

City of Quincy

City Hall

404 West Jefferson Street

Quincy, Florida 32351

www.myquincy.net



COMMISSION WORKSHOP

Thursday, October 7, 2021
5:30 PM

City Hall Commission Chambers

City Commission

Mayor Ronte R. Harris ~ District III
Mayor Pro-Tem Keith A. Dowdell ~ District I
Commissioner Angela G. Sapp ~ District II
Commissioner Freida Bass-Prieto ~ District IV
Commissioner Anessa A. Canidate ~ District V

"An All American City in the Heart of Florida's Future"

PUBLIC NOTICE

CITY OF QUINCY COMMISSION WORKSHOP

Quincy City Hall
Commission Chambers
404 W. Jefferson Street ♦ Quincy, Florida 32351

**October 7, 2021
5:30pm**

All interested members of the public are hereby invited to attend a **Workshop** on the following:

- Recap of Workshop #1 and #2
- Review City Manager's Letter to Commission
Dated September 13, 2021
- Hurricane Michael Surcharge Sunset

For additional information please call the City of Quincy at 850.618.0020.



City of Quincy, Florida
COMMISSION WORKSHOP

AGENDA

October 7, 2021
5:30 P.M.

City Hall Commission Chambers

Call to Order

Roll Call

Workshop Items of Discussion

- 1. Recap of Workshops #1 and #2**
- 2. Review of City Manager's Letter to Commission Dated
September 13, 2021**
- 3. Hurricane Michael Surcharge Sunset**

Adjournment

**Review of City
Manager's Letter
Dated Sept. 13, 2021**

September 13, 2021

Dear Mayor and Commissioners:

I am writing you after consultation with the Finance Director and the City Attorney to alert and request the full Commission to seriously investigate the financial positioning of the FY 2022 Proposed Budget. If the FY 2022 Proposed Budget is adopted based on excluding ~\$1,000,000 from the General Fund and Enterprise Fund the Commission will be engaging in gross mismanagement, malfeasance, misfeasance, and/or gross waste of public funds.

The General Fund and Enterprise Budgets are less by ~\$1,000,000 in reoccurring revenues. The Enterprise Funds' transfers to the General Fund are \$300,000 more in FY 2022 than FY 2021. Also, the use of Savings/Fund Balance Funds are up significantly in FY 2022 over FY 2021. Significantly more Savings/Fund Balance funds are being used to cover reoccurring expenditures in the General Fund.

The more detailed comments result from a thorough review of the proposed budget and previous audits. The cumulative impacts on the loss of revenue are:

- The 1.3MW Solar Array \$3,576,868 Project Financing is at risk. The City entered into a loan/grant agreement with the State of Florida Department of Environment Protection, Clean Water Revolving Fund to finance the Project, according to Resolution No. 1328-2018 adopted on November 30, 2018, as supplemented by Resolution No. 1408-2020 adopted on July 28, 2020, as further supplemented by Resolution No. 1412-2021 adopted on May 25, 2021 (collectively, the “Resolution”). The City pledged Enterprise Revenues, including the Hurricane Michael Surcharge revenues for the loan/grant. Removing the Hurricane Michael Surcharge, without a replacement revenue source, will result in a pledge revenue covenant breach of the loan. The Solar Project is under construction with the letting of the construction contract by the City Commission.
- On January 28, 2020, the City Commission refunded the City’s 3.07% FDEP (not the solar array loan) loan and the 2020C loan in February 2020. Those refunding are at risk. The City pledged Enterprise Revenues, including the Hurricane Michael

Surcharge revenues for the loan/grant. Removing the Hurricane Michael Surcharge, without a replacement revenue, source will result in the pledge revenue covenant breach of the loan.

- The City Commission refunded the 2003 Bonds with the ~\$2,774,617 2020 A Loan. That refunding is at risk. The City pledged Enterprise Revenues, including the Hurricane Michael Surcharge revenues for the loan/grant. Removing the Hurricane Michael Surcharge, without a replacement revenue source, will result in a pledge revenue covenant breach of the loan.

- Initially, the refunding of the 2011 Bonds with the ~\$4,236,584.24 2020B loan was a taxable loan. The City Commission September 14, 2021, Agenda has an agenda item to convert the taxable loan to a non-taxable loan that will provide greater savings than the taxable loan. That refunding is at risk. The City pledged Enterprise Revenues, including the Hurricane Michael Surcharge revenues for the Loan/Grant. Removing the Hurricane Michael Surcharge, without a replacement revenue source, will result in a pledge revenue covenant breach of the loan.

- In FY 2020 the City's total debt was \$17,609,063 versus \$20,870,906 for fiscal year 2019. Without a reoccurring revenue source, payment on the debt will be constricted.

- The Fund Balance increased in the past three years because of the City Manager's recommendation and City Commission's approved February 2019 the Hurricane Michael Surcharge Plan and the earlier modest saving plan in 2018. (I was not the City Manager for FY 2017.) The chart below depicts the Fund Balance year to year.

Fiscal Year	Fund Balance
2017	\$1,193,537
2018	\$1,505,477
2019	\$1,269,528
2020	\$1,667,199

FY 2021 Fund Balance is anticipated to be substantially more (\$3,000,00) than FY 2020 because of FEMA reimbursements and planned savings. Without the Hurricane Michael Surcharge or another revenue source, the Fund Balance is likely to precipitously decline in out years limiting its use to fund the General Fund.

- In the FY 22 and out years, the General Fund will be severely impacted by a replacement of the Hurricane Michael Surcharge without another reoccurring revenue source that would contributes to the ability of the Enterprise Fund to fund General Fund, and when that occurs, many of the more important

activities of the City, including operation of the City's street and highway maintenance; public safety, parks, recreation programs, and General Fund's departments will be adversely affected.

- In the FY 2020 Audit, the auditor said: "It is noteworthy that the Proprietary Funds net revenue decreased from \$6,600,652 in the fiscal year 2019 to \$5,853,672 in the fiscal year 2020, a difference of \$746,980." His note strongly indicates that the FY 2021 Proposed Budget should have ~\$1,000,000 in reoccurring revenues. Please note, as to the bonds and loans, the City has an obligation to disclose the changes in the financials used to approve the loan and bonds.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack L. McLean Jr.", written in a cursive style.

Jack L. McLean Jr.
City Manager

cc: Marcia Carty
Gary Roberts

Hurricane Michael Surcharge Sunset Information

Ordinance 1102-2018

Hurricane Michael Surcharge

First Reading

Dec. 11, 2018

**City of Quincy
City Commission
Agenda Request**

Date of Meeting: December 11, 2018
Date Submitted: December 7, 2018
To: Honorable Mayor and Commissioners
From: Jack L. McLean Jr., Interim City Manager
Ted Beason, Finance Director
Subject: Ordinance 1102-2018 - Hurricane Michael
Electric Storm Surcharge

When Hurricane Michael hit the Panhandle of Florida, it caused significant damage to the City of Quincy's electric distribution system. There were many municipal electric utilities that assisted the City in repairing our electric distribution system at an estimated cost of \$2,119,000.

Utility	Cost
Invoices Received	
Jacksonville Electric Authority	1,179,000
Troy	62,961
Andalusia	102,095
Russellville	50,212
Albertville	30,459
Projections	
Bartow	80,709
Tuskegee	159,014
Beaches	79,219
Athens	84,779
Lakeland	<u>291,230</u>
Total	2,119,678

Our current estimate for the materials and equipment for electric system restoration is \$200,000. The estimate for the restoration of the fiber system is \$800,000.

In addition to restoring the electric system, the City staff has outlined a program of storm hardening which would replace copper overhead electric lines and utility poles that are over 35 years old. Included in the storm hardening efforts would be the use of an outside contractor, Wolf Tree Trimming Service, to cut back trees and vegetation from electric lines and utilize additional budgeted personnel. The cost of the outside contractor would be \$187,000 per year.

Planned Expenditures

Mutual Aid	\$	2,119,678
Electric Equipment and Supplies	\$	200,000
Fiber System	\$	800,000
	\$	3,119,678
Storm Hardening		
6 Additional Electric Employees		
Pole and copper wire replacement		
Year 1 Personnel Costs	\$	250,000
Year 2 Personnel Costs	\$	250,000
Poles and Equipment	\$	130,000
Tree Trimming Contract		
Year 1	\$	187,000
Year 2	\$	187,000
Total Storm Hardening	\$	1,004,000
Interest Carrying Cost		
3.59% 2,000,000 Year 1	\$	71,800
1,300,000 Year 2	\$	46,670
800,000 Year 3	\$	28,720
Total Interest	\$	147,190
Total Rebuild, Storm Hardening and Interest	\$	4,270,868

In order to pay for storm recovery and hardening, the City staff proposes the implementation of the Michael Storm Recovery Fee, which would increase electric rates as follows:

Proposed Michael Recovery Charge

	Current KWH Charge	Michael Recovery Fee Increase	New Total KWH Charge	Existing Demand Charge	Increase Demand Charge	New Demand Charge
Residential	0.09241	0.00879	0.1012			
Commercial	0.09319	0.00881	0.1020			
Commercial Dem	0.05574	0.00526	0.0610	7.5	0.7125	8.2125
Industrial	0.04938	0.00472	0.0541	7.5	0.7125	8.2125

For a residential customer, the flat rate cost per kilowatt hour would increase, from 9.241 cents to 10.120, a 9.5% increase. However, when considering the total electric charges, which includes a base

customer charge and fuel adjustment charge, the average residential customer with 1005 kwh of electric consumption would have an increase from \$111.53 to \$120.36, an \$8.83 increase, 7.92% increase.

	Current Electric Bill	Michael Storm Recovery Charge	Total Electric Bill After Surcharge	
Average Consumption kwh	1005	1005	1005	
Flat Rate per kwh	0.09241	0.00879	0.10120	
flat Rate Charge	\$ 92.87	\$ 8.83	\$ 101.70	
kwh	1005		1005	
Fuel Adjustment *	0.0126		0.0126	
Fuel Adjustment Charge	\$ 12.66	0	\$ 12.66	
Customer Charge	\$ 6.00	0	\$ 6.00	
Total Electric Charges	\$ 111.53	\$ 8.83	\$ 120.36	
Total Electric Charge Including Storm Recovery Fee			\$ 120.36	
Current Charge			\$ 111.53	
Storm Fee Increase			\$ 8.83	
Increase			\$ 8.83	7.92%
Starting Total Electric Charge			\$ 111.53	

* Average Fuel Adjustment Charge in FY 2018

The attached worksheet shows that the proposed Michael Storm Recovery Fee would raise \$1,024,000 a year that will go to pay for the rebuilding and strengthening of the system. The staff recommends that the fee would stay in place for 4 years, at which time the fee would terminate.

Options:

- Option 1. Approve the enclosed Michael Storm Recovery Fee Ordinance.
- Option 2. Provide direction

Staff Recommendation:

Option 1

Quincy Storm Recovery Worksheet

	#	Monthly Meter Charge	kwh	kwh Rate	KWH x Rate	Fuel Adjust	Demand Charge	Total Monthly Charge	Annual Charge
Residential	3,918	\$ 23,508	3,940,873	0.09241	\$ 364,176	\$ 47,221		\$ 434,905	\$ 5,218,860
Commercial	810	\$ 13,462	2,735,142	0.09319	\$ 254,888	\$ 33,036		\$ 301,386	\$ 3,616,634
Demand	35	\$ 2,116	2,224,569	0.05574	\$ 123,997	\$ 26,594	\$ 41,829	\$ 194,536	\$ 2,334,434
Industrial	1	\$ 121	1,598,756	0.04938	\$ 78,947	\$ 20,061	\$ 35,666	\$ 134,795	\$ 1,617,539
	4,764		10,499,340					\$ 12,787,467	

	#	Monthly Meter Charge	kwh	kwh Rate	Increase kwh 9.50%	Storm kwh Increase	KWH x Rate	Fuel Adjust	Demand Charge	Total Monthly Charge	Annual Charge	Increase Revenue
Residential	3,918	\$ 23,508	3,940,873	0.09241	0.1012	0.00879	\$ 398,816	\$ 47,221		\$ 469,545	\$ 5,634,540	\$ 415,680
Commercial	810	\$ 13,462	2,735,142	0.09319	0.102	0.00881	\$ 278,985	\$ 33,036		\$ 325,483	\$ 3,905,798	\$ 289,164
Demand	35	\$ 2,116	2,224,569	0.05574	0.061	0.00526	\$ 135,699	\$ 26,594	\$ 45,803	\$ 210,212	\$ 2,522,544	\$ 188,110
Industrial	1	\$ 121	1,598,756	0.04938	0.0541	0.00472	\$ 86,493	\$ 20,061	\$ 39,054	\$ 145,729	\$ 1,748,747	\$ 131,208
										\$ 13,811,629	\$ 1,024,162	

ORDINANCE NO. 1102-2018

AN ORDINANCE OF THE CITY OF QUINCY, FLORIDA ENACTING A ELECTRIC UTILITY RATE SURCHARGE RELATING TO RECOVERY FROM HURRICANE MICHAEL; RECITING AUTHORITY; MAKING FINDINGS RELATED TO THE PURPOSE OF THIS ORDINANCE; AUTHORIZING THE ENACTMENT OF AN ELECTRIC UTILITY STORM RECOVERY SURCHARGE FOR THE PURPOSE OF PAYING FOR REPAIR, RESTORATION AND RELATED COSTS INCURRED FROM HURRICANE MICHAEL, INCLUDING (1) THE REPAYMENT OF ANY RELATED INTERIM OR OTHER FINANCING ARRANGEMENT, (2) THE UPGRADING OF THE ELECTRIC SYSTEM TO BE MORE HURRICANE RESISTANT, AND (3) ESTABLISHING A STORM RESERVE FUND; PROVIDING FOR THE CARRYING OUT OF OTHER RELATED MATTERS; PROVIDING FOR CONFLICTS AND SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

SECTION 1. AUTHORITY.

This Ordinance No. 1102-2018 (hereinafter called the "Ordinance") is enacted pursuant to the City Charter, provisions of Chapter 166, Florida Statutes, and other applicable provisions of law.

SECTION 2. FINDINGS.

It is hereby ascertained, found, determined and declared by the City Commission of the City of Quincy, Florida, that:

WHEREAS, the City of Quincy, Florida, (the "City") desires to establish electric rates, charges, and fees by ordinance; and

WHEREAS, on October 10, 2018, Hurricane Michael, a category 4 hurricane, made landfall on the northern Gulf Coast of Florida, moving inland to the north, and causing extensive damage to the City's electric grid and leaving approximately 4,750 customers without electricity for more than one week; and

WHEREAS, the City proceeded to expeditiously to repair the City electrical system and restore power to the City's customers, incurring significant unanticipated costs through employment of resources from other electric utilities through a mutual aid agreement; and

WHEREAS, although the City expects to be reimbursed from the Federal Emergency Management Agency (FEMA) and the State of Florida the majority of these costs, and possibly the entire cost, the City expects that it will be an extended period of time before such reimbursement is completed, requiring that interim financing be obtained; and

WHEREAS, the City has identified the need to make certain identified upgrades/improvements to the electric system to make the system more resistant to damage from future hurricane events; and

WHEREAS, the City Commission has determined that it is necessary to enact a temporary electric utility rate surcharge to finance (1) the cost of obtaining a loan financing costs of repair and restoration of the electric system from damage by Hurricane Michael, (2) to pay for upgrading the electric system to make the system more resistant to future damage by hurricanes and (3) to establish a storm reserve fund to insure that, in the future, funds will be available to pay for repair and restoration of the electric system in the aftermath of a hurricane; and

WHEREAS, the City Commission has determined that the rate adjustment as effectuated hereby will result in rates which are reasonable, equitable and in the public interest.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF QUINCY, FLORIDA, as follows:

SECTION 3. RATE ADJUSTMENT AND APPROVAL OF STORM RECOVERY SURCHARGE.

The City Commission hereby adopts the findings provided above in Section 2 herein above as the factual basis and its intent in adopting this Ordinance.

The City Commission of the City of Quincy hereby approves the adjustments to the electric rates of the City of Quincy and the enactment of a storm recovery surcharge on all electric customers of the City as provided for in Exhibit A. The storm recovery surcharge imposed by this Ordinance shall become effective on the first billing cycle of the first month following the effective date of this Ordinance and shall remain in effect until

January 31, 2023, unless extended or earlier terminated by subsequent ordinance of the City Commission, as may be determined necessary by the City Commission to fully accomplish the purposes of the surcharge adopted hereby.

SECTION 4. OTHER MATTERS.

The Mayor and the City Manager are hereby authorized and directed to take such actions as they may deem necessary or appropriate in order to implement the provisions of this Ordinance, including the execution of related documents or instruments. All action taken to date by the aforementioned officers of the City in furtherance of this Ordinance is hereby approved, confirmed and ratified.

SECTION 5. CONFLICTS AND SEVERABILITY.

(1) All resolutions or ordinances, or parts thereof, of the City in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

(2) If any Section or any portion of a Section of this Ordinance proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other Section or part of this Ordinance.

SECTION 6. EFFECTIVE DATE.

This Ordinance shall take effect immediately upon its enactment.

INTRODUCED in open session of the City Commission of the City of Quincy, Florida on the 11th day of December, 2018.

ENACTED by the City Commission of the City of Quincy, Florida on the ____ day of _____, 2019.

[Signature page follows]

APPROVED:

Angela G. Sapp, Mayor and Presiding
Officer of the City Commission and of the
City of Quincy, Florida

ATTEST:

By: Betty Powell
Acting Clerk of the City of Quincy and
Acting Clerk to the Commission thereof

APPROVED AS TO FORM AND LEGALITY:

Scott Shirley, City Attorney

Temporary Hurricane Michael Surcharge: flat rate, per kwh .00879 . This surcharge shall begin and terminate as provided in Ordinance No. 1102-2018 .

(d), (e) and (f), no change.

Sec. 74-178. General service electric rate schedule.

(a) and (b), no change.

(c) Monthly rate.

Customer charge, per meter . . . \$16.62

Flat rate, per kwh09319

Temporary Hurricane Michael Surcharge: flat rate, per kwh . .00881. This surcharge shall begin and terminate as provided in Ordinance No. 1102-2018.

(d), (e) and (f), no change.

Sec. 74-179. Regular general service demand rate schedule.

(a), no change.

(b) Monthly rate.

(1) Customer charge, per meter . . . \$60.45

(2) Demand charge, per kw of demand . . . 7.50

(3) Energy charge, flat rate per kilowatt-hour charge, per kw of demand05574

Temporary Hurricane Michael Surcharge: energy charge, flat rate per kilowatt-hour charge 00526, per kw of demand .7125. This surcharge shall begin and terminate as provided in Ordinance No. 1102-2018.

(c) – (h), no change.

Sec. 74-180. Regular general service demand, large demand rate schedule.

(a), no change.

(b) Monthly rate.

(1) Customer charge, per meter . . . \$ 120.90

(2) Demand charge, per kw of demand . . . 7.50

(3) Energy charge, flat rate per kilowatt-hour charge, per kw of demand04938

Temporary Hurricane Michael Surcharge: energy charge, flat rate per kilowatt-hour charge .00472, per kw of demand .7125. This surcharge shall begin and terminate as provided in Ordinance No 1102-2018.

(c) – (h), no change.

Dec. 11, 2018

**Commission Meeting Minutes
on Hurricane Michael Surcharge**

CITY COMMISSION
CITY HALL
QUINCY, FLORIDA

REGULAR MEETING
DECEMBER 11, 2018
6:00 P.M.

The Quincy City Commission met in regular session Tuesday, December 11, 2018 with Mayor Commissioner Angela G. Sapp presiding and the following were present:

Commissioner Daniel McMillan
Commissioner Ronte R. Harris
Commissioner Gerald A. Gay, III
Commissioner Keith Dowdell, Tardy

Also Present:

Interim City Manager Jack L. McLean Jr.
City Attorney Scott Shirley
Acting Clerk Betty Powell
Building & Planning Director Bernard Piawah
Police Chief Glenn Sapp
Finance Director Ted Beason
Fire Chief Curtis Bridges
Public Works Director Reginald Bell
Utilities Director Robin Ryals
Customer Service/Human Resources Director Ann Sherman
Parks & Recreation Director DeCody Fagg
Executive Assistant to the City Manager Vancheria Perkins
Sergeant at Arms
Matt Chesser, Dewberry Engineer
Lane Stephens, SCG Governmental Affairs
Dr. Beverly Nash, Disaster Recovery Coordinator

Call to Order

Mayor Sapp called the meeting to order, followed by invocation by Utilities Director Robin Ryals followed by the Pledge of Allegiance.

Approval of Amended Agenda

Mayor Sapp asked the Commission for approval of an Amended Agenda. Commissioner Harris made a motion to approve the amended agenda as printed and was properly seconded by Commissioner Gay. The ayes were unanimous and the amended agenda was approved.

Presentations

Approval of the Minutes of the previous meeting

Commissioner Gay made a motion to approve the minutes of the November 27, 2018

Regular meeting with corrections, if necessary and properly second by Commissioner Harris.

Commissioner McMillan wanted unanimous removed as vote was four to one.

Mayor Sapp stated that on page 6, the financial report show the reason for use of the P-Card, as stated; and page 8, phone numbers were provided for all the commissioners.

The ayes were unanimous and the approval of the minutes of the meeting of November 27, 2018 carried.

Approval of the minutes of Special Meeting November 30, 2018

Commissioner Gay made a motion to approve the minutes of the Special Meeting of November 30, 2018 with necessary corrections and was properly second by Commissioner Harris.

Commissioner Gay, had a comment on one Commissioner not being excused. He also Stated that he is very disappointed that we have become that adversarial that we not excuse a commissioner and that's very unusual for a Commissioner not to be excused.

The Mayor asked for a vote, the ayes were unanimous and the motion carried.

Public Hearings and Ordinances as Scheduled or Agendaed

Ordinance No. 1101-2018 Dangerous Building Abatement Process on Second Reading

Commissioner Harris made a motion to read Ordinance No. 1101-2018 by title only and properly second by Commissioner Gay. The vote: Commissioner McMillan, yes; Commissioner Harris, yes; Mayor Sapp, yes; and Commissioner Gay, yes; the ayes were unanimous and the motion carried.

Commissioner Dowdell entered the meeting.

Mayor Sapp stated that this agendaed item is open to the Public for Public Hearing. Are there any comments? No comments; this public hearing is now closed.

Commissioner Dowdell asked Mr. Piawah for an update on the dangerous buildings downtown.

Building & Planning Director addressed the board stating that after the last meeting, that he, the City Attorney and the Building Official met and has begun a systematic inspection of the buildings in the downtown and that they have completed the inspection of the western block bounded by N. Adams, W. Washington and W. Jefferson streets respectively. Mr. Piawah also added that a letter has been sent to the owner of the Masonic Building at 2 W. Jefferson Street about the condition of the building.

Mayor Sapp asked about the other side of Jefferson Street, acknowledging Ms. Dixon.

Mr. Piawah stated that the other side of Jefferson Street will be inspected next time as he was not aware of the store hours, at which time he will be able to gain entry. Interim City Manager McLean stated that once we complete inspections and inventory, two things will happen: 1) Code Enforcement procedure 2) Review of the Code by the City Attorney and staff for a list of recommendations needed for changes or amendment to the code if necessary.

Commissioner Gay made a motion to approve Ordinance No. 1101-2018 Dangerous Building Abatement Process on second reading and was properly seconded by Commissioner Harris; the ayes were unanimous and the motion carried.

Ordinance No. 1102-2018 Storm Recovery Surcharge on First Reading

Commissioner Harris made a motion to read ORDINANCE 1102-2018 Storm Recovery Surcharge on the First Reading by title only and was properly seconded by Commissioner Gay. The vote: Commissioner Dowdell, yes; Commissioner Gay, yes; Commissioner McMillan, yes; Commissioner Harris, yes; Mayor Sapp, yes. The ayes were unanimous and the motion carried.

Finance Director stated our needs for this Ordinance, are the Mutual Aid agreements with different cities, Jacksonville alone \$ 1,179,000.00 and total cost for those agreements are \$ 2,119,678.00. To restore our fiber system is \$ 800,000; hire six new personnel for the Utility Department; tree trimming contract for two years; financing cost of \$ 200,000. Storm recovery fee, less than a penny for residential; spread over a period of four years between residential and commercial.

Mayor states, this is a Public Hearing for Ordinance No. 1102-2018 Storm Recovery Surcharge, are there any comments from the audience. No comments from the audience, this Public Hearing is closed.

Commissioner Dowdell stated to the Manager that the Gadsden County Times did not do us any justice. Out of the whole article, City of Quincy did a utility hike. Would you please make contact with the Gadsden County Times and give a rebuttal to this article or a briefing for them to understand that the increase is only until we pay back. Cudos to Robin Ryals and his crew and the out of towners did their job to have power restored to our customers.

Commissioner Harris stated he feels the same as Commissioner Dowdell about the Gadsden County Time and I would like to ask if we can provide some informative details in our customer utility bill.

Mayor Sapp stated that the article was not favorable for the City of Quincy and that power was restored timely.

Commissioner Gay made a motion to approve Ordinance No. 1102-2018 Storm Recovery Surcharge on First Reading and was properly seconded by Commissioner

Harris. Upon roll call be the clerk: Commissioner McMillan, Commissioner Harris, Commissioner Gay, Commissioner Dowdell and Mayor Sapp. The ayes were unanimous and the motion carried.

Public Opportunity to Speak on Commission Propositions-(Pursuant to Sec. 286.0114, Fla. Stat. and subject to the limitations of Sec. 286.0114(3)(a))

Resolutions

Reports by Boards and Committees

Reports, Request and Communications by the City Manager

Presentation by Lobbyist Lane Stephens

Lane Stephens, SEG Government Affairs addressed the board stating he's a Quincy Native and commended the QFD on a great job of a house fire in his neighborhood.

Here to talk about Legislative Agenda and that he and Mark Maxwell had meet the City Manager before Thanksgiving. How do we help you and other communities recover from this disaster? The Governor suggested that all counties, get together collectively to develop a plan of action to 1) bring back sales tax. Mark Maxwell and Cynthia Kelly will work together to guide us through this process. What is the impact? Redirect sales tax and distribute them. It has to be a formula and a way to benefit from windfall tax and how to capture those dollars. It will take five or six counties working together as back in 1992 with Hurricane Andrew. (Packet provided: 2)The Senate & House has five water projects and 3) Florida Jobs Growth Plan)

Commissioner Gay, Lane I believe that you assisted with a grant for the R D Edwards Historical Preservation, there is still a need; Is there still funding for Historical Preservation?

Lane Stephens, I believe so. Make sure you work with them and submit application appropriately and on time.

Commissioner Gay asked Mr. Stephens if he could find out the deadline and get back with us because there is still a need for phase two.

Mayor Sapp wanted to know if another county applied for job growth application, would that affect our chances.

Mr. Stephens stated that the Governor does not want one company he wants to benefit the whole and larger community.

Commissioner Harris stated that in the future, he would like to be included in the workshops; so that the Commissioners as a whole be informed.

Commissioner Harris asked, how long have you been working for the City of Quincy and what were your accomplishments?

Ordinance 1102-2018

Hurricane Michael Surcharge

Second Reading

January 8, 2019

**City of Quincy
City Commission
Agenda Request**

Date of Meeting: January 8, 2019

Date Submitted: January 4, 2019

To: Honorable Mayor and Commissioners

From: Jack L. McLean Jr., Interim City Manager
Ted Beason, Finance Director

Subject: Ordinance 1102-2018 - Hurricane Michael
Electric Storm Surcharge on Second Reading

Statement of Issue

This is a proposal to adopt Ordinance 1102-2018 on Second Reading. The Ordinance passed on First Reading on December 11, 2018. The Ordinance presented in this agenda packet for Second Reading is identical to the one that passed on First Reading on December 11, 2018 (i.e., no change has been made to it). City staff is recommending that the City Commission vote to approve Ordinance 1102-2018 on Second Reading. For information sake the agenda item of December 11, 2018 is attached for your reference.

Summary and Highlights of Ordinance 1102-2018

When Hurricane Michael hit the Panhandle of Florida, it caused significant damage to the City of Quincy's electric distribution system. There were many municipal electric utilities that assisted the City in repairing our electric distribution system at an estimated cost of \$2,119,000.

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Our current estimate for the materials and equipment for electric system restoration is \$200,000. The estimate for the restoration of the fiber system is \$800,000.

In addition to restoring the electric system, the City staff has outlined a program of storm hardening which would replace copper overhead electric lines and utility poles that are over 35 years old. Included in the storm hardening efforts would be the use of an outside contractor, Wolf Tree Trimming Service, to cut back trees and vegetation from electric lines and utilize additional budgeted personnel. The cost of the outside contractor would be \$187,000 per year.

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Fiber System	\$	800,000
	\$	<u>3,119,678</u>
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Pole and copper wire replacement		
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3.59% 2,000,000 Year 1	\$	71,800
1,300,000 Year 2	\$	46,670
800,000 Year 3	\$	<u>28,720</u>
Total Interest	\$	147,190
Total Rebuild, Storm Hardening and Interest	\$	4,270,868

In order to pay for storm recovery and hardening, the City staff proposes the implementation of the Michael Storm Recovery Fee, which would increase electric rates as follows:

Proposed Michael Recovery Charge

	Current KWH Charge	Michael Recovery Fee Increase	New Total KWH Charge	Existing Demand Charge	Increase Demand Charge	New Demand Charge
Residential	0.09241	0.00879	0.1012			
Commercial	0.09319	0.00881	0.1020			
Commercial Dem	0.05574	0.00526	0.0610	7.5	0.7125	8.2125
Industrial	0.04938	0.00472	0.0541	7.5	0.7125	8.2125

For a residential customer, the flat rate cost per kilowatt hour would increase, from 9.241 cents to 10.120, a 9.5% increase. However, when considering the total electric charges, which includes a base customer charge and fuel adjustment charge, the average residential customer with 1005 kwh of electric consumption would have an increase from \$111.53 to \$120.36, an \$8.83 increase, 7.92% increase.

	Current Electric Bill	Michael Storm Recovery Charge	Total Electric Bill After Surcharge	
Average Consumption kwh	1005	1005	1005	
Flat Rate per kwh	0.09241	0.00879	0.10120	
flat Rate Charge	\$ 92.87	\$ 8.83	\$ 101.70	
kwh	1005		1005	
Fuel Adjustment *	0.0126		0.0126	
Fuel Adjustment Charge	\$ 12.66	0	\$ 12.66	
Customer Charge	\$ 6.00	0	\$ 6.00	
Total Electric Charges	\$ 111.53	\$ 8.83	\$ 120.36	
Total Electric Charge Including Storm Recovery Fee			\$ 120.36	
Current Charge			\$ 111.53	
Storm Fee Increase			\$ 8.83	
Increase			\$ 8.83	7.92%
Starting Total Electric Charge			\$ 111.53	

* Average Fuel Adjustment Charge in FY 2018

The attached worksheet shows that the proposed Michael Storm Recovery Fee would raise \$1,024,000 a year that will go to pay for the rebuilding and strengthening of the system. The staff recommends that the fee would stay in place for 4 years, at which time the fee would terminate.

Options:

- Option 1. Approve the enclosed Michael Storm Recovery Fee Ordinance on Second Reading.
- Option 2. Provide direction

Staff Recommendation:

- Option 1

ORDINANCE NO. 1102-2018

AN ORDINANCE OF THE CITY OF QUINCY, FLORIDA ENACTING A ELECTRIC UTILITY RATE SURCHARGE RELATING TO RECOVERY FROM HURRICANE MICHAEL; RECITING AUTHORITY; MAKING FINDINGS RELATED TO THE PURPOSE OF THIS ORDINANCE; AUTHORIZING THE ENACTMENT OF AN ELECTRIC UTILITY STORM RECOVERY SURCHARGE FOR THE PURPOSE OF PAYING FOR REPAIR, RESTORATION AND RELATED COSTS INCURRED FROM HURRICANE MICHAEL, INCLUDING (1) THE REPAYMENT OF ANY RELATED INTERIM OR OTHER FINANCING ARRANGEMENT, (2) THE UPGRADING OF THE ELECTRIC SYSTEM TO BE MORE HURRICANE RESISTANT, AND (3) ESTABLISHING A STORM RESERVE FUND; PROVIDING FOR THE CARRYING OUT OF OTHER RELATED MATTERS; PROVIDING FOR CONFLICTS AND SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

SECTION 1. AUTHORITY.

This Ordinance No. 1102-2018 (hereinafter called the "Ordinance") is enacted pursuant to the City Charter, provisions of Chapter 166, Florida Statutes, and other applicable provisions of law.

SECTION 2. FINDINGS.

It is hereby ascertained, found, determined and declared by the City Commission of the City of Quincy, Florida, that:

WHEREAS, the City of Quincy, Florida, (the "City") desires to establish electric rates, charges, and fees by ordinance; and

WHEREAS, on October 10, 2018, Hurricane Michael, a category 4 hurricane, made landfall on the northern Gulf Coast of Florida, moving inland to the north, and causing extensive damage to the City's electric grid and leaving approximately 4,750 customers without electricity for more than one week; and

WHEREAS, the City proceeded to expeditiously to repair the City electrical system and restore power to the City's customers, incurring significant unanticipated costs through employment of resources from other electric utilities through a mutual aid agreement; and

WHEREAS, although the City expects to be reimbursed from the Federal Emergency Management Agency (FEMA) and the State of Florida the majority of these costs, and possibly the entire cost, the City expects that it will be an extended period of time before such reimbursement is completed, requiring that interim financing be obtained; and

WHEREAS, the City has identified the need to make certain identified upgrades/improvements to the electric system to make the system more resistant to damage from future hurricane events; and

WHEREAS, the City Commission has determined that it is necessary to enact a temporary electric utility rate surcharge to finance (1) the cost of obtaining a loan financing costs of repair and restoration of the electric system from damage by Hurricane Michael, (2) to pay for upgrading the electric system to make the system more resistant to future damage by hurricanes and (3) to establish a storm reserve fund to insure that, in the future, funds will be available to pay for repair and restoration of the electric system in the aftermath of a hurricane; and

WHEREAS, the City Commission has determined that the rate adjustment as effectuated hereby will result in rates which are reasonable, equitable and in the public interest.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF QUINCY, FLORIDA, as follows:

SECTION 3. RATE ADJUSTMENT AND APPROVAL OF STORM RECOVERY SURCHARGE.

The City Commission hereby adopts the findings provided above in Section 2 herein above as the factual basis and its intent in adopting this Ordinance.

The City Commission of the City of Quincy hereby approves the adjustments to the electric rates of the City of Quincy and the enactment of a storm recovery surcharge on all electric customers of the City as provided for in Exhibit A. The storm recovery surcharge imposed by this Ordinance shall become effective on the first billing cycle of the first month following the effective date of this Ordinance and shall remain in effect

Until January 31, 2023, unless extended or earlier terminated by subsequent ordinance of the City Commission, as may be determined necessary by the City Commission to fully accomplish the purposes of the surcharge adopted hereby.

SECTION 4. OTHER MATTERS.

The Mayor and the City Manager are hereby authorized and directed to take such actions as they may deem necessary or appropriate in order to implement the provisions of this Ordinance, including the execution of related documents or instruments. All action taken to date by the aforementioned officers of the City in furtherance of this Ordinance is hereby approved, confirmed and ratified.

SECTION 5. CONFLICTS AND SEVERABILITY.

(1) All resolutions or ordinances, or parts thereof, of the City in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

(2) If any Section or any portion of a Section of this Ordinance proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect of any other Section or part of this Ordinance.

SECTION 6. EFFECTIVE DATE.

This Ordinance shall take effect immediately upon its enactment.

INTRODUCED in open session of the City Commission of the City of Quincy, Florida on the 11th day of December, 2018.

ENACTED by the City Commission of the City of Quincy, Florida on the ____ day of _____, 2019.

[Signature page follows]

APPROVED:

Angela G. Sapp, Mayor and Presiding
Officer of the City Commission and of the
City of Quincy, Florida

ATTEST:

By: Betty Powell
Acting Clerk of the City of Quincy and
Acting Clerk to the Commission thereof

APPROVED AS TO FORM AND LEGALITY:

Scott Shirley, City Attorney

ORDINANCE NO. 1102-2018

EXHIBIT A

CITY OF QUINCY ELECTRIC RATES
AND STORM RECOVERY SURCHARGE

City of Quincy Code of Ordinances Chapter 74, Article VI, Electric System, Division 2, Rates and Charges, is hereby amended as follows:

Sec. 74-177. Residential electric service rate schedule.

(a) and (b), no change.

(c) Monthly rate.

Customer charge, per meter . . . \$6.00

Flat rate, per kwh09241

Temporary Hurricane Michael Surcharge: flat rate, per kwh .00879 . This surcharge shall begin and terminate as provided in Ordinance No. 1102-2018 .

(d), (e) and (f), no change.

Sec. 74-178. General service electric rate schedule.

(a) and (b), no change.

(c) Monthly rate.

Customer charge, per meter . . . \$16.62

Flat rate, per kwh09319

Temporary Hurricane Michael Surcharge: flat rate, per kwh . .00881. This surcharge shall begin and terminate as provided in Ordinance No. 1102-2018.

(d), (e) and (f), no change.

Sec. 74-179. Regular general service demand rate schedule.

(a), no change.

(b) Monthly rate.

(1) Customer charge, per meter . . . \$60.45

(2) Demand charge, per kw of demand . . . 7.50

(3) Energy charge, flat rate per kilowatt-hour charge, per kw of demand05574

Temporary Hurricane Michael Surcharge: energy charge, flat rate per kilowatt-hour charge 00526, per kw of demand .7125. This surcharge shall begin and terminate as provided in Ordinance No. 1102-2018.

(c) – (h), no change.

Sec. 74-180. Regular general service demand, large demand rate schedule.

(a), no change.

(b) Monthly rate.

(1) Customer charge, per meter . . . \$ 120.90

(2) Demand charge, per kw of demand . . . 7.50

(3) Energy charge, flat rate per kilowatt-hour charge, per kw of demand04938

Temporary Hurricane Michael Surcharge: energy charge, flat rate per kilowatt-hour charge .00472, per kw of demand .7125. This surcharge shall begin and terminate as provided in Ordinance No 1102-2018.

(c) – (h), no change.

January 8, 2019

Commission Meeting Minutes on Hurricane Michael Surcharge

CITY COMMISSION
CITY HALL
QUINCY, FLORIDA

REGULAR MEETING
JANUARY 8, 2019
6:00 P.M.

The Quincy City Commission met in regular session Tuesday, January 8, 2019 with Mayor Commissioner Angela G. Sapp presiding and the following were present:

Commissioner Daniel McMillan
Commissioner Ronte R. Harris
Commissioner Gerald A. Gay, III
Commissioner Keith A. Dowdell

Also Present:

Interim City Manager Jack L. McLean Jr.
City Attorney Scott Shirley
Acting Clerk Betty Powell
Building & Planning Director Bernard Piawah
Police Chief Glenn Sapp
Finance Director Ted Beason
Fire Chief Curtis Bridges
Public Works Director Reginald Bell
Utilities Director Robin Ryals
Human Resources Director Ann Sherman
Parks & Recreation Director DeCody Fagg
Administrative Assistant to the City Manager Vancheria Perkins
Sergeant at Arms Lt. Eugene Monroe

Call to Order

Mayor Sapp called the meeting to order, with invocation by Pastor Jeff Jackson of First Baptist Church followed by the Pledge of Allegiance.

Approval of Agenda

Mayor Sapp asked the Commission for approval of the Agenda. Commissioner McMillan made a motion to approve the agenda as printed and was properly seconded by Commissioner Harris. The motion carried and the agenda was approved.

Presentations

Approval of the Minutes of the previous meeting

Commissioner Gay made a motion to approve the minutes of the December 11, 2018 Regular meeting with corrections, if necessary and properly seconded by Commissioner Harris.

Commissioner McMillan stated page four; the Utilities surcharge and the motion carried five to zero.

Approval of the minutes of Special Meeting December 18, 2018

Commissioner Dowdell made a motion to approve the minutes of the Special Meeting of December 18, 2018 with necessary corrections and was properly seconded by Commissioner Gay and the motion carried five to zero.

Public Hearings and Ordinances as Scheduled or Agendaed

Ordinance No. 1102-2018 Storm Recovery Surcharge on Second Reading

Commissioner Harris made a motion to read Ordinance No. 1102-2018 by title only and properly seconded by Commissioner Gay. Upon roll call by the Clerk the vote: Commissioner McMillan, yes; Commissioner Harris, yes; Mayor Sapp, yes; Commissioner Gay, yes; and Commissioner Dowdell, yes; the ayes were unanimous and the motion carried.

This agendaed item is open to the Public for Public Hearing.

AN ORDINANCE OF THE CITY OF QUINCY, FLORIDA ENACTING A ELECTRIC UTILITY RATE SURCHARGE RELATING TO RECOVERY FROM HURRICANE MICHAEL; RECITING AUTHORITY; MAKING FINDINGS RELATED TO THE PURPOSE OF THIS ORDINANCE; AUTHORIZING THE ENACTMENT IF AN ELECTRIC UTILITY STORM RECOVERY SURCHARGE FOR THE PURPOSE OF PAYING FOR REPAIR, RESTORATION AND RELATED COSTS INCURRED FROM HURRICANE MICHAEL, INCLUDING (1) THE REPAYMENT OF ANY RELATED INTERIM OR OTHER FINANCING ARRANGEMENT, (2) THE UPGRADING OF THE ELECTRIC SYSTEM TO BE MORE HURRICANE RESISTANT, AND (3) ESTABLISHING A STRONG RESERVE FUND; PROVIDING FOR THE CARRYING OUT OF OTHER RELATED MATTERS; PROVIDING FOR CONFLICTS AND SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

Finance Director, Ted Beason addressed the board stated that as previously stated from our last meeting, we had a lot of damage from Hurricane Michael; and to repair our electric system to restore power to our customers, we had to depend on the help of mutual aid from other municipalities and they did not come without a cost. With this enactment it would increase the residential customer charge by \$ 8.83 per kwh month and the Base rate and SEPA charge to be combined.

Mayor Sapp asked if the SEPA charge be kept separate from the base rate; combining the two would confuse customers.

Commissioner Dowdell wanted to know when the new rates would go into effect.

Mr. Beason stated, the new rates will go into effect in February.

City Attorney stated that it is the first billing cycle after the ordinance approval.

Mr. Beason stated that would be January 22, 2019 is when the Michael-Surcharge will go into effect.

Commissioner Dowdell wanted to know if we were ready to deal with a set number of days on billing statement and he wants to see a set number of days on the billing statements.

Interim City Manager Jack McLean Jr. stated that it is difficult to give a set number of days for a statement bill. The normal range from the past is twenty-eight to thirty-two days. Several factors go into this, weather, meter reading, staff or book reading.

Commissioner Dowdell stated he does not want to see the customer bear the cost of these excessive days and if the next Utility Bill will be the bill with less days and customers will see a break. He added that he doesn't want to see extra days on the bill after the surcharge pass.

Interim City Manager Jack McLean stated that prior to Hurricane Michael, the bills were in a normal range and after Michael was when the normal days changed.

Mayor Sapp asked can we see the normal days as prior to Hurricane Michael.

Commissioner Dowdell stated, if there are more days on the bill, we must notify our customers.

Commissioner Dowdell wanted to know if we can do a summary sheet why we are doing this.

Mr. Beason stated, yes we can.

Mayor Sapp stated that we are our first source of information for our constituents and when something is printed that is not true, we should be able to tell our constituents the truth and that is why we were elected.

Interim City Manager Jack McLean stated that we would be using our Face Book Page to get information out; we will also put it on our website page. The Face Book Page was a very useful tool during the hurricane and we will continue to use it to get information out.

The Mayor stated that this public hearing on Ordinance No. 1102-2018 was open to the public and they may come to the podium.

Denise Pouncy Hannah, 719 14th Street. Ms. Hannah stated, Commissioner Dowdell, my sentiments, exactly. She did not understand the electric rate increase, storm recovery fee, with a sunset of four years, along with all the other fees.

Frieda Bass Prieto, 329 E. King Street. I've tried to figure my new bill with the new rate and going to Muni-code, with that rate, my bill would be totally different. I spoke with Mr.

Beason and he said it was a combination. The website had no information of the SEPA charge; Muni-code was not up to date. If people can't pay current rate, with this increase, what will the people do.

Interim City Manager Jack McLean Jr. stated, Ms. Bass is correct about the website not being up to date and Muni-code is not updated as well, there's no excuse. I've spoken with the Attorney to take whatever steps we need to correct this. There's no reason to be confused; but you may not agree. The SEPA charge is separate and was always meant to be separate on the account and not to be shown in the base rate. The first thing will be corrected by the Attorney and myself.

Mr. Beason stated for a residential customer, the flat rate cost per kilowatt hour would increase, from 9.241 cents to 10.120, a 9.5% increase. When considering the total electric charge which includes a base customer charge and fuel adjustment charge, the average residential customer with 1005 kwh of electric consumption would have an increase from \$ 111.53 to \$ 120.36; an \$ 8.83 increase, 7.92% increase. Yes, the Storm Recovery does have a sunset; 2019, 2020, 2021, 2022.

Mayor Sapp stated that one must know the total kwh consumption and multiply that by the new rate, plus a customer charge will give us a total electric charge.

Mayor Sapp asked, the board are there any questions.

Mayor Sapp stated that the public hearing was closed and turned this matter over to the Commission.

Commission Dowdell made a motion to approve Ordinance No. 1102-2018 Hurricane Michael Electric Storm Surcharge on the second reading and properly seconded by Commissioner Gay and the motion carries four to one.

Resolution 1383-2019 Line of Credit Authorization for Hurricane Michael Mutual Aid

Finance Director Ted Beason stated that the Capital City Bank has agreed to lend the City \$ 3 million, as a line of credit and would allow us to take \$ 750,000 up front.

Commissioner Gay stated \$ 3.1 million to pay back mutual aid and repair system and \$1.1 to harden system, totaling \$ 4.2 million, minus \$ 3 million line of credit and the surcharge projection will generate \$ 1,024,000, per year for four years. Commissioner Gay asked, where is that money going? It is the duty of this Commission to oversee these funds and how will the line of credit be paid back?

Mr. Beason stated it will have a separate line item and the line of credit will be paid back by the Michael surcharge fee.

Commissioner Gay asked? How's this Commission going to monitor and over-see these funds through Finance Reports.

Mr. Beason stated that he will provide a separate monthly spread sheet report.

Commissioner Gay stated, going back and to be fully transparent that we as a Commission provide proper over-site in reports and audits.

Commissioner Gay stated that we have a debt of \$ 4 million and plan to pay it back; but we can't afford to buy things we don't need. That is why, we as the Commission must provide proper over-site of these funds and make sure what they are telling us will happen.

Mayor Sapp stated that like Commissioner Gay it is incumbent of us, this Commission to provide over-site and know where this money is being spent.

Mayor Sapp stated, there's a resolution on the floor; Commissioners?

Commissioner Harris made a motion to approve Resolution 1383-2019 Line of Credit Authorization and was properly seconded by Commissioner Dowdell.

City Attorney Scott Shirley stated that this authorizes approval of the Line of Credit and there are documents for all commissioners to sign.

Mayor Sapp asked for the vote and the motion carried five to zero.

Commissioner Dowdell asked Mr. Beason, you say at closing, we are required to draw down \$ 750,000 and that will be used for what?

Mr. Beason stated to pay Jacksonville Electric Authority.

Ratification of Two Expenditures

Traffic Control Assembly for Adams/Jefferson and Pole Replacement for Adams and King Streets.

There was a sense of urgency to provide the safety of our Citizens. The first invoice: Mas Tec for \$15,000 to replace a utility pole at King and Adams and the second invoice from Ingram Signalization for \$ 23,000 to replace the traffic controller cabinet at Jefferson and Adams.

Commissioner Gay made a motion to approve Option 1: To ratify the two expenditures to replace the utility pole at King and Adams and replace the traffic controller at Jefferson and Adams and was properly seconded by Commissioner Harris.

Commissioner McMillan, are we searching the budget to see where this money is coming from?

Mr. Beason stated that it will come from the budget.

Mayor Sapp asked for the vote, the motion carried five to zero.

Resolution 1383-2019

**Line of Credit
for Hurricane Michael**

RESOLUTION NO. 1383-2019

A RESOLUTION OF THE CITY OF QUINCY, FLORIDA, PROVIDING FOR THE BORROWING IN THE FORM OF A LINE OF CREDIT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$3,000,000 FROM CAPITAL CITY BANK TO FINANCE THE PROJECT; PROVIDING FOR THE ISSUANCE OF THE CITY OF QUINCY, FLORIDA, UTILITY SYSTEM SUBORDINATE REVENUE NOTE, SERIES 2019; PLEDGING THE PLEDGED REVENUES; PROVIDING FOR THE PAYMENT OF THE SERIES 2019 NOTE AND THE EXECUTION AND RELATED FINANCING DOCUMENTS IN CONNECTION THEREWITH; AUTHORIZING FURTHER OFFICIAL ACTION IN CONNECTION WITH THE DELIVERY OF THE SERIES 2019 NOTE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Quincy, Florida (the “Issuer”) requested information from qualified banking institutions in order to identify a banking institution that can best provide the Issuer with a bank qualified, tax-exempt Line of Credit; and

WHEREAS, the Line of Credit will be used to fund Hurricane Michael-related response and recovery expenses, including the costs associated with the repairs of fiber network and the payment of utility crews; and

WHEREAS, the Issuer received a proposal from Capital City Bank (the “Lender”) and the Lender has agreed to make a Line of Credit available to the Issuer; and

WHEREAS, pursuant to the Resolution, the Issuer has determined that it is in the best interest of the health, safety and welfare of the Issuer and the inhabitants thereof that the Issuer pledge the Pledged Revenues to secure the obligations of the Issuer to repay the principal of and interest on the Series 2019 Note when due; and

WHEREAS, the obligation of the Issuer to repay principal of and interest on the Series 2019 Note will not constitute a general obligation or indebtedness of the Issuer as a “bond” within the meaning of any provision of the Constitution or laws of the State, but shall be and is hereby declared to be a special, limited obligation of the Issuer, secured solely by the Pledged Revenues; and

WHEREAS, the Issuer is not authorized to levy taxes on any property of or in the City of Quincy, Florida to pay the principal of or interest on the Series 2019 Note or to make any other payments provided for herein; and

WHEREAS, the Issuer has previously determined that it is necessary for the health, safety and welfare of the Issuer and in the best interest of its inhabitants to perform the Project (as hereinafter defined) and that issuance of the Series 2019 Note (as hereinafter defined) satisfies an essential public purpose.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF QUINCY, FLORIDA AS FOLLOWS:

Section 1. **Authority for this Resolution.** This Resolution is adopted pursuant to the provisions of Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law (collectively, the "Act").

Section 2. **Definitions.** The following terms shall have the following meanings when used in this Resolution unless the context clearly requires otherwise. Words importing singular numbers shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Line of Credit Agreement.

"City Clerk" means the City Clerk of the Issuer or, in the City Clerk's absence, any Deputy Clerk.

"City Commission" means the City Commission of the City of Quincy, Florida, as the governing body of the Issuer.

"City Manager" means the City Manager of the Issuer, or his designee.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commitment" means the Commitment dated November 7, 2019, as amended, for purchase of the Series 2019 Note and the provision of the line of credit, submitted to the Issuer by the Lender and accepted by the Issuer with such changes as agreed to by the Issuer and the Lender.

"Finance Director" means the Finance Director of the Issuer.

"Issuer" means the City of Quincy, Florida, a municipal corporation of the State of Florida.

"Lender" means Capital City Bank, a state banking corporation, and its successors and/or assigns.

“Line of Credit Agreement” means the agreement between the Lender and the Issuer setting forth the terms and details of the line of credit, in substantially the form attached hereto as Exhibit A with such modifications or changes thereto as may be necessary or desirable, in the opinion of the City Attorney and Bond Counsel, to conform the terms thereof to the terms of the Commitment or to secure for the Issuer any additional rights or privileges not inconsistent with the terms of the Commitment, such approval of the modifications or changes to be presumed by the execution and delivery thereof by the Issuer to the Lender.

“Loan” means the line of credit in the aggregate principal amount not to exceed \$3,000,000 from the Lender to the Issuer pursuant and in accordance with the Line of Credit Agreement.

“Mayor” means the Mayor of the Issuer, or in the Mayor’s absence, the Vice Mayor.

“Pledged Revenues” mean the Net Revenues of the Utility System (as defined in the Line of Credit Agreement).

“Project” means the clean-up and reconstructive efforts related to the aftermath of Hurricane Michael, including but not limited to, the costs associated with the repairs of fiber network and the payment of utility crews.

“Resolution” means, collectively, this resolution and all resolutions amendatory hereof and supplemental hereto.

“Senior Lien Bonds” mean the Issuer’s remaining outstanding \$8,890,000 Utility System Improvement Refunding and Revenue Bonds, Series 2003; \$6,000,000 Utility System Revenue Bonds, Series 2011; State Revolving Loan Fund Loan Project #DW2006010 outstanding in the amount of \$3,030,250.40; State Revolving Loan Fund Loan Project #CS1206107P outstanding in the amount of \$431,230.55; State Revolving Loan Fund Loan Project #200100 outstanding in the amount of \$383,438.22; State Revolving Loan Fund Loan Project #641090 outstanding in the amount of \$288,105.01.

“Series 2019 Note” means the City of Quincy, Florida, Utility System Subordinate Revenue Note, Series 2019, authorized herein, in substantially the form attached to the Line of Credit Agreement as Exhibit A, with such modifications or changes thereto as may be necessary or desirable, in the opinion of the City Attorney, and Bond Counsel, to conform the terms thereof to the terms of the Commitment or to secure for the Issuer any additional rights or privileges not inconsistent with the terms of the Commitment, such approval of the modifications or changes to be presumed by the execution and delivery thereof by the Issuer to the Lender.

Section 3. Findings. It is hereby found, declared, and determined by the City Commission:

(A) The Issuer has determined that it is necessary and in the best interests of the health, safety and welfare of the Issuer and its inhabitants that the Issuer finance the costs and expenses associated with the Project. Issuance of the Series 2019 Note satisfies a public purpose.

(B) The Pledged Revenues are not currently pledged to any obligation of the Issuer, except to the Senior Lien Bonds. The lien on the Pledged Revenues on the Series 2019 Note will be junior and subordinate to the lien on the Pledged Revenues on the Series Lien Bonds.

(C) The Series 2019 Note will be payable from Pledged Revenues. The Pledged Revenues are expected to be sufficient to pay the Series 2019 Note and the Senior Lien Bonds as the same becomes due.

(D) The City Commission determined that the Lender's Commitment contained terms favorable to the Issuer.

(E) Because of the characteristics of the Series 2019 Note, prevailing market conditions, and an ability to have an expeditious sale of the Series 2019 Note, it is in the best interest of the Issuer to sell the Series 2019 Note at a private negotiated sale to the Lender. The Issuer has received the Commitment from the Lender for the Loan, and, it is in the best interests of the Issuer that the Commitment be accepted. Prior to the issuance of the Series 2019 Note, the Issuer shall receive from the Lender, a Lender's Certificate, the form of which is attached hereto as Exhibit B and the Disclosure Letter containing the information required by Section 218.385, Florida Statutes, a form of which is attached hereto as Exhibit C.

(F) The obligation of the Issuer to repay the Series 2019 Note in accordance with its terms and to make the payments required under the Line of Credit Agreement is hereby declared to be and shall be a special, limited obligation of the Issuer, secured solely by the Pledged Revenues. The obligation of the Issuer to repay the Series 2019 Note in accordance with its terms and to make any other payments, if any, required under the Series 2019 Note or the Line of Credit Agreement shall not be or constitute a general obligation or indebtedness of the Issuer and neither the Series 2019 Note nor the Line of Credit Agreement shall be or constitute a "bond" of the Issuer within the meaning of Article VII, Section 12, Florida Constitution (1968). Neither the Lender nor any successor owner of the Series 2019 Note shall be entitled to compel the payment of the principal of or interest on the Series 2019 Note or the making of any payments required under the Series 2019 Note or the Line of Credit Agreement from any moneys of the Issuer other than the Pledged Revenues, as provided herein and in the Line of Credit Agreement.

Section 4. Approval of Commitment. The Issuer accepts the Lender's Commitment.

Section 5. Authorization of Series 2019 Note and Project. Subject and pursuant to the provisions hereof and in accordance with the provisions of the Line of Credit Agreement, the issuance by the Issuer of its Series 2019 Note, in an aggregate principal amount of not to exceed Three Million Dollars (\$3,000,000) at any one time, to be dated, to bear interest, to be payable, to mature, to be subject to redemption and to have such other characteristics as provided in the Series 2019 Note, the Line of Credit Agreement and the Commitment, and to be secured as provided in the Line of Credit Agreement is hereby authorized. The financing of the Project with proceeds from the Loan is hereby approved.

Section 6. Approval of Form of Line of Credit Agreement and Series 2019 Note. The Line of Credit Agreement and the Series 2019 Note, in substantially the form attached hereto as Exhibit A, are approved, and the Mayor and City Clerk are authorized to execute and deliver the Line of Credit Agreement and the Series 2019 Note to the Lender, and to take such other actions as shall be necessary to consummate the Loan.

Section 7. Authorization of Other Action. The Mayor, the City Clerk, the City Manager, the Finance Director and the City Attorney are each designated agents of the Issuer in connection with the execution and delivery of the Line of Credit Agreement and the Series 2019 Note and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents or contracts on behalf of the Issuer which are necessary or desirable in connection with the execution and delivery of the Line of Credit Agreement and the Series 2019 Note to the Lender, including, but not limited to, the making of modifications to the Line of Credit Agreement and the Series 2019 Note to conform the provisions thereof to the provisions of the Commitment.

Section 8. Application of Proceeds of Loan. The proceeds of the Loan shall be used to pay costs of the Project and pay related associated costs of issuance (including but not limited to legal fees and expenses).

Section 9. Repeal of Inconsistent Provisions. All resolutions or parts thereof in conflict with this Resolution are hereby repealed to the extent of such conflict.

Section 10. Severability. If any one or more of the covenants, agreements, or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and in no way affect the validity of all other provisions of the Resolution or of the Series 2019 Note or Line of Credit Agreement delivered hereunder.

Section 11. Amendment. This Resolution may not be amended or repealed except with the prior written consent of the Lender.

Section 12. Bank Qualified. The Issuer hereby designates the Series 2019 Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. The Issuer and any subordinate entities of the Issuer and any issuer of "tax-exempt" debt that issues "on behalf of" the Issuer do not reasonably expect during the calendar year 2019 to issue more than \$10,000,000 of "tax-exempt" obligations including the Series 2019 Note, exclusive of any private activity bonds as defined in Section 141(a) of the Code (other than qualified 501(c)(3) bonds as defined in Section 145 of the Code).

Section 13. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this _____ day of January, 2019.

CITY COMMISSION OF THE CITY OF QUINCY,
FLORIDA

By: _____
ANGELA G. SAPP, MAYOR

(SEAL)

ATTESTED:

By: _____
SYLVIA HICKS, CITY CLERK

APPROVED AS TO FORM AND CORRECTNESS:

By: _____
SCOTT SHIRLEY, ESQ., CITY ATTORNEY

Background Information

- Approval of Financing Option
(Page 6 of November 27, 2018 Commission Meeting Minutes)
- Hurricane Michael Damage Financing Options
(November 27, 2018 Agenda Item)

The Mayor asked for questions? Commissioner Gay stated that he was for the solar project and like Commissioner Harris we have to start somewhere.

The Mayor stated that we have spent such a long time on this item, we just workshop it; and asked for a vote, the ayes were unanimous and the motion passed.

Fire Department October Reports

The Mayor wants to thank the Chief and the Fire Department for responding so rapidly to a fire in her neighborhood.

No questions.

October Traffic Report

No questions.

October Financial Reports

Finance Director Ted Beason explained to the Commission of the September and October payroll being pull and that this is common practice or we would have an audit problem.

Commissioner McMillan asked what was the reason for using the CRA P-Card during the storm.

Finance Director Ted Beason stated it was the only one he had access to.

Hurricane Michael Budget Impact and Payment Plan

Finance Director Ted Beason stated that Hurricane Michael damage to the City's Electrical grid was great and the total damages for the electrical system and general Government was about \$ 3,154,114. The storm had more of an impact on the electrical system, leaving about 4,750 residents without electricity for more than a week. After the storm, Staff made plans to spend \$ 1,001,800 to protect the Utility System against damages that hurricanes can cause. The conventional methods to recover cost related to hurricane damages is to set up a rate increase and/or a storm surcharge.

The Staff recommends that the City Commission approves either a rate increase, or a storm Surcharge. **Options 1:** Approve a rate increase of 1 cent to pay for Hurricane Michael Damages; **Option 2:** Approve a storm surcharge on the utility bills to pay for Hurricane Michael Damages; or **Option 3:** Do not approve Option 1 or Option 2.

Commissioner Gay made a motion to to approve Option 2 and was properly seconded by Commissioner Dowdell and the motion passed with a vote of four to one.

Commissioner Harris, Gay, Dowdell, and Sapp, Yes and Commissioner McMillan, No. The ayes were unanimous.

**CITY OF QUINCY
CITY COMMISSION
AGENDA REQUEST**

Date of Meeting: November 27, 2018

Date Submitted: November 24, 2018

To: Honorable Mayor and Members of the City Commission

From: Jack L. McLean Jr., Interim City Manager
Ted Beason, Finance Director

Subject: Hurricane Michael-Damage Financing Options

STATEMENT OF ISSUE:

This agenda item is intended to seek the City Commission's direction and authorization to pursue funding to pay the cost of Hurricane Michael. On Wednesday, October 10, 2018, a category 4 hurricane, named Michael, slammed the western part of Florida and left a trail of devastation in its path. The damage to the City's electrical grid is great, which left about 4,750 residents without electricity for more than one week. The storm also caused tremendous property damage including damage to the roof of many citizens' properties and to governmental structures. The total estimated damage to the electrical system and general government is \$3,154,114. **See Attachment 1-City Commission's Workshop Documents.** One hundred ninety-three thousand, six hundred dollars (\$193,600) of this amount is for damages to the general government. The Utility System had a net loss in revenue of \$103,539, because of the short number of days of power outages.

Federal Emergency Management Agency (FEMA) is expected to reimburse the City for 75% of its cost, and the State of Florida is expected to cover the cost of the remaining 25% of cost related to the hurricane. (FEMA may reimburse the City for 90% of its cost; however, FEMA has not yet decided.) Although, the City can expect reimbursement from FEMA through the State of Florida; the date of the reimbursement is uncertain. Affected Florida utilities have not received reimbursement from Hurricane Irma, which occurred in 2017.

Background:

In the aftermath of Hurricane Michael, at least four of the City's nine circuits were significantly damaged or on the ground. Significant damage was done to the electric grid and the fiber systems supporting the electrical system. Many of the poles which were damaged during hurricane Michael exceeded the industry standard for pole-life, i.e., the poles were more than 35 years old. In our restored system, following the hurricane, the Utility System has at least 50% of its 2,500 poles that exceed 35 years of age. The damaged fiber is needed to allow the Utility System to implement the SCADA, outage management, and smart grid systems. SCADA is an acronym for Supervisory Control and Data Acquisition, a computer system for gathering and analyzing real time data. SCADA systems are used to monitor and control a plant or equipment in industries, such as telecommunications, water and waste control, and electrical distribution. Outage management systems, as with Quincy's Utility System, are also commonly integrated with SCADA systems which can automatically report the operations of monitored circuit breakers and other intelligent devices, such as SCADA reclosers.

On October 12, 2018, the City hired thirty (30) linemen to aid the Utility's restoration of the electrical power to City Hall, Public Safety, the County's EOC, County Government Offices, Supervisor of Election Office, the hospital, and residents north and south along the east/west Hwy 90 corridor. By October 15, 2018, thirty-five percent (35%) of the customers' power was restored, after Duke Energy repaired key parts of the City's system to energize the transmission line. The extent of damage, however, would have needed at least thirty (30) days to restore power to all customers. To cut that time in less than half, the City added, through the FMPA mutual aid agreements, one hundred and twenty (120) linemen. The percentage of customers' power restored on October 17, was 39%; October 18, was 62%; October 19, was 87%, October 20, was 93%, and October 21, was 98%. The linemen invoices from their cities' utilities are expected to arrive in the next 60 to 90 days. Two of those invoices are now in the City's hands for payment.

The City's multiple pre-Hurricane Michael outages and the extensive damages left in the wake of Hurricane Michael show the need for an aggressive Tree Trimming and Vegetation Management Program. The City has experienced an average of four (4) outages per week, leaving 320 to 400 without power. Squirrels play a significant role in the outages; however, falling trees and limbs are the major cause of the outages. The City has not had a robust Tree Trimming and Vegetation Management Program, because it could not compete for the most advantaged price. (The City Commission recently approved Staff's recommendation to enter into a piggyback contract with the City of Tallahassee to obtain best competitive pricing; however, the current budget of \$30,000, per year for tree trimming is not enough to properly protect the electrical grid in advance of next year's hurricane storm season.

After the storm, Staff made plans to spend \$1,001,800 to protect the Utility System against the damage that hurricanes can cause. This is called storm hardening. And, in the Utility System, includes things such as fortifying overhead wires, pole replacement, set up for six (6) added positions, aggressive tree trimming and vegetation, replacement of copper wire with aluminum wire (the copper wire in the air now is more than 50 years old), and improving networks and systems to supply access to remote controlled gear. The obvious goal was to protect against future weather-related outages. These expenditures are an investment in infrastructure. More importantly, it is a vital investment. If this spending didn't take place, the next big storm will cause just as much, if not more, damage.

The Utility System does not have a storm reserve. Since Hurricane Andrew in 1992, IOUs (investor-owned utilities) and municipal owned utilities are unable to get insurance coverage on their transmission and distribution systems. Although, the Utility is eligible for government funding to cover hurricane costs, there is no

guarantee that the federal government will fund 100% of all damages incurred by the Utility.

Because of Florida's recent history of hurricanes and the intensity of such storms and global warming, an essential element of wise and prudent utility planning is the establishment of a storm reserve – a rainy day fund – which will help with future storm recovery and is a part of the Staff's plan.

The conventional methods to recover costs related to hurricane damage is to set up a rate increase and/or a storm surcharge. Both methods are means to collect monies to pay for the financing of storm costs, storm reserves, and system hardening. The period of repayment should cover the two years to pay a short-term \$3,000,000 loan (bridge loan) from Capital City Bank or BBVA Compass Bank, and the period to pay back \$1,001,800 in Utility hardening costs.

A rate increase of 1¢ would generate \$1,250,000 a year. On average, residential customers would pay an expected \$10.96 more per month for the entire storm and hardening cost over a four-year period. The bridge financing would be retired in 2.48 years and the storm hardening cost would be paid out in 0.80 years, depending on the structure of the loans. The City could reduce the monthly charge to customers, if it were to use the \$500-\$1 million available in the Utility System Improvement and Refunding Revenue Bonds, Series 2003 and the Utility System Revenue Bonds, Series 2011, available for Renewal and Replacement Reserve, depending on consultation with bond counsel. These funds would have to be repaid, however, the City would have more flexibility in the terms of the repayment and the carrying costs.

The storm surcharge on the customers' bills is the monies collected to pay for the financing of the storm costs and storm hardening associated with Hurricane Michael. This storm recovery mechanism was suggested by Duke Energy, Orlando, Florida's largest power supplier and Florida Power & Light, and approved by the Florida Public Service Commission (PSC) in 2005, based on the PSC file records. Both Entergy Louisiana and the Louisiana Public Service Commission

approved the storm surcharge on customers' bills. Staff understands, based on a FMPA meeting, that Chattahoochee will be pursuing similar strategies.

The rate increase would be included in a sunset ordinance. Similarly, the storm surcharge could be implemented to pay storm recovery and storm hardening costs. Both methods would require an amendment to Chapter 74 of the City's Code of Ordinances. Any amendment to the code will require that the customer be credited, if the cost of the storm recovery and storm hardening is less than expected.

The Utility will set up a storm reserve that will be funded by federal and state reimbursements, which is expected to be \$2.7 million, and not through the rate increase or the storm surcharge.

Conclusion and Recommendation:

Staff recommends that the City Commission approves, either a rate increase, or a storm surcharge, based on the analysis above to recover Hurricane Michael's damages and storm hardening costs. The recommended plan will carry out the following:

- Timely payments to the utilities of the 12 cities supplying linemen to restore the electric grid and power to the City's 4750 customers;
- Supplies funding to harden the electrical grid to better withstand and reduce future damages from severe storm and hurricanes as described above;
- Supplies funding for a storm reserve; and
- Improve the resilience and reliability of the Utility's operations.

OPTIONS:

Option 1: Approve:

- a rate increase of 1¢ to pay for Hurricane Michael's damages and storm hardening;
- introduction of an ordinance to implement the rate increase and provide for customer credits, if the hurricane's cost and storm hardening are less than expected;

- direction to Staff to secure a bridge loan from private financial institutions;
- the draw-down from Series 2003 and 2011 Bond Renewal and Replacement Reserves with a repayment plan, if available to fund a part of the damages; and
- establishment of a storm reserve in the Utility system.

Option 2: Approve:

- a storm surcharge on the utility bills to pay for Hurricane Michael's damages and storm hardening;
- introduction of an ordinance to implement the storm surcharge and provide for customer credits, if the hurricane's cost and storm hardening are less than expected;
- direction to Staff to secure a bridge loan from private financial institutions;
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- establishment of a storm reserve in the Utility system.

Option 3: Do not approve option 1 or option 2.

STAFF RECOMMENDATION:

Option 2.

ATTACHMENT:

Attachment 1, City Commission's Workshop Documents.

**CITY OF QUINCY
CITY COMMISSION
AGENDA REQUEST**

Date of Meeting: November 27, 2018

Date Submitted: November 24, 2018

To: Honorable Mayor and Members of the City Commission

From: Jack L. McLean Jr., Interim City Manager
Ted Beason, Finance Director

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- the draw-down from Series 2003 and 2011 Bond Renewal and Replacement Reserves with a repayment plan, if available to fund a part of the damages; and
- establishment of a storm reserve in the Utility system.

Option 2: Approve:

- a storm surcharge on the utility bills to pay for Hurricane Michael's damages and storm hardening;
- introduction of an ordinance to implement the storm surcharge and provide for customer credits, if the hurricane's cost and storm hardening are less than expected;
- direction to Staff to secure a bridge loan from private financial institutions;
- the draw-down from Series 2003 and 2011 Bond Renewal and Replacement Reserves with a repayment plan, if available to fund a part of the damages; and
- establishment of a storm reserve in the Utility system.

Option 3: Do not approve option 1 or option 2.

STAFF RECOMMENDATION:

Option 2.

ATTACHMENT:

Attachment 1, City Commission's Workshop Documents.

**Letter from City Manager
to Utility Customers
on Hurricane Michael Surcharge**

February 1, 2019

Dear Customer:

As you know, Hurricane Michael hit the Florida Panhandle on October 10, 2018 and the City of Quincy Electric Utility experienced significant damage. Over 80 utility poles were broken or snapped and electric lines were downed. Our "sister" municipal electric utilities from Florida and Alabama sent linemen and trucks to help us repair our electric system. We are grateful to these sister utilities: Albertville, Andalusia, Athens, Bartow, Lakeland, Jacksonville Energy Agency, Jacksonville Beaches, Russellville, Troy, Tuskegee and Wauchula. Without their help, our power outage would have been weeks rather than just 9 days.

A lot of our sister utilities could have billed the City of Quincy a lot more for their services. However, even with their kindness, the City of Quincy will pay \$2 million to our sister utilities.

In addition, we want to make the electric system capable of withstanding strong winds without causing as much damage. We will be trimming trees away from power lines and replacing older utility poles and lines.

In order to pay our sister utilities and make our utility system stronger, the City will need to spend \$4 million. To pay for this, the City has enacted a "Michael Recovery Fee", .008 (8 tenths of one cent) per kilowatt hour. For the average residential customer, the electric utility bill will increase less than \$9.00 a month.

If you would like our staff to calculate how much this charge will be for you, please call (850) 618-0017. This charge will last for 4 years and will end in February 2023. Upon completion of these improvements, our electric utility will be better able to withstand hurricane force winds.

We will make it through this recovery period together and have stronger electric utility.

Sincerely,

Jack L. McLean Jr.
Interim City Manager