training base, was read.

PITTSBURGH BASEBALL CLUB
PITTSBURGH, PENNA.
15213
Forbes Field

July 2, 1964

Mr. L. A. O'Laughlin, Jr., Mayor
City of Fort Pierce
Fort Pierce, Florida

Dear Mayor:

As I mentioned to you during our phone conversation this morning, the Pittsburgh Baseball Club is in need of a minor league spring training base, due to the loss of our facilities at Daytona Beach.

Our present Minor League Organization consists of seven clubs:

- Columbus, Ohio
- Asheville, North Carolina
- Kinston, North Carolina
- Reno, Nevada
- Batavia, New York
- Gastonia, North Carolina
- Salem, Virginia

Our spring training program starts around March 15th and ends April 24th. These dates vary each year depending on the openings of the leagues that our affiliated clubs are members of. Approximately a week to ten days after our clubs openings, we hit our peak of attendance of 160 to 180 players. We have a staff of twenty-five, which consists of managers, coaches, scouts, instructors and administrative personnel. We would need living accommodations for both players and staff and feeding facilities for about the same number. We normally contract with the Morrison Food Service for the feeding of our personnel. We need dining and kitchen facilities to handle such a group, unless we could contract locally at a reasonable price per meal.

Beside your existing stadium field, we would need three additional baseball fields. The three fields would have to be together with backstops and outfield fences. Located in the same area as the three fields, we would also need the following facilities for instructional purposes:

Enclosed batting cage - 40 x 80 ft., with electrical 110 volt outlets for our mechanical pitching machines, constructed of pipe and chain link fencing.

Sliding pit - 20 ft. square with sawdust.

Running track - 210 ft. long and 25 feet wide.

July 6, 1964

Located in the middle of three diamonds, we would need an observation tower for instructors and managing personnel.

We would need a locker room with sufficient lockers to dress 180 players with individual wood lockers. In the same building, the following additional rooms are needed:

Staff dressing room to accommodate 20 men with shower facilities.

Umpires room to accommodate six umpires.

Equipment room, trainers room, doctors room and room for several offices for our camp director and camp business manager.

We would not be in need of field lighting for night baseball; we do all of our training during the day.

Mayor, I would be happy to meet with you or any of your Sports Committee Officials, at which time I could present sketches of the fields and clubhouse facilities we would need.

Our training program is run on a limited budget and I believe the big factor in entering into an agreement would be the cost of housing and feeding our personnel.

I would appreciate hearing from you as soon as possible, if you feel that the City of Fort Pierce would be interested in becoming a winter home for the Pirate affiliated clubs.

Kindest personal regards,

/s/ Joe O'Toole

Joe O'Toole
Assistant to the General Manager

JOT:pod

It was agreed that facilities needed by this league would be discussed at the meeting Wednesday night.

Mr. Huskey acknowledged letter from St. Lucie Holiday Association, dated June 25, 1964, in which they outlined the activities which they carry on and stating their center is used for boy scouts, brownies, teenage dances, and a great deal of use in Summer recreation program with approximately 60 children registered. They are asking that the City furnish them free electricity.

Mr. O'Laughlin asked that the letter be acknowledged and tell them no change has been made in the decision of the Commission to deny this request.

Colonel Vest, Civil Defense Director, stated tomorrow the national disaster plan, or Annex 15 is an overall plan and outlines in general the major things the City should have in preparation for a hurricane, but it must be supplemented with operating procedures by all departments mentioned in the plan. Each department should know where to go and what to do in event it becomes necessary.

Mr. Harding was instructed by Mayor O'Laughlin to give out copies of this national disaster plan to all key personnel, and when they have had ample time to study it, everyone that has an official duty to dispatch in the event of a disaster, should be summoned together with Colonel Vest in order to sum up what to do in event of a hurricane. A meeting is to be held within the next two weeks.

Mr. Harding said, "With regard to the vehicle that was formerly used by the Home Service Department, we are bringing this to the attention of the Commission, because it is related to this particular department. We would like to reassign this to the Water Service Department to replace a 1950 Chevrolet Pickup Truck which was purchased second hand at Camp Blanding in 1960. Mr. Bryan has been using a truck, but could use a car equally as well as he only carries a limited number of tools which could be carried in the trunk of a car. This seems to be a logical use for this car rather than having it doing nothing. We will make an appropriate adjustment in the utility accounting when the vehicle is transferred to the water operation. The old pickup truck will probably be retired." Commission was agreeable with this action.

Letter addressed to the Commission, attention Mr. Harding, City Manager, from Sullivan, Nelson & Goss, Inc., was read as follows:

"This is to replace our letter of July 2, 1964, due to information furnished to us on this date by the City Manager and Finance Director, which set up certain requirements to be met in the issuance of any proposed refunding bonds in order for the proposal to receive consideration by the City Commission. We propose to purchase from the City an issue of refunding bonds in the amount sufficient to provide funds for meeting principal and interest as maturing on the present debt through April 1, 1967, and the redemption of the balance of the outstanding principal on that date along with the call premium. For such an issue we will pay a price at par and accrued interest to the date of delivery. Our plan leaves the present reserve account of approximately \$165,000.00 intact to be carried forward as the reserve account for the new issue. The proposed refunding bonds mature serially from 1965 through 1986. The average annual debt service for the proposed refunding bonds is \$149,927.00 while the requirement for the present debt service is \$151,861.00. It is our understanding that the preservation of the present reserve account and fixing the annual debt service requirements at an amount not to exceed the present annual requirements of positive considerations to be met by any refunding plan in order to receive consideration by the City Commission. In addition to the purchase of the proposed refunding bonds, we will contract to sell to the City the necessary U. S. Government securities required as investments for the irrevocable trust to be set up under the refunding plan. The price to be agreed upon now and the securities to be delivered simultaneously with delivery to us of the refunding bonds. Our plan of refunding as proposed will save the City the sum of \$117,780.00 compared to the cost of the present bond issue outstanding, but not considering payment of the agent's fees on the called issue and the escrow fee for the trust. Schedules supplying detailed information on each phase of the proposed plan of refunding according to statements made in this proposal are available and will be furnished to the City upon its acceptance of the proposal, it being understood that such acceptance is subject to the checking and approving of the detailed information by the City's representatives.

Very truly yours,
Barcus, Kindred & Company
Mallaney, Wells & Company
Thomas M. Cook & Company
Sullivan, Nelson & Goss, Inc.

— Postscript: Adjusting the savings referred to above to provide for the payment of paying agent's fee on the 1957 issue and escrow fee on the trust would mean additional expense of \$3,755.45, leaving a net saving of \$114,024.91.

Mr. Huskey stated we had a proposal last week presented by the firm of Pierce, Wulbern & Murphey, Inc., of Jacksonville in which they proposed a similar plan which they would guarantee to save \$101,000.00 approximately. They say they are ready to purchase and this would be a guaranteed savings as far as the City is concerned.

— Mr. Wulbern of Pierce, Wulbern & Murphey, Inc., stated the proposal as presented does not guarantee any specific savings. We were attempting to show by illustration what could be done, taking a conservative estimate. As we pointed out we could go well in excess of that. We would prefer to have an authorizing ordinance passed before we make a permanent proposal, but we also stand prepared at any time to submit a firm proposal. I don't think it would work out to the best interest of the City. We could present something that would be more acceptable to the City than what they have in front of them. Our plan is not on a particularly comparable basis as we used one year longer debt service and more annual savings per year. We would like to see the bonds auctioned off tonight. We would like City to retain us to act as investment banker and develop an ordinance that would be suitable in all respects. I think the City knows how we are willing to cooperate and try to work out something that might even be more liberal than the ordinance in existence. At that time we give our proposal to purchase the bonds the City thought it was not in line or unreasonable in any respect, the City would be under no obligation to sell the bonds to us. We would be willing to guarantee a specific savings in this instance."

— Mr. Harding stated, "Last week you indicated an interest in the proposal that was submitted. The West Palm Beach firm heard about this through the paper and contacted me and wanted to know if they could talk with me and I said yes and they did. They wanted to send a proposal and I could see no harm in that. A third firm contacted me this morning and indicated that they were also interested in this and they got up here late this afternoon, but they are not here tonight to present a proposal. I told them it was not necessary or they might have been here. Their calculations indicated an even more favorable situation. There probably are an infinite number of combinations that can be played with in trying to figure out this refunding. Actually what is going on is that a certain amount of money would be borrowed by the sale of bonds at this point, most of which would be reinvested until bonds are callable in 1967. So there is the variable of what people think we could sell the bonds for and a variable of how this money will be invested after we have it, which is an investment under the remote and trust provisions. Everyone, I guess, is entitled to an opinion here as to what could be done. These firms are interested in giving us a guaranteed bid. They would take them for this amount and of course they are taking a certain amount of risk there and no doubt are guessing their prices quoted. I think we can probably assume that if the City took the same position and we are willing to run the same risk, to think the City could save the same amount of money that these folks are proposing as a hedge to protect them against market swings. It would probably take us about 90 days to put these things through a public bid procedure.

— Mr. Huskey has been in touch with Mr. Shaw of Wainwright & Ramsey who has been our fiscal consultant. He in turn has been in touch with our bonding attorney and has a slightly different legal opinion than he was working under when he last submitted a proposal to us. That would probably alter his predictions a little bit of what could be saved on this kind of an issue. So I think we are back to deciding what to do. How many others would be interested in submitting a proposal, we don't know. I think that one alternative the City could take would be to have our own fiscal consultant restudy this and give us a recommendation as to what we could go into a bid with. This would be a straight public bid and everyone would have an equal chance. A second alternative is to try and run an ad in which we would receive sealed proposals in accordance with our ground rules. This would probably be more difficult to judge and these would be guaranteed bids in which the bonds would be sold immediately. A third procedure would be to negotiate with several bonding houses for the best prices that could be obtained. If that is done then some group or person has to be authorized to carry on negotiations. I don't think anyone has a hedge on any particular part of this market and there is a lot of firms that can make these offers. My own particular view is that I would much prefer to go the sealed bid route using our financial consultant who put together the program that seemed to be most attractive. You will never know what will save the most money. If you do it by sealed bids you will know this was the best savings you could get at the time you did it. If you do it by straight negotiation, you will never know whether that was the best deal or not. I think it is the case of who is going to take a chance on the swing of the market."

— Mr. O'Laughlin pointed out in February we got all these proposals with all of these great sums of money we were going to save and yet our fiscal agents, Wainwright & Ramsey, finally came up with a savings of around two or three thousand dollars.

— Mr. Harding explained that plan required us to reestablish the reserve and would have drawn other funds into the program so that it would have been a problem for our general fund. His conclusion was that it would have been a problem for our general fund. His conclusion was that it would be better to wait until 1967 and refinance at that time, but at that time as I understand it, the bond attorney has decided that he would have to reinvest the money in government bonds as opposed to other types of investments such as certificates and deposits. I think he is also under the impression that legally he had to reconstitute the reserve fund. We have had this much conversation with him during the past week. There has been some change in the opinions of our bond attorneys. These gentlemen who are bidding would have their own bond attorneys. They have consulted with them before making these proposals.

Mr. Jackson of Sullivan, Nelson & Goss, Inc., pointed out that this proposal they submitted tonight has a guaranteed savings, and you do not have to wait and gamble on the market. You know exactly what you are going to save if you take this proposal.

Mr. Harding said that he talked with a reputable, competent person today that was willing to go twenty to forty per cent better than the proposal of Sullivan, Nelson & Goss, Inc.,

Mr. Nelson stated, "I think these are all reputable people and as I said last week, I think this Pierce, Wulbern & Murphey, Inc., is the one that initiated and first brought the matter to our attention. I think he should have every opportunity to make a firm offer and then let us make a decision."

Mr. White made a motion to instruct Mr. Wulbern, of Pierce, Wulbern & Murphey, Inc., to prepare a bond ordinance and bring it back to us and we will pass the ordinance at that time.

Mr. Nelson commented, "I don't want to go through all that motion because I don't think this is proper. I think we should find out now, if possible, what the best offers are. We have a net savings of \$114,000 from Sullivan, Nelson & Goss, Inc., and Mr. Wulbern says he can meet that or beat it. I would like to have him say what he wants to do."

Mr. Wulbern pointed out, "You can set up a maturity schedule in a number of ways to show almost any savings. City has to determine what type of payments it wants to make. If you shorten the maturity by one year, you save a certain amount. Shorten it further and save more. You can run a maturity schedule which would result in annual principal and interest payments which were virtually equal to the existing one over maybe ten years and then substantiate more bonds thereafter and it would result in a very substantial savings. You want to work with someone who is going to point these things out to you, give you alternatives, and work with you on it later to give you the best plan in the interest of the City."

Mr. O'Laughlin asked, "Suppose we take sealed bids. First we have to get Wainwright & Ramsey to prepare ground rules. That is an expense we have to bear whether we accept it or not. What cost do you think we are going to incur should we go to sealed bids?"

Mr. Harding said, "The sealed bid route that I recommended is a straight public bid. That one I have discarded. The other one that I would propose is that we establish our ground rules and take a less formal sealed bid in which they would submit proposals in accordance with these ground rules. I believe fiscal agents probably carry $3\frac{1}{4}$ of 1% for their service, and they could do a better job preparing ground rules than City forces, but we can prepare our own ground rules. Mr. Nelson agreed with Mr. Harding."

Mr. White's motion to instruct Mr. Wulbern of Pierce, Wulbern & Murphey, Inc., to prepare a bond ordinance and bring it back to us and we will pass the ordinance at that time died for lack of a second.

Mr. O'Laughlin advised, "Our first obligation is not to these gentlemen here tonight but to the City of Fort Pierce, and I for one am going to rely on Mr. Harding's recommendation as to whatever you prefer and what you think will do the best for the City."

Mr. Harding said, "I personally am willing to take a chance on the market and go by straight public bid route which would take us about 90 days to put together. That would be my initial thought. If that is not acceptable, my second one would be that we try to put together a proposal that these people can offer their proposals evenly, which is their problem here now. That would be a kind of sealed bid, but you would not be taking chances on swings in the market. I can get experts in to straighten out the facts. If we are going to do it ourselves, I can tell you the procedure we will use. Mr. Huskey and I will try to write the ground rules down as we see them, and I would try to sit down and test our ground rules with these people to see if they see inequities. Otherwise, we would have Wainwright & Ramsey just write it."

Motion was made by Dr. Dannahower, seconded by Mr. Nelson that we take the sealed proposals idea with City forces preparing these ground rules and assuming that they feel that when they are prepared that they are adequate. They can present the ground rules to the Commission at that time.

Mr. Willes stated there was no doubt in his mind that Mr. Harding, Mr. Huskey and himself could prepare them. It would take less than thirty days.

Mr. Wulbern again stated they could guarantee the City a specific savings right now without waiting sixty or ninety days, but it would not be their best bid.

Mr. Harding said the problem is that we would have nothing to compare this bid against.

Motion was made by Mr. White, seconded by Mr. Nelson that the motion that City forces prepare the ground rules be tabled. Those voting in favor of the motion were: Messrs. Nelson and White. Those opposed: Messrs. Dannahower and O'Laughlin.

Since it was a tie vote, the motion failed. Motion for City forces to prepare the ground rules is still on the floor. Those voting in favor of having City forces prepare the ground rules, that is, specifications for sealed proposals for a negotiated guaranteed bid sometime within the next thirty days, were: Messrs. Dannahower, Nelson, White and O'Laughlin. Those opposed: none.

A three minute recess was called.

Meeting was reconvened.

Mr. O'Laughlin announced that, "In view of the resolution that was passed last week we have had a verbal resignation by Mr. Evert Young of Reynolds, Smith & Hills as our sewer and water distribution study engineers. This will be followed by written confirmation of that, so there is no necessity for the resolution requested by Mr. Willes, Mr. Harding."

Mr. H. T. Enns, Jr., Member of the Utility Fact Finding Committee, stated, "It has been a pleasure for all of us and quite a compliment from one standpoint to have you appoint us as a fact finding group as and quite a compliment from one standpoint to have you appoint us as a fact finding group as to whether or not a Utilities Commission should be adopted by the City of Fort Pierce. We have rendered our report. We hope that it is along the lines which you wish, and we will do our best to answer any questions or make any further comments that you might like to present."

Dr. Dannahower asked, "I have some questions that I would like to ask that deal primarily with the comparison of Fort Pierce to Orlando. The report and information in the file indicate that Orlando has a cost of 9.5 mills per KWH at the meters, exclusive of depreciation. The nearest I could find, and perhaps I did not dig quite deep enough was that Fort Pierce has a comparable figure of 9.99. Is this correct? Do you know what Fort Pierce's cost is per KWH at the meter?"

Mr. Enns replied, "The Fort Pierce figure, according to the information which we received, would be right around 1¢. On the other in studying over one of the recent reports from one of your rate consultants they give it as 1.228. I rather imagine that it might be below that, but I am not in a position to say."

Mr. Skinner reported, "I do not have the figures with me. The rate report did show a cost, energy plus distribution, of 1.228."

Dr. Dannahower inquired, "What about Key West and Sebring that operate also under a Utilities Commission. They are more comparable in size to Fort Pierce than what Orlando is. Can you tell us what their cost is per KWH?"

Mr. Enns answered, "No, I can not. We figured from the standpoint of picking out what we knew was a long term successful operation and has been in business since 1923, and on that basis figured that would be the best comparable situation because they had really been in the harness a long time. From that standpoint we have their figures when they were as small or practically the same size as we are."

Dr. Dannahower pointed out, "Actually what we are doing here, we are taking a plant of 436,000 KW this year and comparing it with one of 66,000 KW when the two programs are completed. I am wondering if there is a great deal of difference in efficiency in two plants of this size? Does cost decrease marketively as the size goes up? What can we expect? Can we expect to reach this efficiency or would it appear that we are not operating efficiently from these comparisons?"

Mr. Skinner explained, "The figures we are talking about are fuel oil cost, operating cost of operating the plant and distribution system. These are primary operation costs which do not take into account, I do not believe, investment cost and some other factors. The main controlling point there would be the fact that your larger machines would be more efficient so that the operating cost of fuel oil or gas whatever the fuel might be would reduce as the machines get larger. The efficiency of the distribution system I believe would remain fairly constant so that as the system grew, the plant itself would show an increased efficiency which would reduce the total figure from perhaps 1.2 or the figure used in the rate report to 1¢ or the 9.9 mill figure you had there."

Mr. Nelson asked, "Does this 1.228 figure include all the current used by the City?" Mr. Skinner stated, "I do not believe it does."

Mr. Evert Young, Consulting Engineer said, "Orlando is operating two plants some 47 miles apart, and their cost is necessarily a little higher than if they were operating one plant, and their cost should be a little bit lower than yours."

Mr. Enns commented, "That is true excepting one thing, that it all depends on the point to which you use it, whether you are using 50% of your capacity, or 75%, and just like in our own case here, I don't think there is any question, but what Mr. Skinner would agree that when that new unit gets up in our demand that new unit will be producing at a better rate than if the demand is a maximum of twenty. Is that not correct Mr. Skinner?"

Mr. Skinner said, "That is correct. What we are talking about here is the actual operating and production costs of approximately 1¢ and undoubtedly Orlando's particular system may be a little more efficient than ours at the present time due to several things other than size."

Mr. Enns stated that an important point the Utility Fact Finding Committee is trying to bring out is what per cent of a dollar taken in gross revenue is returned as net profit.

Dr. Dannahower pointed out, "I notice that you compared the Fort Pierce year ending September 1963 with one of Orlando's ending December 1962. There was a full year in this report for Orlando of 1963, where their net retention was considerably less than the 33% they had previously."

Mr. Enns said, "In 1960 Orlando returned about 34%, in 1961 it dropped about 31 or a little over 30; in 1962 - 33, and in 1963, as Mr. Stanton pointed out in his letter, they did reduce because of their big expansion program of that year. They dropped down about 4%."

Dr. Dannahower said, "They dropped down to about 28% as compared with our 23%?"

Mr. Enns further stated, "In the years in which we had a comparison breakdown 1961, 1962, and 1963, for Orlando of each dollar of gross revenue in 1961, they returned 16¢; 1962 - 17¢; and 1963 - 14.2% out of every dollar was returned to the City. On that basis if we took a figure of \$2,655,000 as an approximate gross income, I think it runs about \$375,000 which the City would be getting."

Dr. Dannahower said, "You have made a point on Page 12 that no bonds had been voted. Plans for improvements and additions have been paid from plant earnings. I think this is true in Fort Pierce too. We haven't voted any bonds in some years."

Mr. Enns advised, "You voted revenue certificates. They have not voted any ad valorem bonds over there. They are revenue bonds."

Mr. Huskey stated, "In the very beginning there was a small ad valorem bond issue to start the electric plants, but since then it has been revenue certificates."

Mr. Enns said, "Orlando has done the same thing since about 1955, and with their expansion program beginning in 1955, their total at the present time is about \$68,000,000."

Dr. Dannahower said, "One question concerning the separating of these from the City operation - how we would handle these administrative charges and if we would actually reduce administrative charges in terms that we have to have a manager, which has already been recommended. We have a finance department that is now handling both and the charges are split generally speaking, according to how much time is consumed by these departments. Would this proposal of the Utilities Commission completely separate these so that these departments would now function just for City governmental uses and the utilities would have their own finance department, their own personnel department, right on down the line."

July 6, 1964

Mr. Enns stated, "The Utilities Department is a separate operation as I understand it. In the separation of the two you would find that certain segments of your present City organization could be transferred over. They may have been doing that work now and it would be an ordinary transition."

Dr. Dannahower said, "I was thinking where we have one or two people, like in personnel, we have a couple of secretaries and one man charged to that department, we will have to retain that in normal City governmental activities. It would appear to me that we may not be increasing our efficiency if we have to set up duplications in some areas here."

Mr. Enns stated, "It would be a self-contained organization, as far as I can see. There would be some changes in your billing. Your billing is handled at the present time on your sewer and water. I can see no reason why that could not be continued. On the other hand it would hardly seem to the Committee that administrative charges of \$114,000 per year were in line with an operation the size of the utilities operation."

Dr. Dannahower asked Mr. Young, "What is your feeling about the administrative charges? Do you view this operation from that point at all? What should the administration charges be on an operation of our size percentage wise?"

Mr. Young stated, "There is no rule of thumb, but in many years past we have complained that your administrative charges are substantial. It comes down to this. Your electric utility is a going concern, it is a revenue producing thing and contributes to your general fund in many ways. I concur with Mr. Enns that \$114,000 for administration is a very stiff figure to pay. If the electric system did not pay that, the general fund would have to pay it."

Mr. Enns stated, "It is a bit difficult to find out what the utilities operation is, but it is being loaded with excessive charges in the way of administration."

Dr. Dannahower stated, "The Orlando formula is 50%. I believe our charter says we can't return over 40%. Does your Committee suggest that if we go to Utilities Commission, that it be changed to 50%."

Mr. Enns answered, "Definitely. In fact the Orlando charter says that it returns 50% of the net profits. One other thing that is important is that in Orlando that return is made on an approximated monthly basis which gives the City a cash flow of money twelve months out of the year rather than waiting on tax collections or anything of that sort. There is another factor. If you will check those figures there on the Orlando returns, you will find that the figure that they turned over to the city is slightly more than the amount which is returned. They not only have the 50% basis, but I think there is a little variation of arrangement whereby the results of the abundance over and above 50% is turned over to the city. The amount to be turned over to the City of Fort Pierce by the Utilities Commission would definitely be the 50% and not any 40% such as you have at the present time. In fact the present city provision, as I recall, says up to 40%. The general fund has not always taken the 40%, as I recall, but it is up to that. Definitely, it would not be up to, but it would be 50%, at least."

Mr. White said, "The only question I had in mind is that it seems we are going to get into a duplication of services - one for the Utilities Commission and one for the general government of the City."

Mr. O'Laughlin stated, "When you say we, what are you talking about, Mr. White? The City of Fort Pierce won't be doing anything with the Utilities Commission."

Mr. White explained, "You will have the Utilities Commission on one side with a manager, the warehouse, with rolling stock, and the City of Fort Pierce on the other side with a warehouse, a manager and rolling stock, just as clear as the glasses you have got on."

Mr. O'Laughlin stated, "No, it isn't."

Mr. White said, "By duplication of services I mean that we have a City Manager now. How much do you propose to pay this manager?"

Mr. Enns said, "The salary of the manager of the Utilities Commission would be somewhere in the \$12,000 to \$13,000 range which is what was proposed anyway. This manager is in addition to the City Manager, according to the budget recommendation."

Mr. Nelson stated, "I have no questions."

Mr. Evert Young commented, "I have heard this problem after a fashion trashed out in a certain city and I caution you in this area. You think very carefully in regard to your ground rules, you might say, and how you will apportion the income and payment to the City from this. In other words, think down the road 20 to 25 years hence to what a 50% figure would do to you or 40% or whatever it is. Are you straining this utility? Forcing the utility to have to increase its electric rates in order to meet its requirements to the City. You want to serve your customers with as ample amount of power as you can, with efficiency, and the lowest price you can. Stake your ground rules out and work it out with these cities on both sides, the City Commission who are living with these things and have a budget of their own, and also the Utilities Commission who have these stringent rules that have been imposed upon them in many years past."

Mr. O'Laughlin pointed out, "I think Orlando did make some changes."

Mr. Young said, "They have made changes within a year."

Mr. Enns explained, "I think there was a test case over there which was resolved to the satisfaction of everybody concerned. That was contained in Mr. Stanton's letter. I would wish to publically thank Mr. Stanton's courtesy because I do think his letter represented quite carefully and comprehensively an approach to the whole problem and he tried his best to give us the advantage of his experience over there. At the present time in the City of Orlando it seems to be a very constant feeling that the 50%, and slightly over 50% as I recall, which they are turning over to the City of Orlando at the present time is covering right around from 33 to 36% of the city's operating cost. I am quite sure this is a sizeable contribution, and I am referring again to what constitutes a figure of which you take 50% of net profits and that is after

setting up the profit depreciation schedule and schedule of all bond reserves. That is all spelled out."

Dr. Dannahower asked, "Did your committee compare the rates of Orlando with Fort Pierce and what did you find? Are they comparable, higher, lower?"

Mr. Enns reported, "The rate that you had which I missed and which I am going to not enjoy anymore for I never realized that you got down below cost on your rates that you were putting out down to 1.2. If you had retained that 1.2 for over 2,000 KW consumption, I think that you would have to admit that our rate here was below. I understand that you are putting your rates back to 1.5. Is that correct? (Dr. Dannahower said there is quite a revision being made.) If you put it back to 1.5 I think you will find the city of Orlando or the Orlando rates are slightly lower. They only go to a minimum of 1.5, but you reach 1.5 after the use of 200 KW. The first 50 is at 6.25¢, and the next 150 KW at 3¢, and then it drops down to 1.5¢, so that they would be slightly lower on the basis of reaching their minimum more quickly with only two steps in between, the original step and then the 150 step and then you have it down to your minimum rate. So it would give you a slightly lower rate on that basis although you would have the same minimum."

Dr. Dannahower asked, "You don't have anything comparing Sebring or Key West or other Utilities Commissions with the Fort Pierce operation?"

Mr. Enns said, "No, because we are firmly convinced in our own mind that we have the physical plant here and we have the men in operation of the plant and if you chose, which we hope you would, to go to the Utilities Commission form of government that we could definitely approach within a relatively short length of time the type of operations they have in Orlando. I am interested in comparing Fort Pierce only with the best, and not what might be second best. Frankly, I don't know what the others are, but I think Orlando is the best."

Mr. Enns said, "There is one other thing which I would like to point out, which we considered on the committee that is very important. The Orlando Utilities Commission in promoting the use of power has gotten their annual consumption for residential customers up to 6,995 KW a year, and that is compared to 4,350 here. That is in our opinion one of the things which can be done in the City of Fort Pierce."

Dr. Dannahower asked, "Since you brought that up on Page 15 of your report, you talked about merchandising. Does your committee feel then that the Home Service Department is something that should be reactivated and utilized, or a department similar?"

Mr. Enns said, "The Committee contented itself with only one thing. To make a recommendation as to whether or not we felt that a Utilities Commission would serve Fort Pierce well. We so believe. Now as to what that Utilities Commission would do after it got in, it is hardly within the providence of the Committee to go into that at the present time. Personally, I would say this. That anything which can be done in the way of sound side promotion to promote the use of the utilities whether it be electric power or gas (we don't want to promote too much use of water at the present time) we should do it. It means more money for Fort Pierce. It means more money into the general fund and it eventually means more benefit to the people who are using our services. It was not with the idea of making any specific proposal, but simply with the idea that good promotion would increase the use of utilities and be good for Fort Pierce and its people. Orlando Utilities Commission came into being in 1923."

Mr. White asked, "Mr. Enns, if the Commission decided that they wanted a Utilities Commission, would you think that this should go before the people that they should vote on it?"

Mr. Enns said, "It is my opinion that it would be rather difficult to make an important decision of that kind without submitting it to the people. I think you gentlemen might have the authority to do it, but certainly if it is good, the people will recommend it. They would favor it. May I ask what would be your opinion?"

Mr. White stated, "I think it should come before the people."

Dr. Dannahower asked, "Doesn't the Charter give us authority to do this subject to a referendum, Mr. Enns?"

Mr. Enns replied, "I can't tell you. I know it gives you the authority to do it. In my recollection, it is subject to a referendum. I am not sure about that. It should be done whether it is there or not."

Mr. O'Laughlin stated, "It is subject to a referendum. That is correct."

Dr. Dannahower asked Mr. Willes, "If that were the decision and it were submitted to a vote, would the ground rules and the ordinances be passed prior to an election, or would this be done after an election?"

Mr. O'Laughlin stated, "There doesn't have to be an election. You can have a special referendum vote. It wouldn't have to be at the time of an election."

Mr. Willes said, "I would assume that you would set these ground rules and everything so the people would know and they would vote on that."

Mr. Enns advised, "On that it was Mr. Stanton's suggestion, and it seemed like a good one to the Committee, this thing has been worried about from time to time. The City of Winter Garden had this same matter, but in Mr. Stanton's opinion they had the best proposed ordinance for the setup of such an operation that has yet been drawn up. It would certainly behoove all of us, Commission or anybody else who might be interested in it, to secure a copy of that. We have written for it. It has not come in as yet, but that would be the sort of thing which should be submitted to the people because they can hardly be expected to vote intelligently or vote at all on something which is not concrete and specific."

Mr. Willes advised, "It would have to be concrete and specific."

Mr. O'Laughlin stated, "I have no further questions. I certainly do appreciate you all coming in here, and I would like at this time to pass down to City Clerk, Item b."

The following resolution was introduced by Mr. Nelson, who moved its adoption, same being seconded by Dr. Dannahower:

R E S O L U T I O N

NO. 2593

WHEREAS, the Utility Fact Finding Committee has submitted recommendations as to the advisability of establishing a Utilities Commission for the City of Fort Pierce, and

WHEREAS, the study and recommendations are most comprehensive in scope and evidence many hours of untiring efforts on the part of the members of said Committee and the unstinted giving of their time,

NOW THEREFORE BE IT RESOLVED By the City Commission of the City of Fort Pierce, Florida, in regular session assembled, as follows:

1. That the City Commission, as a record of appreciation, express its gratitude to Joseph Ciocca, H. T. Enns, Jr., Mortimer A. Beck, W. G. Padrick, Jr., and Walter B. Rosslow, members of the Utility Fact Finding Committee, for their untiring efforts in the compilation and presentation of their report and recommendations.

2. That this Resolution be spread upon the minutes of the City Commission and that a copy be inscribed and presented to each member of the said Utility Fact Finding Committee.

Mr. White commented, "I certainly appreciate what these men have done and I know it has taken up a lot of their valuable time."

Mr. O'Laughlin stated, "I am sure we all share the same feeling, and I do commend you very highly for your efforts and I hope that is not the end of it."

Mr. Harding advised that in view of our change in meeting, we might like to consider some changes in the agenda that will work with this. This will be discussed next week.

Mr. O'Laughlin asked if the water line for Agnes Hibshman had not come before the Commission before, and Mr. Harding advised at that time we advised her that we would not be able to connect her on to the system because the water main to which she would be connected had not been received by the City. Under a resolution tonight, we have acceptance of the Bill of Sale from Midwest Mortgage Corporation and that would be running near her property and she could be connected easily. This is property that is outside the city, but I think the feeling was that the Commission would agree to a connection here because the water main was there and it seemed the logical thing to do.

Dr. Dannahower asked, "Didn't we just have to move a water main off of some property on Sunrise that was in the City limits, contiguous with the City limits, that we denied them water, Mr. Harding?"

Mr. Harding reported, "Yes that is true. That was Jay Sample on Trinidad. I think this Hibshman property is not contiguous to the City and cannot be annexed."

Mr. Skinner stated, "As you recall, this is only one block that Midwest Mortgage had control over and we granted water to them. This one block is part of the first block that is not part of the subdivision. This is property at 25th Street and Cortez Boulevard."

Mr. Willes reported, "I have checked out the Red Cross request for waiving the Utility Tax. The building where the Red Cross is situated belongs to the National Red Cross which is created by Congress and is considered a federal agency. In view of that fact under sub-section C, of Section 192.62, it is my opinion that they are entitled to an exemption."

Mr. White asked, "Don't we include this to our churches?" Mr. Willes advised they are listed specifically in it. This is a governmental agency that is doing a public service, and it is my opinion that the Red Cross comes under that. Churches are specifically exempt under the state law, under sub-section a."

Motion was made by Mr. White, seconded by Dr. Dannahower that the Red Cross be exempt from payment of the 10% utility tax and $1\frac{1}{2}\%$ state tax beginning with the June statement. Motion was unanimously carried.

Mr. Harding reported with regard to TV cablevision, the Commission some time ago asked me to try and negotiate further with them regarding the crossing of the river using the new towers. They have indicated to Mr. Willes that they would be willing to pay \$600 per year which is as far as they will go. The time before the Commission had an offer of \$500 per year and we have been able to bring it up \$100. As far as we can determine, that is far as they are going to go. For the pole rental on the beach, there will be approximately 200 or 300 connections at \$2 per pole.

Mr. Nelson advised, "Having gone through the file on cablevision and not being an attorney I have to ask Mr. Willes whether there is any possibility of amending the agreement to require that Cablevision give as good a picture as is received by the antenna without cablevision. I find one paragraph that says, 'The Company shall during the entire life of this franchise be subject to all lawful exercise of the police power of the City and to such reasonable regulations as the City shall hereafter by ordinance provide.'"

Mr. Willes commented, "It also provides that they must furnish adequate service or something to that extent. It would require a good picture."

Mr. Nelson continued, "The television dealers are of the opinion that a monitoring system whereby a comparison would be made between antenna reception and cablevision would determine at all times whether or not they were giving a picture as good as they could get without cablevision."

Motion was made by Mr. Nelson, that the City Commission approve the establishment by the local television dealers of a permanent monitoring station for the comparison of television reception by aerial and by cablevision. Said monitoring station be located in the City Utility Building at 206 S. 6th Street or at such other location as may be agreed upon by the television dealers and the cablevision corporation, and that such monitoring station be established and maintained by the television dealers at no cost to the City of Fort Pierce. Motion was seconded by Dr. Dannahower.

Mr. Willes advised, "I don't think you can legally require them to do that. I will check it out."

Motion was made by Dr. Dannahower, seconded by Mr. White and unanimously carried that this matter be tabled for one week.

Motion was made by Dr. Dannahower, seconded by Mr. White and unanimously carried that the offer for the use of the river crossing by Florida Cablevision Corporation in the amount of \$600 annually be accepted.

Mr. Willes stated they have a non-exclusive franchise and this would follow the same pattern. The length of time would be the same as the rest of their contract. He recommended a non-exclusive franchise, and will have the contract and resolution for next week.

The following resolution was introduced by Mr. White, who moved its adoption, same being seconded by Dr. Dannahower:

R E S O L U T I O N

NO. 2592

BE IT RESOLVED By the City Commission of the City of Fort Pierce, Florida, in regular session assembled, that the City accept the Bill of Sale from the Midwest Mortgage Company to the entire water distribution system and distribution lines, mains and appurtenances located and contained in the dedicated streets and dedicated easement areas of the South 25th Street Subdivision in St. Lucie County, Florida, as per the plat thereof recorded in Plat Book 10 at Page 19, public records of St. Lucie County, Florida.

Those voting in favor of the adoption of Resolution No. 2592 were: Messrs. Dannahower, Nelson, White and O'Laughlin. Those opposed: none.

Mr. White stated that he felt 16 years is all right but it is a long time. In consideration of the other contract, he will vote for it.

The following resolution was introduced by Mr. White, who moved its adoption, same being seconded by Mr. Nelson:

R E S O L U T I O N

NO. 2594

BE IT RESOLVED By the City Commission of the City of Fort Pierce, in regular session assembled, that the Mayor-Commissioner and Clerk be and they are hereby authorized and directed to execute a contract with Major Electrical Supplies, Inc., in the amount of \$6,184.00.

Those voting in favor of the adoption of Resolution No. 2594 were: Messrs. Dannahower, Nelson, White and O'Laughlin. Those opposed: none.

The following resolution was introduced by Mr. White, who moved its adoption, same being seconded by Mr. Nelson:

R E S O L U T I O N

NO. 2595

BE IT RESOLVED By the City Commission of the City of Fort Pierce, Florida, in regular session assembled, that the Mayor-Commissioner and Clerk be and they are hereby authorized and directed to execute a contract with Hughes Supply, Inc., in the amount of \$636.00.

Those voting in favor of the adoption of Resolution No. 2595 were: Messrs. Dannahower, Nelson, White and O'Laughlin. Those opposed: none.

Motion was made by Dr. Dannahower, seconded by Mr. White and unanimously carried that Ordinance No. E-200 be placed on first reading, read by title only, and posted for a period of one week.

Ordinance No. E-200 entitled, "AN ORDINANCE EXTENDING THE TERRITORIAL LIMITS OF THE CITY OF FORT PIERCE TO INCLUDE THE SW $\frac{1}{4}$ OF THE NE $\frac{1}{4}$, OF THE SW $\frac{1}{4}$, SECTION 8, TOWNSHIP 35 SOUTH, RANGE 40 EAST, LYING AND BEING IN ST. LUCIE COUNTY, FLOIRDA, TOGETHER WITH THE IMPROVEMENTS THEREON, CONTAINING NINE ACRES, MORE OR LESS, LESS AND EXCEPTING THE FOLLOWING: (1) BEGINNING AT A CONCRETE MONUMENT ON THE NORTH LINE OF DELAWARE AVENUE EXTENDED 30 FEET NORTH, 910.2 FEET WEST OF THE SOUTHEAST CORNER OF THE NE $\frac{1}{4}$ OF THE SW $\frac{1}{4}$ OF SECTION 8, TOWNSHIP 35 SOUTH, RANGE 40 EAST, NORTH 150 FEET; THENCE EAST PARALLEL TO THE NORTH LINE OF DELAWARE AVENUE A DISTANCE OF 124.6 FEET, THENCE SOUTH 150 FEET TO THE NORTH LINE OF DELAWARE AVENUE; THENCE WEST 124.6 FEET TO THE POINT OF BEGINNING; AND (2) BEGINNING AT A CONCRETE MONUMENT ON THE NORTH LINE OF DELAWARE AVENUE EXTENDED 30 FEET NORTH, 910.2 FEET WEST OF THE SOUTHEAST CORNER OF THE NE $\frac{1}{4}$ OF THE SW $\frac{1}{4}$ OF SECTION 8, TOWNSHIP 35 SOUTH, RANGE 40 EAST, NORTH 150 FEET TO A CONCRETE MONUMENT; THENCE WEST PARALLEL TO THE NORTH LINE OF DELAWARE AVENUE A DISTANCE OF 150 FEET; THENCE SOUTH 150 FEET TO THE SAID NORTH LINE OF DELAWARE AVENUE; THENCE EAST ALONG THE NORTH LINE OF DELAWARE AVENUE 150 FEET TO THE POINT OF BEGINNING; ALSO: THE SE $\frac{1}{4}$ OF THE NE $\frac{1}{4}$ OF THE SW $\frac{1}{4}$ OF SECTION 8, TOWNSHIP 35 SOUTH, RANGE 40 EAST, LYING AND BEING IN ST. LUCIE COUNTY, FLORIDA, CONTAINING TEN ACRES MORE OR LESS, INCLUDING DEDICATED ROAD RIGHT-OF-WAYS; DIRECTING THE TAX ASSESSOR OF ST. LUCIE COUNTY, FLORIDA, TO ASSESS SAID PROPERTY AND PLACE IT ON THE TAX ROLLS FOR THE YEAR 1965 AND SUBSEQUENT YEARS; DIRECTING THE TAX COLLECTOR OF ST. LUCIE COUNTY, FLORIDA, TO COLLECT THE TAXES ON THE SAID LAND AS ASSESSED BY THE COUNTY TAX ASSESSOR FOR THE CITY OF FORT PIERCE, FOR THE YEARS 1965 AND SUBSEQUENT YEARS; DIRECTING THE PUBLICATION OF THIS ORDINANCE FOR A PERIOD OF FOUR WEEKS AFTER ITS ADOPTION AND THE POSTING OF THREE PRINTED COPIES OF SAID ORDINANCE IN A CONSPICUOUS PLACE IN THE CITY HALL OF THE CITY OF FORT PIERCE, AND THREE CONSPICUOUS PLACES ON THE TRACT HEREINBEFORE DESCRIBED; ZONING SAID LANDS R-7 RESIDENTIAL DISTRICT; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR THE EFFECTIVE DATE HEREOF." was placed on first reading and read by title only. Motion was made by Mr. White, seconded by Dr. Dannahower that Ordinance No. E-200 be passed on first reading. Those voting in favor of the passage of Ordinance No. E-200 on first reading were: Messrs. Dannahower, Nelson, White and O'Laughlin. Those opposed: none.

July 6, 1964

Mr. Huskey reported that Ordinance No. E-199 entitled, "AN ORDINANCE AMENDING ORDINANCE E-136 ADOPTED JUNE 11, 1962, ESTABLISHING POLICIES FOR THE OPERATION OF THE ELECTRICAL DISTRIBUTION SYSTEM OF THE CITY OF FORT PIERCE, BY STRIKING FROM SECTION 2 OF SAID ORDINANCE ALL OF "A-DOMESTIC ELECTRIC SERVICE" AND ALL OF "B-DOMESTIC ELECTRIC SERVICE" AND INSERTING IN LIEU THEREOF A NEW SECTION; AND BY ADDING IN SECTION 2, C-COMMERCIAL ELECTRIC SERVICE, MONTHLY RATE, IMMEDIATELY FOLLOWING "INDUSTRIAL RATE APPLIES" THE WORDS "ONLY FOR SUCH MONTH WHEN CUSTOMER USE EXCEEDS 100,000 KWH"; AND BY STRIKING IN SECTION 2, D-INDUSTRIAL ELECTRIC SERVICE, IN THE FIRST LINE, THE FOLLOWING: "LARGE COMMERCIAL AND"; AND BY STRIKING IN SECTION 5, PARAGRAPH NO. 13, "A-\$15.00; B" AND INSERTING IN LIEU THEREOF "R"; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HERewith; AND PROVIDING FOR THE EFFECTIVE DATE HEREOF." has been posted at the City Hall and Municipal Court Room for the period of one week. Ordinance No. E-199 was placed on second and final reading and read by title only. Motion was made by Mr. White, seconded by Dr. Dannahower that Ordinance No. E-199 be passed on second reading. Those voting in favor of the passage of Ordinance No. E-199 on second and final reading were: Messrs. Dannahower, Nelson, White and O'Laughlin. Those opposed: none.

Motion was made by Mr. Nelson, seconded by Mr. White and unanimously carried that bills in the amount of \$18,452.20 be approved for payment.

Mr. Nelson recommended Mr. Clarence B. Ordway, American Oil, Mr. W. B. Moffat, Atlantic Equipment and Mr. Lee L. Smith, Florida State Employment Service, for members of the committee to study advisability of law governing boat traffic, operation and control.

Mr. Nelson said his thinking on this Committee is that they come up with a recommendation after having talked with the Coast Guard, and City Attorney and see if there is any legal ramification. Based on what they determine and what Mr. Willes advises them, that they make a recommendation.

Mr. O'Laughlin reported that the American Municipal Congress will be held in Miami Beach, July 25-29, 1964, and he will attend as an alternate voting delegate. Other Commissioners wishing to attend may do so.

Motion was made by Mr. White, seconded by Mr. Nelson that the City Attorney prepare a resolution granting Mrs. Agnes Hibshman permission to hook on the water line down 25th Street. Motion was carried unanimously.

Mr. White stated, "After reading tonight's News Tribune and seeing the nice letter in there that people wrote about the beach, if we spent as much money as we have cleaning up the City of Fort Pierce, I would like for Mr. Harding to look into the possibility, even if he has to hire a person, to keep seaweed off of South Beach in some kind of way. They had some last night. I am not thinking of money. I am thinking of what we have all discussed quite a few times of getting tourists to come to Fort Pierce and enjoy the beach that we do have."

Mr. O'Laughlin said, "I think having read the letter, I am assuming that what you are looking for is a daily cleanup program. It gets pretty messy, and when I walk down there I can see why people would be a bit concerned."

Mr. White said, "I am referring to seaweed, beer cans, etc.."

Mr. O'Laughlin pointed out, "Seaweed is something that you had better just sit back and pray that you do not have the wrong kind of a wind."

Mr. Harding commented, "We will look into the seaweed and the other problem and we can take action with what we have, and if we can't we will come back and tell you what the problem is."

Mr. O'Laughlin suggested, "One of the problems is we had better have some pretty close patrol on that beach. That is one of the quickest ways to stop that beer can business. Every time somebody drops one, tap them on the shoulder. We went over and put receptacles over there and nobody uses them that I can see. They just leave their debris and walk off. I would like to have you check into that and give us a report next week."

Dr. Dannahower asked Mr. Harding, "Did someone discuss with Dickerson about this request from Mr. Piowaty? Has there been any action on that?"

Mr. Lewis replied, "I have talked informally with the superintendent of Dickerson who indicated that they will schedule it as quickly as possible."

Dr. Dannahower made a motion that the City Attorney be instructed to prepare a resolution commending the Dan McCarty High School Band on its performance at the World's Fair. Mr. White seconded the motion. Those voting in favor of the motion were: Messrs. Dannahower, Nelson, White and O'Laughlin. Those opposed: none.

Dr. Dannahower said, "We have a report from our right-of-way agent and he is getting approvals of these right-of-way parcels, but I don't see anything about his deeds. When is he going to start getting deeds?"

Mr. Willes reported, "Mr. Lewis came to his office just before he left for Miami with the names and legal descriptions and I will have to check them out and see who owns them, if there are any liens on them, etc., as quickly as possible. It would be better to handle all the condemnations at one trial. To date there are five condemnations on the report, and twenty-three parcels ready for deeds."

Mr. O'Laughlin stated he thinks the City Manager and City Attorney should be authorized to get help on title searches before he can accept title to these parcels.

Mr. Willes advised title searches will be about \$15.00 each.

Motion was made by Mr. Nelson, seconded by Dr. Dannahower and unanimously carried that we authorize the City Attorney to order title searches on all pieces of property on which there have been agreements between our right-of-way man and the property owner, at a maximum cost of \$15.00 per parcel.

Dr. Dannahower asked Mr. Harding, "Several months ago we agreed to purchase for the Building Inspector some additional radios to give him the actual extent of hiring another person so as to increase his efficiency

that much. This came about because we were concerned that condemnations were not proceeding at all like we thought they should. I wonder if there have been any condemnations. I have seen some that should be but they do not have red stickers on them."

Mr. Harding said, "I cannot answer about the condemnations, but the purchasing agent is writing specifications now so the radios can be rebid. They changed the arrangement from the original thought and we are now buying equipment so the girl in the Public Works Office can act as a central radio receiving office for both the Department of Public Works and the Building Office with a microphone extension into the Building Office. We went out for bids on these radios once and the problem was that one company could not bid. When we took back the specifications and re-examined them, we thought of a better way to meet the radio problem."

Mr. O'Laughlin stated, "That is a long time to be writing specifications. Let's get the radios as we have a lot of condemnations."

Dr. Dannahower requested a list of what has been done on the condemnation problem in the last three months.

Mr. O'Laughlin asked that the Commission give some thought to the wasted space in the Utilities Building.

Mr. White pointed out he has a copy of a letter from M. E. Morris stating the Rotary Club is still interested in some of the Lawnwood property for use as a park. Mr. O'Laughlin asked that a copy of this letter be sent to Mr. Kelly, Planning Director, to see if action can be taken on it.

There being no further business, upon motion duly made, seconded and carried, the meeting adjourned.

Adjournment

ATTEST:

D. C. Huskey

CITY CLERK

L. O'Laughlin

MAYOR-COMMISSIONER

MINUTES OF A REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE MUNICIPAL COURT ROOM, 435 NORTH SEVENTH STREET, FORT PIERCE, FLORIDA, ON MONDAY, JULY 13, 1964 AT 7:30 P.M.

Those present: Mayor O'Laughlin, Commissioners Dannahower, Nelson, Starratt and White; City Manager Harding, City Attorney Willes, Director of Finance Huskey, Chief Christianson and Mrs. Grisso, Secretary.

Mayor O'Laughlin called the meeting to order.

Opening prayer was given by Reverend Ingram Parmley.

Motion was made by Mr. White, seconded by Dr. Dannahower, that minutes of the regular meeting of July 6, 1964, be approved. Those voting in favor of approving the minutes were: Messrs. Dannahower, Nelson, White and O'Laughlin. Mr. Starratt abstained as he was absent from the meeting of July 6, 1964. Those opposed: none.

Mr. Samuel E. Shelsky, of the firm of Samuel E. Shelsky Associates, Inc., Marina Planning Consultants with offices at 38 - 60th Street, New York, New York, and 2190 S.E. 17th Street, Fort Lauderdale, Florida, said, "Our prime business is one of rendering a professional service in the planning of Marinas. I visited your water front property today and took in an area of eight miles to the north and south of the pier, and out to the beach." He gave a resume of his activities beginning with his arrival in Fort Lauderdale in 1949.

Mr. Shelsky continued, "At the present itme we are involved in developing three programs, one in San Juan, Puerto Rico, Boca Grande, Florida, and one in Lake Pontchartrain, Louisiana, all three multi-million dollar contracts. We have completed a Marina in Freeport, Bahamas and a small facility for the Nassau Beach Hotel. This is our field of endeavor. We strive to proposa programs that are economically feasible on criteria that we develop so that the marina will be self-sustaining. A marina today must have some income-producing components. Most communities are taking advantage of their waterfront resources, and many are talking steps of improvement. City of Miami has earmarked 2½ million dollars to the development of a program for the ensuing years. Fort Lauderdale's program will cost in the vicinity of 8 million dollars. I give you these items to show you what can be done."

Mr. Shelsky further stated, "The City of Fort Pierce has facilities in a strategic location and has long been established as a location for transient traffic and boating traffic and has enjoyed a good reputation; however, the facilities there are beginning to degrade, so what can be done? As I see it you have every right to rehabilitate that facility. The scope of it is something that has to be determined. Fort Pierce should first entertain a feasibility study to ascertain what is needed and to what extent. I have seen too many programs that were not given creative thought. There is only one way of looking at it. Your investment must amortize itself - must sustain itself."

Dr. Dannahower inquired, "How long would the feasibility study take and can you give us at this time an estimate of the cost of the study?"

Mr. Shelsky answered, "It would take five to six months. Our costs are 1% on the bid construction. It generally follows a pattern; for instance, we all have engineers and architects in specific areas and it is that much more time-consuming for us to be traveling back and forth to different areas allying with professional services within the City involved. That is professional services above the fee. I am not here to solicit work, I hope I am considered, but in view of the three programs that we are involved in at the present time, it would be at least sixty days before any attempt could be made on our part."

Dr. Dannahower asked, "On the feasibility study do you consider the number of boats that have been docked. What goes into this feasibility study?"

Mr. Shelsky answered, "Commissioner, the feasibility on the water front program is rather costly in that it