

St. Lucie West Services District
Public Hearings & Regular Board Meeting Minutes
September 1, 2015, at 9:00 a.m.
450 SW Utility Drive
Port St. Lucie, Florida 34986

(Please note: This is not verbatim. A CD recording of the Regular Board Meeting is available on file.)

Board Members Present

Harvey Cutler, Chairman
Vincent D'Amico, Vice Chairman
Gregg Ney, Secretary
Charles Altwein, Supervisor
Everett Child, Supervisor

Staff Present

Dennis Pickle, District Manager, St. Lucie West Services District ("SLWSD")
Bill Hayden, Public Works Director/Assistant District Manager, SLWSD
Maddie Maldonado, Office Manager, SLWSD
Dan Harrell, District Counsel, Gonano & Harrell
Bob Lawson, District Engineer, ARCADIS-US, Inc.
Jason Pierman, District Treasurer, Special District Services, Inc. ("SDS")
Laura Archer, Recording Secretary, Special District Services, Inc. ("SDS")

Guests Present (Sign-In Sheet Attached)

A. Call to Order

Chairman Cutler called the Regular Board Meeting to order at 9:00 a.m.

B. Pledge of Allegiance

C. Roll Call

It was noted that five (5) Supervisors were present.

D. Approval of Minutes

- 1. August 3, 2015, Workshop**
- 2. August 4, 2015, Regular Board Meeting**

The minutes were presented for Board approval.

A motion was made by Secretary Ney, seconded by Vice Chairman D'Amico and passed unanimously to approve the August 3, 2015, Workshop Minutes, as presented, and the August 4, 2015, Regular Board Meeting Minutes, as presented.

Presentation of the District's 2016 Revenue Sufficiency Update & Review by Rob Ori of Public Resources Management Group, Inc. (PMRG)

Mr. Pickle then introduced Rob Ori of Public Resources Management Group, Inc. (PMRG), the District's Rate Consultant, who had a presentation on the District's 2016 Revenue Sufficiency Update & Review and introduced Ryan Smith of PRMG.

Mr. Ori explained that the purpose of the review is to evaluate the current rate adequacy and financial compliance and to identify potential future rate adjustments. He indicated that the basis for the financial forecast is for five (5) fiscal years (2016 – 2020), the proposed 2016 budget, the 2014 and year-to-date 2015 Operating results, the District's six (6) year Capital Improvement Program, the District's Financial Policy/Debt Service Schedule and the Trust Indenture Covenants. Mr. Ori indicated that the District's primary growth is commercial-based and that it is a mature utility. He noted that the District is in great shape financially and that there is no rate increase proposed for the fiscal year 2016. He showed rate comparisons for combined water and wastewater bill comparison for similar utilities, noting that the average monthly bill based on 3,000 gallons of potable water usage was \$51.50 with the District's bill coming in at \$56.70. Next Mr. Ori showed rate comparisons for combined water and wastewater bill comparison for similar utilities, noting that the average monthly bill based on 3,000 gallons of potable water usage and 5,000 gallons of irrigation service was \$88.41 with the District's bill coming in at \$75.15.

Mr. Ori indicated that their recommendations are that the Fiscal Year 2016 Utility Budget is reasonable; no rate increase for the Fiscal Year 2016; and an annual update and evaluation of revenue sufficiency.

There were no questions from the Board for Mr. Ori.

The Board and Mr. Pickle thanked Mr. Ori for his presentation.

E. Public Hearing 1

Chairman Cutler then recessed the Regular Board Meeting and called to order Public Hearing 1 at approximately 9:21 a.m.

It was noted that all five (5) Supervisors were present.

- **PH 1 – Consider Resolution No. 2015-05 – Adopting Budgets for the Fiscal Year Ending September 30, 2016, for the District; Providing Authority for the District Manager to Expend Funds on Behalf of the District**

Resolution No. 2015-05 was presented, entitled:

RESOLUTION NO. 2015-05

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE ST. LUCIE WEST SERVICES DISTRICT ADOPTING THE BUDGETS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016 FOR THE DISTRICT; PROVIDING AUTHORITY FOR THE DISTRICT MANAGER TO EXPEND FUNDS ON BEHALF OF THE DISTRICT; PROVIDING AN EFFECTIVE DATE.

A motion was made by Supervisor Altwein, seconded by Secretary Ney approving Resolution No. 2015-05 – Adopting Budgets for the Fiscal Year Ending September 16, 2016, for the District; Providing Authority for the District Manager to Expend Funds on Behalf of the District.

Mr. Harrell indicated that we would have to go back to receive Public Comments before a vote could be taken on the adoption of Resolution No. 2015-05.

Receive Public Comment on Fiscal Year Ending September 30, 2016, for the District; Providing Authority for the District Manager to Expend Funds on Behalf of the District

There was no public comment on the Fiscal Year Ending September 30, 2016, for the District; Providing Authority for the District Manager to Expend Funds on Behalf of the District.

Under discussion, Secretary Ney noted that the budget is probably rosier because of the insurance premium decrease and lower fuel costs. He commended staff and the Board for running a tight ship financially.

Supervisor Altwein's motion was reiterated, seconded by Secretary Ney approving Resolution No. 2015-05 – Adopting Budgets for the Fiscal Year Ending September 16, 2016, for the District; Providing Authority for the District Manager to Expend Funds on Behalf of the District. Upon being put to a vote, the motion carried 5 to 0.

Public Hearing 1 was then closed and Public Hearing 2 was called to order at approximately 9:24 a.m.

F. Public Hearing 2

It was noted that all five (5) Supervisors were present.

Receive Public Comment on the Levying of a Non-Ad Valorem Assessment for Water Management Bonds, Operations and Maintenance Costs, and the Series 2010 Capital Improvement Revenue Bonds (Cascades Project) within the St. Lucie West Services District for the Period October 1, 2015, through September 30, 2016

There was no public comment on the Levying of a Non-Ad Valorem Assessment for Water Management Bonds, Operations and Maintenance Costs, and the Series 2010 Capital Improvement Revenue Bonds (Cascades Project) within the St. Lucie West Services District for the Period October 1, 2015, through September 30, 2016.

- **PH 2 – Consider Resolution No. 2015-06 – Levying a Non-Ad Valorem Assessment for Water Management Bonds, Operations and Maintenance Costs, and the Series 2010 Capital Improvement Revenue Bonds (Cascades Project) within the St. Lucie West Services District for the Period October 1, 2015, through September 30, 2016**

Resolution No. 2015-06 was presented, entitled:

RESOLUTION 2015-06

LEVYING A NON AD VALOREM ASSESSMENT FOR WATER MANAGEMENT BONDS, OPERATIONS AND MAINTENANCE COSTS, AND THE SERIES 2010 CAPITAL IMPROVEMENT REVENUE BONDS (CASCADES PROJECT) WITHIN THE ST. LUCIE WEST SERVICES DISTRICT FOR THE PERIOD OCTOBER 1, 2015, THROUGH SEPTEMBER 30, 2016

A **motion** was made by Supervisor Altwein, seconded by Supervisor Child to adopt Resolution No. 2015-06 - Levying of a Non-Ad Valorem Assessment for Water Management Bonds, Operations and Maintenance Costs, and the Series 2010 Capital Improvement Revenue Bonds (Cascades Project) within the St. Lucie West Services District for the Period October 1, 2015, through September 30, 2016.

Secretary Ney asked for clarification that there were no changes in assessments, everything was status quo. Mr. Pickle acknowledged that that was correct.

Supervisor Altwein's **motion** was reiterated, seconded by Supervisor Child to adopt Resolution No. 2015-06 - Levying of a Non-Ad Valorem Assessment for Water Management Bonds, Operations and Maintenance Costs, and the Series 2010 Capital Improvement Revenue Bonds (Cascades Project) within the St. Lucie West Services District for the Period October 1, 2015, through September 30, 2016. Upon being put to a vote, the **motion** carried 5 to 0.

Public Hearing 2 was then closed and the Regular Board Meeting was reconvened at approximately 9:29 a.m.

G. Public Comment

There was no public comment.

**H. District Attorney
DA 1 – Status Report/Updates**

Mr. Harrell had no status report or updates at this time.

**I. District Engineer
DE 1 – Status Report/Updates**

Mr. Lawson stated that Wetland #1 had been completed and that the wood ducks had moved in. He also indicated that the deposit for the mitigation had been sent to Bluefield Ranch and that he hoped to begin construction in the dry season. Mr. Lawson advised that the Lake Harvey Project was coming along and that he had recently received a work authorization for a college preparatory school. He noted that he had requested additional information and that he may have it in time for the next meeting.

Mr. Lawson had not further updates.

J. Consent Agenda

- CA 1 - Monthly Report on Public Works Operations**
- CA 2 - Monthly Report on Utilities Operations**
- CA 3 - Monthly Report on Capital Improvement Projects**
- CA 4 - Monthly Report on Billing and Customer Service**
- CA 5 - Financial Statements for July, 2015**
- CA 6 - Consider Approval to Transfer Funds for the R&R Account, WCF Account and the UCF Account Requisitions**
- CA 7 - Surplus Items**

Consent Agenda Items CA 1 through CA 7 were presented for Board approval.

A motion was made by Secretary Ney, seconded by Supervisor Altwein approving Consent Agenda Items CA 1 through CA 7, as presented. Upon being put to a vote, the motion carried 5 to 0.

**K. District Manager
Action Items**

DM 1 - District Manager Annual Performance for 2015

Mr. Pickle noted that this item had been discussed thoroughly at yesterday's Workshop.

A **motion** was made by Vice Chairman D'Amico, seconded by Supervisor Altwein approving Condition 14 of the District Manager's Employment Agreement Renewal by selecting item (b) – Taking action to extend this Agreement for one additional year beyond its then-current term.

Under discussion, Secretary Ney indicated that it is his pleasure to extend the agreement term and that if he could, he would extend it for another 10 years. Supervisor Altwein agreed with Secretary Ney's comments. Supervisor Child agreed with the prior comments and commended staff. Vice Chairman D'Amico agreed and indicated that Mr. Pickle has provided excellent leadership. Supervisor Altwein asked if the Board could add another year to the agreement to which Mr. Harrell indicated that it was a rolling 3 year agreement, so it is extended 3 more years.

Vice Chairman D'Amico's **motion** was reiterated, seconded by Supervisor Altwein approving Condition 14 of the District Manager's Employment Agreement Renewal by selecting item (b) – Taking action to extend this Agreement for one additional year beyond its then-current term. Upon being put to a vote, the **motion** carried 5 to 0.

DM 2 – Consider Approval of First Amendment to Contract #W100 between the Florida Department of Corrections (FDOC) and the District

Mr. Hayden presented the item and Mr. Harrell reiterated that there was a statutory change after the last session, which was primarily for commercial contracts to include the additional language, but that it was being included in all contracts. He noted that the District has always been obligated to do what the new language stipulates.

A **motion** was made by Secretary Ney, seconded by Vice Chairman D'Amico and passed unanimously to approve the First Amendment to Contract #W1000 between the Florida Department of Corrections and the District. Upon being put to a vote, the **motion** carried 5 to 0.

DM 3 – Consider Authorization to Approval General Liability Insurance and Workers' Compensation Insurance, as Provided by Preferred Governmental Insurance Trust (PGIT)

Mr. Pickle presented the revised proposal noting that the General Liability Insurance proposal reflects a decrease of 27% and the Workers' Compensation reflects a decrease of 3.48%. He indicated that it was a \$71,000 savings over last year.

A **motion** was made by Supervisor Child, seconded by Vice Chairman D'Amico and passed unanimously approving the General Liability Insurance proposal number PK FL1 0564202 15-10 in the amount of \$193,563 and the Workers' Compensation Insurance proposal number WK FL1 0564202 15-07 in the amount of \$50,812, provided by Preferred Governmental Insurance Trust.

DM 4 – Other Items/Updates

Mr. Pickle then discussed the Stipend Policy for Cellular Phone Services, noting that it would be brought to a future meeting for the Board to determine if they want to set a Public Hearing on the matter. He noted that it was expense-neutral, would run through payroll and confirmed that it was an optional program. He indicated that it will alleviate the necessity for certain staff to carry around two cell phones: one for personal use and one for District use. Secretary Ney suggested looking into making it a mandatory policy. Mr. Pickle indicated he would do more research on the matter.

The subject of bats in the ag areas came up and Mr. Hayden noted that Ken Gioli had advised him that the brown bat who eat mosquitos are found further north. He noted that the bats found locally eat larger insects. Mr. Hayden further advised the Board that cameras have been installed in the wetlands and they are monitoring the wild life closely.

There were no further updates.

K. Supervisor Requests

Supervisor Altwein had no requests.

Secretary Ney had no requests.

Supervisor Child thanked Rob Ori for his detailed presentation.

Vice Chairman D'Amico had no requests.

Chairman Cutler reminded the Board that at yesterday's Workshop he wanted to bring up the topic of recognizing Mr. Pickle financially. He noted that he had spoken with Mr. Harrell and Mr. Pierman on how this could be accomplished and indicated that it was not as simple as he had thought.

A **motion** was made by Supervisor Cutler awarding a meritorious bonus in the amount of \$5,000 to Mr. Pickle and an additional \$5,000 for him to use at his discretion to award other staff members, as Mr. Pickle sees appropriate, as a token of appreciation for extra effort, for staff and counsel to come back at the next meeting with the proper legal language.

The word "bonus" was stricken and "Equalization Funding Program" was used in its place.

A **motion** was made by Supervisor Cutler awarding an Equalization Funding Program in the amount of \$5,000 to Mr. Pickle and an additional \$5,000 for him to use at his discretion to award other staff members, as Mr. Pickle sees appropriate, as a token of appreciation for extra effort, for staff and counsel to come back at the next meeting with the proper legal language. Secretary Ney seconded the **motion**.

Vice Chairman D'Amico indicated that he would like to see that it is tied to a specific event, i.e., grants, etc., and broken down such as \$2,500 to one individual and \$2,500 to another individual.

Mr. Harrell indicated that there was a statutory prohibition to Vice Chairman D'Amico's amendment which prohibits additional compensation for past performance and that the District needs to be careful how it is worded.

Discussion ensued regarding Vice Chairman D'Amico's suggestion and the imposition on Mr. Pickle to make a decision as to who deserves it.

Supervisor Altwein indicated his concern with how the public will react to such an "award," although he agrees with the proposal. Secretary Ney asked for Mr. Pickle's perspective. Mr. Pickle noted that merit raises are difficult to apply, noting that the District does annual reviews. Although he appreciates the gesture, it would be difficult to single out one or ten. He would love to give everyone something because it is a team effort.

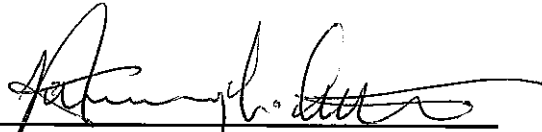
Supervisor Child stated that as the **motion** stands, it will allow for staff and counsel to come back at the next meeting with the proper legal language. Upon being put to a vote, the **motion** carried 5 to 0.

There were no further requests.

L. Adjournment

There being no further items to be addressed, the Regular Board Meeting was adjourned at 10:22 a.m. There were no objections.

Public Hearings & Regular Board Meeting Minutes Signature Page



Chairman/Vice Chairman



Secretary/Assistant Secretary

Date Approved 10/06/15