

MINUTES OF THE CHARTER REVIEW COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE SECOND FLOOR CONFERENCE ROOM, 100 NORTH U.S. #1, FORT PIERCE, FLORIDA, AT 4:00 P.M. ON TUESDAY, **NOVEMBER 14, 2017.**

1. **CALL TO ORDER**

Chairman Bryan called the meeting to order at 4:00 p.m.

2. **ROLL CALL**

Present: Frank Fee, III; Eddie Becht; Darrell Drummond; Ben Bryan, Jr.; Harold Smyth; Bob Burdge

Absent: Gloria Johnson

Staff Present: James Messer, City Attorney  
John Tompeck, Director of Utilities  
Linda Cox, City Clerk  
Nicholas Mimms, City Manager

Ms. Johnson arrived at 4:02 p.m.

3. **MINUTES**

- a. Approval of minutes from the October 18, 2017 regular meeting and the October 24, 2017 public input meeting.

Motion was made by Eddie Becht, seconded by Frank Fee, III to approve both sets of minutes

AYE: Ben Bryan, Jr., Darrell Drummond, Eddie Becht, Frank Fee, III, Gloria Johnson  
Passed

4. **NEW BUSINESS**

- a. Presentation by Jim Hartley, CPA, FPUA Auditor

Jim Hartley presented a report showing Statement of Net Position for FPUA showing a 5 year analysis. He was asked to speak on Unrestricted assets and reported his focus was on 2016 which showed 25 million in unrestricted cash and 31 million in adjusted unrestricted assets.

He discussed the number of days of cash liquidity and reserves reported that the bonds requires 45 days, which is 9.2 million; GFOA recommends 60 days which would be 12,329 million; the best practices for some entities can be 90 days or 18,493 million. FPUA is currently at 120 days. When discussing who makes the determination of how many days the UA holds in reserves, it was suggested that staff makes a recommendation and the Board approves. Mr. Tompeck indicated that no specific decision is made as to how many days of cash they have on hand. The annual CAFR is the true up with the City and there are no charter requirements as to the

amount of reserves.

Mr. Becht indicated he was prepared to discuss bringing the UA into the city as a department. Mr. Drummond inquired about an annual retreat where they discuss a 5 year projection and capital plans and how excess funds were handled; Mr. Tompeck indicated that no strategic plan has been done in 3 years, however they are initiating developing a strategic plan immediately.

Discussion continued regarding FPUA growth, City growth, having a mechanism in place for planning for the growth of the city and the UA through a strategic plan. Such plan could address a formula for what is right and fair to the UA in terms of their reserves and when, how and for what purpose those funds be distributed. It was noted that both the County and Port St. Lucie have seen growth with their utility improvements where the City of Fort Pierce has not enjoyed the same growth.

Mr. Hartley then reviewed the Statement of Cash Flows which showed operating revenues of 21,754 million, which is a decrease in cash of 3 million over 2015.

Discussion continued as to evaluating what items can be worked out between the city and the UA without charter amendments. Mr. Tompeck indicated a willingness to include revenue from FPUANet into the transfer.

## 5. **OLD BUSINESS**

- a. Transfers to General Fund Survey Conducted by FMPA.
- b. Distribution Calculation for FY 2017
- c. Utility Tax and Surcharge Information
- d. Discussion on memorandum presented by City Attorney James Messer which outlines issues raised at prior meetings including the following: 1. Distribution of Gross Revenue, 2. FPUA Membership and Management, and 3. Strategic Plan and Business Purpose.

Chairman Bryan recommended that the information in items a, b, and c be discussed at the same time as item d which is the memorandum prepared by Mr. Messer. In reviewing the memorandum, the board agreed to take the three parts of the memo in reverse order.

As to Section 3 regarding Strategic Plan and Business Purpose, consensus was that a joint strategic plan is appropriate looking at both long term and short term strategies on an annual basis. It was recommended that Mr. Mimms and Mr. Tompeck get together to develop a method to get a strategic plan moving forward and to address how we might lead FPUA to grow.

As to Section 2 regarding FPUA Membership and Management, additional information was requested. Chairman Bryan did recommend that the selection of Board members be modified to insure that there was at least one member representing each of the

election districts of Fort Pierce. Additionally, the group sought more information about how directors were appointed in other utilities along with the reporting structure.

As to Section 1 regarding the distribution of gross revenue, much more additional information was requested. In summary, the following additional information will be gather for consideration by the Board at the next meeting:

- Number of FPUA customers for each year in order to demonstrate growth or not
- What does FPL pay to municipalities as a franchise fee
- What does FPL pay to municipalities in property and tangible taxes
- What are the rates being charged in PSL, Vero, Stuart, Ocala, Orlando, St. Pete, Tampa; primarily electric but wastewater as well
- How are the independent utilities set up in their respective Charters and Ordinances
- What are the rates of autonomous utilities compared to those organized as a city department
- How is the selection of utilities director accomplished in other cities with an autonomous utility and to whom does he/she report; structure of the relationship with the municipality
- What are the cash reserves of the Port St. Lucie Utility
- Is there an average of number of days of cash for a utility which is a city department versus an autonomous
- What is the distribution of reserves among the various funds (water, wastewater, etc.)
- What is the plan for the use of the restricted funds

- e. Population Numbers as requested based upon the 2010 Census: District 1 - 21,487  
District 2 - 20,103

6. **PUBLIC COMMENTS (3 minutes per person)**

There was no public comment.

7. **ADJOURNMENT**

The meeting was adjourned at 5:59 p.m.

ATTEST:

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CITY CLERK

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CHAIR