

**MINUTES
CITY OF LAKE WORTH BEACH
ELECTRIC UTILITY CITY COMMISSION MEETING
BY TELECONFERENCE
TUESDAY, MAY 26, 2020 - 6:00 PM**

The meeting was called to order by Mayor Pam Triolo on the above date at 6:00 PM by teleconference from City Hall, 7 North Dixie Highway, Lake Worth Beach, Florida.

ROLL CALL: Present were; Mayor Pam Triolo; Vice Mayor Andy Amoroso; and Commissioners Scott Maxwell (absent for the roll, arrived at 6:03 PM), Omari Hardy and Herman Robinson. Also present were City Manager Michael Bornstein, City Attorney Christy L. Goddeau and City Clerk Deborah Andrea.

PLEDGE OF ALLEGIANCE: led by Vice Mayor Andy Amoroso.

AGENDA - Additions / Deletions / Reordering:

There were no changes to the agenda.

PRESENTATIONS: (there is no public comment on Presentation items)

A. Electric Utility Update by Edward Liberty

Ed Liberty, EU Director, reminded the Commissioners that he distributed hard copies of the Annual Report and pointed out the gains in solar energy in the future and stated that by 2024, all of the City's energy will be from carbon-free resources and by 2025, the City's carbon footprint would have been reduced by more than 50% from 2005. He said that the EU was working on an app and thanked members of the EUAB, the Commission and staff who were testing it. He announced that the EUAB would present ideas to the Commission regarding utility deposits. He thanked the EU employees who had been working split shifts on the conversion project, which would relieve the load on the system. He stated that the unions and customer service had been doing a great job; 4,000+ monthly customers who used to pay in person or open accounts at the annex were processing everything remotely. He said that the bulk of the workforce would transition back on June 1 with social distancing and protections in place.

Vice Mayor Amoroso thanked Mr. Liberty and the EU staff for the app, a great, new tool. He asked when the app would be operational and about the pre-pay option, which would alleviate the need for a large deposit and help to pay during season when funds were lower.

Mr. Liberty replied that the app would be tested for another 30 days to work through any glitches. He said that there was a big negative outlay for small businesses and it would be helpful for smaller families moving into homes that had been occupied by larger families; the deposit was based on previous ownership.

Commissioner Maxwell asked how the pre-paid program worked if someone did not make the payment.

Mr. Liberty stated that there would be a warning and then the meter would be shut off remotely.

Commissioner Robinson thanked Mr. Liberty for moving the City towards the future and said that education would be important.

Mr. Liberty gave an update of energy use, potential revenue reductions, utility receivables and a revenue recovery plan. He said that it was important to note that the EU was growing in spite of the crisis; the residential capacity was growing. He said that the residential use was up and commercial use was down because of COVID-19. He reviewed a 7+5 forecast (seven months actual, five forecasted) with potential revenue reductions, explaining that the EU looked at the ramifications of customers dropping off by ten or fifteen percent. He said that the customers were still there, but were not paying. He stated that the utility (electric, water and sewer) exposure has increased by 228% from March 18 to May 26 for accounts that are almost 60 days in arrears. He showed the different payment methods and said that credit card payments were growing at a cost in fees to the City.

Vice Mayor Amoroso asked how many accounts were not being paid, about the cost to the City of payment methods and if there could be a way to bring the numbers down.

Mr. Liberty replied that the credit card fees added a substantial cost to the City and that Bruce Miller, Financial Services Director, would be looking into reducing the fees or if the customer could pick up that expense. He stated that a nearby utility had the customer pay the credit card fee.

Commissioner Robinson asked for data on partial payments.

Franco Bellitto, Customer Service Manager, replied that he would get the data for the Commission.

Commissioner Maxwell asked why February had 3,000 less payments than the following three months and if there were incentives for auto-pay. He suggested that there be a consideration of other incentives for auto-pay.

Mr. Liberty responded that it could be related to the billing cycle or that people paid before their service would have been disconnected.

Mr. Bellitto stated that there was a one-time \$25 credit for those signing up for auto-pay or paperless billing.

Commissioner Hardy asked about the budgeting for credit card fees. He requested that there be a yearly comparison in the future.

Mr. Liberty replied that the fees would be about \$400,000 next year.

Commissioner Maxwell said that it seemed as though people were moving from a cash payment to a credit card payment.

Mr. Bellitto explained that there were higher fees for customers paying with rewards credit cards and that the vendor could charge the fee to the customer.

Mayor Triolo opined that more people were paying with credit cards because they were out of work and not getting a paycheck.

Vice Mayor Amoroso asked if the fee was shopped around and if the EU could block the use of rewards cards.

Mr. Bellitto responded that the City had the lowest fees and that a rewards credit card could not be blocked because the system would not recognize a rewards card versus a regular card.

Mr. Liberty spoke about the applying the utility deposits to the outstanding balances and said that there would still be over \$300,000 in exposure to the City. He stated that each account had a different deposit and some accounts did not have a deposit. He said that it would be a policy decision from the Commission whether to allow the use of deposits towards derelict accounts.

Commissioner Maxwell asked how many customers without deposits were in arrears.

Mr. Bellitto replied that he would look up the information and report back.

Commissioner Hardy asked if and how the customer would rebuild the deposit if it were used to pay late bills.

Mr. Liberty responded that the deposit would be used as a one-time payment and then have a grace period after which the customer would be able to rebuild their deposit. He said that a payment plan would only be for the late bills, not the deposit. He stated that he would seek direction from the Commission regarding a payment plan and the deposits.

Vice Mayor Amoroso spoke in favor of a payment plan and asked if a pre-pay plan had a lower deposit.

Mr. Liberty responded that a pre-pay account did not require a deposit.

Mayor Triolo asked how using the deposits would impact the City.

Mr. Liberty stated that it would help the City by showing that the City was seeking repayment for the bills, would keep the payments in FY 2020 and would be more positive for the audit.

Commissioner Hardy asked how many EU customers there were and what FPL would be doing regarding the shutoff moratorium in the future. He said that the City should try to mirror what FPL did. He asked how the City would recover the unrecoverable amounts.

Mr. Liberty replied that there were 27,300 customer accounts and FPL would be resuming cutoffs on July 1. He explained that FPL had a storm fund and recouped

the funds used for a storm over multiple years from its customers. He said that the difference with investor-owned entities would have to be made up from shareholders and customers whereas a citizen-owned utility would have to pay the bills.

Commissioner Maxwell asked what bills were late before the pandemic began and what was late since. He said that there needed to know what the monthly bill was that had not been paid would be need to be determined for a payment plan. He suggested using only part of deposits for repayments and opposed a fee being imposed on customers who paid to recoup the bills.

Mr. Liberty said that the 30-day late bills totaled \$260,000 in March and were more than \$640,000 currently, plus \$231,000 for bills that were 60 days late.

Commissioner Hardy raised concerns about the Commission providing consensus on a presentation item on which the public could not comment.

City Attorney Goddeau stated that Mr. Liberty was looking at narrowing down the options in order to bring an item back to the Commission. She said that agenda items should be clear regarding what was being asked of the Commission; there was no requirement to publish everything for an agenda.

Vice Mayor Amoroso expressed concern regarding not having any deposits because often residents left the City without paying their bills.

Commissioner Robinson asked how many people had moved out owing money and if anyone was making partial payments.

Mr. Liberty stated that the EU would take any payments and that people were not being forced out of the City as there was also a moratorium on evictions.

Mayor Triolo said that the City was following FPL's policy and assumed that the City would be looking at extending the moratorium for a month. She requested the Mr. Liberty bring back agenda items regarding best practices.

Mr. Liberty said that he expected the 60-days late number to grow and the EU was trying to move back to normalcy.

Mr. Bellitto stated that 12 commercial accounts had no deposits while 341 residential customers had no deposits. He announced that of the 1578 late accounts, the average commercial past due amount was \$1159 and the average residential past due amount was \$469.

Commissioner Hardy spoke in favor of extending the moratorium.

Commissioner Maxwell stated that it was unknown what landlords would do when the eviction moratorium was lifted. He said that the Commission should do what it could to have the best possible outcome.

Vice Mayor Amoroso stated that a payment plan should be determined.

Mr. Liberty reported that the agency was working to contact customers regarding assistance with utility bills and that was having a positive effect. He stated that a revenue recovery plan to balance the needs of all customers and the City's financial obligations would be necessary to budget for FY 2021 and to allow time to create the processes for the customers and have a phase in period. He said that two resolutions would require changes if deposits would be used. He stated that the next steps would include a consensus on when to phase out the no-disconnect policy, on the elements of a deferred revenue recovery plan and for Staff to prepare a staff report and motion for a subsequent City Commission meeting.

Mayor Triolo asked for consensus regarding the shutoff moratorium. She stated that the City's policy had been not to shut power off during an emergency and that she expected the moratorium would be extended through June, such as neighboring cities and FPL were doing.

Commissioner Robinson asked if the moratorium could be for a month at a time.

Mayor Triolo said she would be fine with a month at a time.

Commissioner Maxwell stated that a definite date should be determined and asked if ending the moratorium mid-June would be too complicated.

Mayor Triolo replied that it would be difficult to change policy mid-policy.

Commissioner Maxwell said okay.

Commissioner Robinson iterated that the Governor might sway the Commission's policy.

Commissioner Hardy said that the moratorium should be continued through June and the emergency orders should be tracked.

PUBLIC PARTICIPATION OF NON-AGENDAED ITEMS AND CONSENT AGENDA:

City Clerk Andrea read the public comment submitted by the following:

Ramsay Stevens wrote to request that the EUAB be allowed to discuss policies that could provide economic relief to the community and make the utility more sustainable.

APPROVAL OF MINUTES:

Action: Motion made by Vice Mayor Amoroso and seconded by Commissioner Maxwell to approve the following minutes:

A. April 28, 2020

Vote: Voice vote showed: AYES: Mayor Triolo, Vice Mayor Amoroso and Commissioners Maxwell, Hardy and Robinson. NAYS: None.

Mayor Triolo announced that there would be more testing in the City, tomorrow at the old Scottish Rite Building and Friday at the Hatch; no appointments were necessary and testing would be free.

ADJOURNMENT:

Action: Motion made by Commissioner Maxwell and seconded by Vice Mayor Amoroso to adjourn the meeting at 8:14 PM.

Vote: Voice vote showed: AYES: Mayor Triolo, Vice Mayor Amoroso and Commissioners Maxwell, Hardy and Robinson. NAYS: None.