

**SPECIAL CALL CITY COUNCIL MINUTES
MONDAY, OCTOBER 19, 2015 9:30 A.M.
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

PRESENT: Mayor Richard Winger, present; Vice Mayor Jay Kramer, present; Councilmember Pilar Turner, present; Councilmember Amelia Graves, present and Councilmember Randy Old **Also Present:** James O'Connor, City Manager; Wayne Coment, City Attorney and Tammy Vock, City Clerk

1. CALL TO ORDER

A) Pledge of Allegiance

Mayor Winger led the Council and the audience in the Pledge of Allegiance to the flag.

B) Roll Call

The City Clerk performed the roll call.

2. PUBLIC COMMENT

Dr. Stephen Faherty read a prepared statement (please see attached).

Mr. Glen Heran stated back in 2008, the City Council signed the Orlando Utilities Commission (OUC) contract promising that rates would be lower and equal to Florida Power and Light (FPL) rates. He said by 2010 the OUC contract failed to deliver on that promise. Then by 2013 the public voted to sell their utilities to FPL because Vero's utility is inefficient and cannot compete. Among the many benefits on selling to FPL is that it would allow this community to save \$20 million each and every year. The only obstacle to selling to FPL is Florida Municipal Power Agency (FMPA). He recalled two (2) years ago, he asked this Council what they were going to do about FMPA and for the last two (2) years, they have done nothing. The only people that are attempting to rein in FMPA is Indian River County and Representative Debbie Mayfield. The path forward in selling to FPL is to pursue legislation necessary to leave FMPA. Mr. Heran said that it was clear to him that Council was going to sign a new OUC contract that won't deliver FPL rates and would require them to fight legislation. Instead of joining with Indian River Shores (IRS) and Indian River County in their goal to sell the utilities to FPL, the City has fought them at every turn. He hoped the voters would see this OUC contract and this Council (exception of one member) for what it is. He said action speaks louder than words. They can say they are for the sale, but if they do nothing to leave FMPA and sign this contract, they are doing the opposite.

Mr. Harry Howle read an article that was published in the Press Journal five (5) years ago about the utility rates, which still have not gone down and are not proportional to FPL rates. He urged the Council not to sign the contract.

Mr. Mark Mucher agreed with the previous speakers about the fact that signing this contract would be even more of a fight to get out of FMPA and sell to FPL. He hoped everyone agrees that the City needs to get out of the utility business. But by signing this contract today, it will require them to fight that. He brought up rates. He knows there is an election in a couple of weeks and the candidates want to be able to say that they have reduced rates. From what he has seen, they are promising to reduce the rates by \$2.50 a month. However, he has heard Mayor Winger say they are reducing the rates by \$750,000 a

month, which he is not sure how he has come up with that calculation. He wanted to know what the effective date of this \$2.50 drop is. He was also asking if their rates were actually going to go down to \$119.58 on December 1st or do they know when they are going down and by how much. Mayor Winger said that Mr. Wright would answer these questions when he gives his presentation. Mr. Mucher continued by saying the rate sheet also shows a savings of \$10.80 in the second year, but it really only goes down \$2.00. He said their rate savings from where they are today is still 29% higher than FPL rates. He reminded them that FPL rates were going down by approximately \$2.50 on January 1st so their 29% will hold, if not go up. This seems to be a political move to overstate rates and he could not see rushing into this. He said there are an awful lot of moving parts. He thinks the reason that two (2) members of the Utilities Commission voted no to the contract was because there were so many moving parts. He said that Mr. Wright was great and he was sure that he does a good job for the City, but he has a little difficulty explaining this complicated contract. He doesn't know if anyone really understands all the ramifications and consequences of the contract that they are going to sign today.

Mrs. Laura Moss, Utilities Commission member at large, stated that at Friday's Joint Utilities/Finance Commission meeting, she voted no to recommending the OUC contract and wanted to explain her reasons why. She believes strongly that there was a lack of due diligence in regards to this matter and that occurred because they were not allowed to obtain the RFP's to go out to market. She said that the Utilities Commission, the Finance Commission and the City Council all voted in favor of going out and getting RFP's. She said they were prevented from obtaining them after they received a threatening letter from OUC. She felt that Mr. Wright did a good job in responding to the letter. At this point they are being forced to negotiate with a party that was basically holding them hostage. She referred back to the Utilities Commission meeting of June 9, 2015 and quoted what one of their consultants, Mr. Thomas stated, which was that one of the reasons they looked so closely at going to a market scenario was to do due diligence to make sure they were not shooting themselves in the foot by just negotiating with a single supplier. She said you do not need to be an attorney to realize that when you are being held hostage and negotiating with the only supplier, you are in a much less position with regards to negotiations. She said Mr. Herrington had recommended at that time to go out to market. Mrs. Moss noted in the amended contract they lose the gas transportation rights. In the original contract the rights would revert back to the City of Vero Beach. As the energy market is moving towards gas the value of those rights could be quite substantial. It has been stated by a number of experts that they (gas transportation rights) are a bargaining chip in the future when they go into negotiating a new contract. Council should be very hesitant in giving them away. With this amended contract they are getting into further legal entanglements with OUC. She commented on all of the meetings that the Utilities and Finance Commission have recently had and how intense those meetings were. She urged Council to consider the contract with all of these different things in mind. She would advise against approving the contract.

Mr. Lance Sykes encouraged everyone to spend more time in doing proper due diligence before signing the contract.

Mr. Dylan Reingold, County Attorney for Indian River County, was before Council today to express the concerns that the Board of County Commission has with the proposal that Council is discussing today. He said it is not just because this contract impacts the City of Vero Beach, but it obviously impacts the ratepayers in the unincorporated parts of the County and Indian River Shores. He brought up the gas transportation contract and said it was not clear how the valuation of those assets were taken into consideration during the course of negotiations. He questioned what were the rates the City was able to negotiate and what is the value that the City placed upon those assets. He mentioned "the best

efforts provision” and recommended that they do include a limitation of the litigation measures, which the City Council and future City Councils’ would have to take and the last item he brought up was he recommended not binding future City Councils’ to fighting the government with regards to the change of law provision. He also recommended that the changes of law with respect to the issue of changing legislative measures in Tallahassee also be removed. It seems absurd that the City of Vero Beach would be bound to fighting these cases on its own dollar while OUC sits on the side lines and watches them fight those battles. He commented on the “take or pay provision” in the contract and believes that there are potential losses of users and not just from litigation, but from other potential users in this community. He does not believe that flexibility has been incorporated in the contract to deal with those issues. He asked Council to look at this amended contract with very close scrutiny.

Mr. Peter Gorry, Chairman of the Finance Commission, addressed some issues brought up by the public. He said one thing mentioned was that public municipal entities cannot compete. He said some of the lowest utility rates in this country are by municipalities, which includes the State of Florida. The statement was made that Vero electric was hopelessly inefficient. He took exception to that. He said their transmission and dispatch, their linemen, engineering, customer service, response time in operations are not hopelessly inefficient. He then discussed rates. He said Duke Power charges their residents \$118.15, without the 6% franchise fee. Also, with Gulf Power their rates are \$133.00 without franchise fees and they represent over 2 million customers in the State of Florida and in the aggregate have a higher rate than the City of Vero Beach. He realizes that FPL rates are the lowest, but to say that the City’s rates indicate inefficiency is incorrect.

Mr. Glen Brovont, Finance Commission member, stated that he spent a lot of time reviewing this contract and was in favor of passing it. He said their time line will be shortened in getting out of their contract with OUC. He said it now would be eight (8) years, versus 14 years. He has done his own analysis on the contracts and the City is saving money. He said the first year’s savings is not that much, but it does move up to be a savings between 10% and 12%. He does not think they are tying the City’s hands when looking at the contract. The contract allows the City to default two (2) years down the road if they have to. There is no doubt in his mind there is a risk factor for the City unless they move forward with the contract. The issue of fighting with the Federal government is one that they are not alone in. He said if there is a war and they have legal bills, then other cities have legal bills and are in the same fight. This will be benefiting their ratepayers and they still have the ability to go to war next year with FMPA, if they choose to do so. He has done the analysis and clearly they are better off to enter into this new amended contract. They have looked at the risk factor and decided there is a gain versus a loss. He doesn’t know how much more staff can do in negotiating this contract. He said if Council no longer has respect and confidence in their experts, then it would behoove them to fire the experts and start over. His vote was to move forward in signing the amended contract.

Mr. Mark Mucher commented that there was a lot of discussion in the joint Commission meetings about the default and the \$50 million charge and the fact that OUC was threatening the City with more than \$50 million, but as far as he knows there has been no clarification concerning those penalties. He suggested that Council get some clarification of the exit provisions of this contract. He said that is clearly where they made their big mistake with FMPA and hoped they would learn something from that mistake. He stated that there is no such thing as an unweighted average utility rate. He said if anyone has a weighted average then he would like to see it. He said even Mr. Barry Moline, Executive Director of Florida Municipal Electric Agency (FMEA), said this month that FPL has the cheapest rates.

Mr. Gorry stated that when he spoke earlier he was not talking about weighted averages. He briefly explained and said the numbers he was giving were based upon weighted averages and not individuals.

3. ITEM FOR DISCUSSION:

A) Mr. Schef Wright, Attorney, to discuss the amendments to the OUC contract.

Mr. Schef Wright, Attorney, started with the history going back to August of last year and how they got here today. He said that they hit a stone wall with their negotiations with FPL in May of last year when OUC and FMPA hit a point where they had conflicting bond covenants and neither was willing to change their bond covenants to accommodate the other such that they could close the FPL transaction as it presently stands. He reminded Council that they hired him to close the deal with FPL and he tried to close the deal. He had a good plan for the contingent liability issue, but then the bond covenant issue came up and there was nothing that could be done. The transaction documents remain in place and they will close with FPL if they can. When this happened they knew they had to do what they could to address their rates. They all agree that their rates are higher than they wish they were. The City's operations are efficient and well run. There are four (4) Power Purchase Agreements (PPA) and three (3) of those are FMPA project contracts and the fourth is the 2008 OUC PPA. He has looked at the FMPA contracts and it doesn't appear that there is any way out. His understanding is that FMPA has around \$2.5 billion of debt. He said the Florida legislature is not going to undue \$2.5 billion of the obligations of a municipal power agency and he did not think that the State would refinance \$2.5 billion dollars worth of debt, which brings them back to where they are today to do what they can to lower the rates. He said the only way they can lower rates immediately, other than cutting staffing in the utility department, is address the OUC contract. There was an agreement between the City and FPL where they agreed they could talk to OUC and enter into the modified contract. Starting in August of last year, they began talking to OUC about ways to lower the rates. They agreed over time with a couple different proposals. When they went to issue an RFP to go to market, they received a surprising response from OUC, which resulted in additional concessions of close to \$6 million and that is where they are today. The fundamentals of this deal is that they receive lower rates in the short term and they get out of the contract six (6) years earlier than they would have otherwise. Their estimate of the net present value of the savings in the immediate term is about \$52 million and the present value of the savings in the last six (6) years of being in the market as opposed to being under the existing PPA is worth about \$67 million. He said of course OUC wanted some value, which is the minimum demand floor and the Florida Gas Transmission (FGT) contracts. He went over the different versions of the contract that they have had. There was one in early August that was distributed widely because of public records requests, the first redline amended contract was distributed on August 21st, the second one was distributed on September 3rd and the third amended contract was distributed on October 21st that was almost identical to the version that the Finance and Utilities Commission gave a favorable recommendation on last Friday. He said there were three (3) changes made. At the request of the Commission Mr. Wright went to OUC and asked and they agreed to delete Article 12, which had to do with the site lease option, clarify Section 15.11.2 of the PPA that will be amended to describe the pro-rata allocation methodology in the event that Vero Beach successfully pursues and obtains stranded cost recovery pursuant to the change of law provision and Section 3.2(b) of Exhibit C will be based on OUC's actual costs of market power purchases, if such market purchases are used to serve the City's load in a capacity deficiency situation. He said OUC agreed to make those changes. There were some additional requests made from the Commission that he asked OUC to make and they declined. Those requests were to share 50/50 on the litigation costs in the event the City found themselves in the position because of the change in law having to seek stranded cost recovery. He asked OUC to reduce the scope of the types of events that arise to the City's

right to invoke Section 15.11.2, which protects the City in the event there is a significant adverse change in law that would prevent them from performing economically. He also asked OUC that they reconsider the term in the PPA by which they would take permanent release for FGT contracts at the termination of the contract. OUC declined on all of these things, but were agreeable of deleting the reference to the Federal action from Section 15.11.2 as he explained in his memo of October 10, 2015 (attached to the original minutes). He did not think that was a good idea and he would recommend against it. He said staff continues to recommend approval of the new PPA. Council now has a clean version of the red line version, which they previously received last week. He said the version they have today is what the Commission voted to recommend on Friday. In doing a final review, they proposed four (4) additional changes to the OUC amended contract. He said three (3) of the changes are very minor. In the first sentence of the title he recommended inserting the word "the" which means it would read "the purchase and sale," which matches up to the title on page 1. Then on page 18, Article 13, insert the word "of" and the sentence would now read "During the term of this first amended agreement"... Then on page D-7 next to the last line it should read "*and the supply of, or arrangement for.*" In Article 5, Section (c) the references to Section 12 were taken out and it now relates only to their right to terminate, pursuant to Section (c) the event that OUC invokes the right to increase rates. He said with these changes, he would recommend that Council instructs the Mayor to execute the agreement. He said this would be subject to OUC's approval, but he does not foresee a problem. He noted that he generated a lot of material last week that he would be glad to talk about if they wish him to do so.

Mayor Winger commented on the recent joint Utilities and Finance Commission meetings that have been held to discuss this matter knowing that most of the Council watched those meetings and the City has been very transparent in reviewing this project. He said that he was aware of all of the changes.

Mr. Wright stated that he appreciated the process of having the contract fully reviewed.

Mayor Winger asked about the Power Plant no longer operating and the decision that was made some time ago to levelize rates, which accounts for a small decrease in the first year and then different decreases in later years.

Mr. Wright commented that if you look at just the base capacity purchased from OUC, the City saves a lot of money. They are then buying peaking capacity from OUC that will enable them to shut down the Power Plant, which will save them a significant amount of money. He said the ongoing costs for the Plant will be \$832,000 a year, which is for the continuing care of the Plant and four (4) employees. He then addressed the rates. He explained OUC offered the City a stream of capacity payment and the City could use their discount rate so they could tilt the demand charges to achieve a more levelized structure. He pointed this out in his backup material. They should be able to take the average residential bill down to \$119.58 effective December 1, 2015. And then a further reduction of a couple more dollars in 2017. It will keep the actual projected residential bill per MW hour between \$117.00 and \$122.00 for the eight (8) years and then in 2023 when the City debt rolls off, they will have a little change in costs. This all depends on things holding still and the assumptions they have made. He said if gas goes up then their rates will be higher.

Mayor Winger explained to the public that the attempt was to levelize the rates, rather than taking them down as much as they could in the first year. He said what they are doing is taking the rates down less in the first year so they can avoid escalation in the remaining seven (7) years.

Mayor Winger asked Mr. Wright to explain the \$750,000 savings as mentioned earlier.

Mr. Wright explained the \$750,000 came out of their early August estimates, which were based on what he shook hands with OUC on July 30, 2015. This number turned out to be really close until the Power Plant numbers changed at the end of September after the budget was finalized. They projected at that time net value savings over 14 years would be \$126 million. He briefly went through how the calculations were done.

Mr. Kramer stated that they have beaten this thing to death. He liked getting out of the contract earlier, he likes that they will have lower rates and all of his questions have been answered.

Mrs. Turner stated that she certainly followed the joint Finance and Utility Commission meetings and was happy to receive the public records request (attached to the original minutes) she made concerning the balance of the contract, versus the benefits that OUC will be getting. She had hoped for more of a financial summary, but at least it was delivered on October 15, 2015.

Ms. Graves asked if this contract would prohibit a sale to FPL if a path could be found. Mr. Wright answered no.

Mr. Old felt the process in reviewing this contract was handled very well.

Mr. O'Connor stated that there were two (2) goals in his opinion they were trying to achieve as they started these negotiations over a year ago. The first goal was to have a shorter term. He has heard from many people that the contract that was signed in 2008 was too long. The second goal was to lower the rates. He said this contract would specifically address that. They now will be under a PPA with lower rates. His two (2) goals were achieved. He commented on the discussion concerning having to go and fight the Federal government in addressing Vero Beach electric. He said they always have the other option and that is they could default on this contract.

Mr. Mark Mucher commented that the rates are set by City staff and he wanted to know if they are going down by \$2.50 and if so, then when.

Mr. O'Connor stated that it is anticipated the bills rendered to their customers in December would reflect the decrease. He said it is estimated at this time to be \$2.50 and there is no reason to doubt that it would be anything other than that.

Mr. Mucher commented about two (2) years ago it came to light that the Lake Worth contract that Mr. Wright negotiated had rates in it that were lower than Vero Beach's rates. He said Mr. O'Connor explained to him that the City's contract contained more things than Lake Worth's did and City of Vero Beach rates were higher primarily because of management services. He said management services will be going away at the closing of the Power Plant and the other thing was that when Mr. Wright negotiated these contracts, he did not know that the City didn't pay out of pocket management fees. His question was do they know how much of the lower rates they are getting have to do with the fact that OUC is not providing management fees anymore.

Mr. O'Connor explained that the management fees included OUC dispatching the Plant, etc. He said they do not have a real handle on those fees. He said they are simplifying the contract under this amendment. He said Lake Worth's contract was much simpler and it is for a shorter term. He felt the

management fee is an insignificant number from the operation, but it was required because OUC does dispatch their Plant.

Mr. Mucher pointed out that there was still a management fee paragraph in the new contract they negotiated.

Mr. O'Connor explained it is in there because if the City needed help with NERC compliances, they would ask OUC.

Mr. Mucher felt that part of the savings had to do with those types of things. One of the benefits to OUC is that these management tasks are removed from their side of the equation.

Mr. O'Connor agreed in negotiating the contract that there were benefits to both parties involved, otherwise there would be no reason to have a contract. He said in the City's case the shorter term and lower rates were the goals that they have achieved with this new negotiated contract. He mentioned in getting out of the power generation business that their NERC compliance will go down. He said part of the process was that there had to be something that OUC was getting out of the new contract for them to want to come to the table.

Mr. Mucher asked if there was a financial analysis on closing the Power Plant, which includes the cost savings and time table they were looking at.

Mayor Winger told Mr. Mucher that is an item that he was going to bring up at today's meeting. He felt that Council needed to give some direction to the City Manager on what they expect him to do in regards to the Power Plant and what the next steps are.

Mr. Mucher commented that on Friday it became apparent that the position that they are in is that they have to sign this contract because if they don't, on December 1st when they shut down the Power Plant their rates will go through the roof.

Mayor Winger wanted to finish the discussion of the contract and act on it then come back and deal with the Power Plant issue.

Mr. Wright addressed the management fee issue. He said there was not a separate management fee. It is all rolled into the whole contract. He said it was a package deal that includes bulk power supply, peaking supply, etc.

Mrs. Laura Moss commented when the City received the threatening letter from OUC, she felt that Mr. Wright wrote a very strong response to the letter. She didn't understand why the City did not stand their ground in that instance and who made that determination.

Mr. O'Connor stated that he was responsible for pulling the RFP. He said after the City received the letter from OUC, they were notified by one (1) vendor that they were no longer interested in participating. In his opinion, it was not going to be a fair and open market place like they have envisioned that it would be. It was his opinion that they needed to pull the RFP because when you have the market place interfered with, they would not really be getting true market value at that point.

Mrs. Moss said it would seem like Mr. Wright would have been able to overcome that. She felt the law was on the City's side according to Mr. Wright's letter.

Mr. O'Connor explained that by law the City has no rights to hold people harmless because they can't accept other people's liability. Mrs. Moss said that it was unfortunate that this was the result of being held hostage.

Mr. Kramer made a motion to approve the Finance and Utilities Commission recommendations, including the changes that Mr. Wright brought up today. Ms. Graves seconded the motion.

Mrs. Turner thanked the Finance and Utility Commission for all the hours that they volunteered on evaluating this contract. Unfortunately, a lot of the financial data was not forthcoming and required numerous public records requests in order to get some of that information. In dealing with OUC, they should look at their history. She said OUC is a member of FMPA. When they executed the contract in 2008, the redacted contract, things were considered trade secret and there was a whole lack of transparency. She said in trying to delve into the financial details for this contract they are being told that some of the information is proprietary and without signing a release they could not get access to it. The Council has said they didn't go to market because they were afraid of litigation. However, the contract that is before them today has the most onerous potential for litigation that she has ever seen in a contract. They are looking at an approximate billion dollar contract where a concession of less than one percent has been made by OUC. She looks at the balance of the terms in this contract and it looks like an excellent job has been done to protect OUC, but she does not see the protection for the City of Vero Beach. Therefore, she will be voting no to this contract.

The Clerk polled the Council on the motion and it passed 4-1 with Mr. Old voting yes, Ms. Graves yes, Mrs. Turner no, Mr. Kramer yes, and Mayor Winger yes.

Mayor Winger made a motion to direct the City Manager to terminate operations permanently at the Power Plant as soon as it is reasonably practical. Mr. Kramer seconded the motion.

Mr. Kramer asked to see the benefits of closing the Plant down.

Mr. O'Connor believed that Mr. Wright had provided some of those numbers. He said they are still relying on a third party. He said FPL did give them the preliminary draft report and it appears they will be able to close the Plant on December 1st. He said that this still must be reviewed by the Florida Reliability Coordinating Council, but he does not foresee any problems.

Mrs. Turner commented that they need to look at the cost issues for closing the Plant, which includes personnel. She said that Council needs to see a full analysis before making a financial decision to close the Power Plant.

Mr. O'Connor explained the financial decision to close the Power Plant is predicated on the contract that was just approved. He said that he would provide the analysis.

Mayor Winger explained the reason for making the motion was to authorize the City Manager to do what is necessary in regards to closing the Plant. He said their next issue will be to deal with some of the costs, timing, etc.

Mr. Mucher reminded Council that they were voting on something without financial analysis that has been asked for.

The Clerk polled the Council and it passed 4-1 with Mr. Old voting yes, Ms. Graves yes, Mrs. Turner voting no because there was no financial analysis provided, Mr. Kramer yes, and Mayor Winger yes.

Mayor Winger commented that what needs to happen after the Plant has been closed is the information needs to be developed and questions answered, such as to what can be taken out of the building and salvaged, is the building still going to remain there, what is the cost to do that, what is the cost for the employees, etc. He felt once the City Manager provides this information that it must be taken to both the Utility and Finance Commission for their input.

Mr. Old wondered if there was a way to figure out how much it would cost to take the whole Plant down. He brought up the Plant that was taken down in Ft. Pierce and has heard that they will probably have the same problems that they did and has also heard "no" that we are not going to have the same problems, because there was not a prior industry building on top of the Plant. He suggested doing some soil samples to determine if they may have some problems.

Mrs. Turner pointed out for the public that there is a substation located within the Power Plant and that substation will have to remain there or other provisions will have to be made for it.

Mayor Winger suggested that the City Manager come forward with maybe more than one (1) plan and those options be taken to the Utilities Commission and the Finance Commission for their recommendations on what the best course of action is. He said obviously they can remove the generators and sell them and there is a great deal of material in the Plant that can be sold for money. He said although they may lose money according to book value, they still will be getting a cash flow. He said this is a project that could take up to 120 days to figure out what to do.

Mr. Old brought up the question of should the City Council be running the utility business or should they be trying to get a third party to run it who has the expertise in running a utility business. He thinks it has been proven that this is a business that maybe the City Council should not be running. They probably should be looking at someone to run this utility business that their ratepayers have confidence in. He said their ratepayers do not have confidence in the City Council running the utilities.

Mr. Kramer felt that was a good idea. He said that is how Winter Park runs their utilities.

Mr. Old commented that he feels having someone else making these decisions would make everyone feel a lot better.

Mr. Mucher stated that conceptually he liked Mr. Old's idea. However, those kind of services don't come free. He brought up the Power Plant and closing it down and thought that there was a \$300 million bond that would have to be paid off.

Mr. O'Connor said that was for general revenue for the ratepayers so it is not tied into any one item.

Mr. Old went back to having someone else run the utilities and commented that he thought of a management contract more as an insurance policy so that Council and the City don't make mistakes that are costly going forward. He referred to FMPA contracts and the 2008 OUC contract and said if they

would have had a management firm in place, then maybe it would have saved them a lot more money than what these contracts have cost the City. He was not looking at this as an added expense that would push the rates back up again.

There was a general consensus that the City Manager should bring forward a plan on what to do with the assets at the Power Plant.

Mayor Winger liked the suggestion brought up by Mr. Old, but was not sure how they would approach it.

Mr. Kramer said that a RFP would need to be put out.

Mr. O'Connor stated that he would do some research on this. He expressed that Mr. Mucher has brought up a good point and that is those services don't come free. He would look into what sort of RFP Winter Park put out.

Mayor Winger knew that one thing they were not ready to tackle today was a long term plan for the waterfront area at the Power Plant. He felt that it would be premature to move ahead doing anything with the Post Office annex property until they have something planned for this area. He remarked on what a beautiful stretch of waterfront property this is.

Mr. Kramer wanted to have them digest this contract first and then start moving forward on what they would like to see happen to this piece of property.

Mayor Winger commented that Council needs to know what the public wants. He also brought up that as he talks to people around town, one of the concerns he hears is the utility billing system and that their customers can't electronically pay their bills. He asked Mr. O'Connor when he expected that their customers will be able to do this.

Mr. O'Connor hoped that the City would be able to have the change in the bill itself made available to their customers by the first quarter of next year. He said the paying of someone's bill on-line is going to take some time. He said they have just installed some new software and the reason this has not been done so far is because of logistical reasons. He said the previous software that they had was out of date. He said when they do this, they must be right the first time because they cannot afford any mistakes. He will give an update on this at their November 3rd City Council meeting.

Mr. Mucher commented that the public is very interested in the description of the first two (2) lines on the electric bill. He hopes with the new software that the bills will be clearer. He has suggested in the past having an electrical portion of the bill, the garbage portion of the bill and the water and sewer portion of the bill separate rather than having it all lumped together in one (1) utility bill.

Mr. O'Connor commented that the majority of their customers would rather have one (1) bill than having three (3) separate bills.

Mayor Winger said he has talked to 40 or 50 people who don't like the way that their utility bill is laid out.

4. ADJOURNMENT

Today's meeting adjourned at 11:14 a.m.

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