

**MINUTES  
CITY COUNCIL WORKSHOP  
CITY OF ARCADIA  
TUESDAY, JULY 31, 2012  
5:30 PM**

**CALL TO ORDER, ROLL CALL**

The workshop session was called to order at approximately 5:30 PM.

**Arcadia City Council**

Mayor Keith Keene  
Deputy Mayor Alice Frierson  
Councilman Robert Heine

Councilman Joseph E. Fink  
Councilman Robert Allen

**Arcadia City Staff**

City Administrator Judi Jankosky  
City Recorder Virginia S. Haas  
Ellen Hutson, Utility Collections Supervisor

**DISCUSSION**

1. Water and Sewer Rates

Mrs. Jankosky reported she distributed the requested rate study. The study recommended a 30% increase to meet bond covenants and another 20% for operational expenses. In 2009 there was a 20% increase applied and another 20% in 2010 which left the account unfunded by 10% percent at that time. In addition the rates should have adjusted annually in accordance with the Public Service Commission in 2010 and 2011. If we had adjusted correctly at that time we would not need as much of an increase now. In order to operate fully funded we are estimating a 20% increase that equates to \$10 per month for residential. She responded to Mayor Keene, County residents would pay an additional \$15.00 per month and City residents would pay an additional \$10.00 per month. She replied that a typical base rate is \$50.70 so that would increase to \$60.84. She noted that no decisions have to be made tonight. Councilman Fink asked how much is this impacted by the purchase of the new Water Plant. Mrs. Jankosky responded that the first loan payment is due June 2013 and every six months thereafter which is \$154,300.00 total about \$300,000 annually. She replied to Mayor Keene that the operational expenses of the plant should decrease once the new plant is online.

Mayor Keene summarized that in 2010 our water system was in pieces and not much done to preserve. We had to make a decision to either purchase water or develop our own asset provide water and sewer service at an affordable rate. Mayor Keene continued that this particular Council is suffering what was not required over the years and the lack of running the City like a business. We have subsidized these accounts for decades and it is coming back to haunt the City. Deputy Mayor Frierson agreed it was never addressed and the current Council is being blamed. Mrs. Jankosky confirmed to Mayor Keene that the 2009 Resolution dictating the automatic increase by the Public Service Commission was never applied. Mayor Keene replied that he wanted to ensure that the City is back on track and that does not occur again. Councilman Fink asked if

the garbage increase would be approximately a \$2.50 to \$2.80 increase and the water and sewer increase would be about \$10.00. Mrs. Jankosky confirmed that is correct. Councilman Fink inquired why the Public Service Commission might be involved. Mrs. Jankosky responded that this is the index they chose to follow for the annual increase. Councilman Heine asked when we are online with the current Casa San Juan Bosco development on Hillsborough will there will be separate meters. Mrs. Jankosky replied yes there will be separate meters and there are currently 53 units however this project may be seasonal type housing. Mayor Keene inquired that housing is for family units so we may have more year round residents. Mrs. Jankosky responded to Mayor Keene that the project may be completed in January or February and we really don't know the occupational count at this time so we have not recorded any possible earnings. Councilman Fink inquired since this account was operating as a negative, by implementing these rate changes would this change the \$800,000 negative impact. Mrs. Jankosky responded the proposed rate increases would wipe out the entire \$800,000. She replied to Mayor Keene that with our current rates and code we are looking at an \$800,000 negative and confirmed again that the presented complete rate and plan change to the code would cover all deficits.

## 2. Base Rate Charges for Connected Meters

Mrs. Jankosky reviewed that the City currently has 590 meters connected that are not on or using water that pay nothing. She explained that the first item Ken Small stated was that he bet the City was not charging for base rates. However those residents are connected and the City is processing water and holding capacity and those people should be paying to keep that water and sewer available. Councilman Fink asked how much of the \$800,000 the 20% increase encompasses. Mrs. Jankosky responded that without the meters it would account for about \$400,000. She noted that there are options such as we could charge a half rate and get by with \$100,000 less for few years. Mayor Keene asked if the meter is turned off what the minimal amount would be. Mrs. Jankosky replied that other Cities charge the base rate of \$50.00 to \$70.00 or \$60.00 to \$84.00. Mayor Keene asked if someone would be offline for any length of time what the reconnect fee is. Mrs. Ellen Hutson, Utility Collections Supervisor, replied that the City only charges \$25 for a reconnect however if it is a meter install to a water and sewer tap the total is \$1,600. Mayor Keene inquired about someone going on vacation. Mrs. Hutson replied those customers are not charged. Deputy Mayor Frierson reiterated that the City turns the water on and off for free. Councilman Fink asked if anyone checks to ensure the meters are off, because the person could say they are gone. Mrs. Jankosky replied that the City utilized radio read meters that register the readings.

## 3. Automatic Annual Adjustment to Base Rates

This item was addressed above.

## 4. Deposits

Mrs. Jankosky explained that the Utility Department is collecting everything they can however from years past there is \$700,000 in write offs and much of that was neglect

for letting those accounts run and not disconnecting accounts. A suggestion would be to increase the deposit rates to the equivalent of a two month bill so when it comes to cut offs you don't get stuck with a delinquent account amount and any unused portions could be refunded. Mayor Keene asked for comments from the public. There were no comments.

Mrs. Jankosky continued that currently the Resolution states that if a customer has been disconnected twice in the last 6 months they have to add an additional deposit. She suggested it should say they will be disconnected and deposits doubled or two times their average bill. She asked for questions or thoughts. Councilman Fink asked if other Cities, like FPL, have a deposit in abeyance for a period and if you have a good billing history they refund it to the customer early. Mrs. Jankosky replied that the city does not currently provide that.

#### 5. Additional Deposits

Covered above

#### 6. Garbage Fees

Mrs. Jankosky reported that we are in the same boat here. This is a General Fund department and it does pay for itself however it does not pay for equipment. In order for the Sanitation Department to buy one truck next year we need to implement a 20% increase which equals to approximately \$2.70 additional per month. Mrs. Jankosky noted that she amortized the savings out to 2033 in annual increases and included depreciations and reserves. She explained that we currently have very old equipment and they all need replacing in the next five years. Implementing a 20 percent increase with no more increases the next 5 years would allow them to purchase one new truck each year. Once that cycle is completed we can reduce the increase to 8 percent and every year after that increase 1 percent which will bank enough money that in 15 years they can purchase another truck. The second option is a 10% increase that would not cover truck and the third option is to contract out the service. Mayor Keene replied that we owe it to ourselves to look at that option like we did with the Water Plant. Councilman Fink advised that if you tie onto a provider according to statutes for the next five years they have exclusive rights to your trash disposal and you cannot cancel that contract. Deputy Mayor Frierson noted it would depend on how much equipment the servicer would provide and it could be longer. Councilman Fink stated if you do this option there is no going back for at least five years. Mrs. Jankosky responded to Councilman Heine that you get roughly 10 to 15 years out of a truck if it is taken care of. Council agreed to look into contracting out the garbage service.

#### 7. Connections to Water and Sewer

Mrs. Jankosky stated that she can meet with Attorney Wohl to draft an Ordinance that would require connection to City water service if your location is within a set distance. Councilman Fink stated that there are downtown businesses that share meters where you might have one person owning a building with two or three businesses on one meter.

Mrs. Jankosky reported she is working on the budget cutting items and she feels we are really close and of course buying the truck is dependent on the rate increase. Mayor Keene asked if she could have the additional information ready by next Tuesday. Mrs. Jankosky responded that it depends on how quick the information gets returned but she will try.

Mrs. Jankosky reported that. City hall is infested with termites. The City obtained three quotes and the lowest was \$5,028 with a 2 year guarantee and years 3 through 5 an additional annual premium of \$500 for a total of \$6,717. She reviewed the other quotes. She responded to Mayor Keene the contractor is Pest Guard from Sarasota and they are scheduled for August 31, 2012 which is the Friday before Labor Day.

Mrs. Jankosky responded to Councilman Heine that Mr. Underwood obtained one quote on the roof repair for the Way Building. It will consist of shingles because of the parapet walls. The total cost is \$65,000 consisting of laying the felt, shingles and building out the parapet wall. Mrs. Jankosky responded to Mayor Keene the company is Stewart Construction from Sebring and Mr. Underwood is working on two more quotes.

Mrs. Jankosky responded to Councilman Heine that we are requesting quotes because we don't have specifications and it needs to be done as an emergency repair with Council approval. She stated that we do have money in the capital improvement fund but remember we are not replacing that money so when we use it the fund decreases. She replied to Deputy Mayor Frierson that she believes that account contains \$918,000. She responded to Councilman Heine that a rough estimate to repair Smith Brown Gym would be about \$100,000.

## **PUBLIC COMMENTS**

Dr. Ernie Hewett explained that when they were working on the Water Plant numbers they did not consider depreciation which may be part of the \$800,000 deficit. He stated that in increasing the rate the City will want to stay competitive with the County and if increase to 20% you might bump over the County rate. Residents may then question why did you build the new plant however the rate will still be much less than the County's production rate. In regards to the garbage fees you keep squeezing the fat and savings built into the departments. Previously Mr. Strube would add \$30,000 in capital cost for equipment and after 4 years you would have money for a new truck however after a while the auditor asked why it was in the budget and it go eliminated. Mrs. Jankosky's recommendation to make the garbage an Enterprise fund will allow you to have that needed savings account. He explained that when they originally went to Womack Sanitation for numbers that Mr. Womack wanted to increase County rates however the City provides garbage at a substantially less cost. He reminded if you did contract out you will be indebted for 5 years which is why we can't take on those annexed properties because they are in contract with Womack Sanitation. He cautioned that the numbers he saw from Womack were not right. It appears to be a good deal until you scrutinize the numbers however you do need to look at the possibility. The City was providing the service better and at a cheaper rate.

**COUNCIL MEMBER COMMENTS**

Mrs. Jankosky responded to Councilman Heine that she is working the figures and when we looked at surrounding cities there was quite a bit of difference in price. Mayor Keene thanked Mrs. Jankosky for assisting in making things come together. Mrs. Jankosky noted that she would have quotes for the roof repair for the next meeting for approval. She also reported that Mr. Ken Small, FLC, would be here on August 14, 2012 at 5:30 p.m.

**ADJOURN**

Having no further business, the workshop was adjourned at 6:15 PM.

APPROVED THIS 21<sup>st</sup> DAY OF Aug, 2012

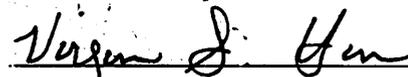
By:



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Keith Keene, Mayor

ATTEST:



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Virginia S. Haas, CMC  
City Recorder