CITY COUNCIL MINUTES



Workshop Meeting 3-09-92

City Council Chambers 735 Eighth Street South Naples, Florida 33940

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	DISCUSSION OF STORAGE OF SAILBOATS AND OTHER SMALL BOATS ON THE BEACH	7
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City Council Chambers 735 Eighth Street South Naples, Florida 33940



CITY COUNCIL MINUTES
Workshop

Time_ 9:00 a.m.

Date__3-09-92

Mayor Muenz	zer called the meeting to	order and preside	đ.					=_
ROLL CALI		and preside		M	S	VO	TE	A
	Paul M. Muenzer, Mayor			OT	E C			B S
	Fred L. Sullivan, Vice M	ayor	COUNCIL	0	O N D	Y E S	1000	E N T
	R. Joseph Herms Alan R. Korest Ronald M. Pennington Peter H. Van Arsdale Council Members		PIEPIDERS	IN	D	2		Т
Absent:	Kim Anderson Council Member							
Also Pres	Dr. Richard L. Woodruff, Larry Barnet, Utilities Bill Harrison, Finance D Al Lane, Public Works An Dan E. Mercer, Utilities David A. Graff, Utility Silas Crane, Treatment P Al Monteleone, Distributi Ray Amos, Treatment Plan Michael Whitcavage, Wast Tradesworker George Henderson, Sergea Marilyn McCord, Deputy C	Director irector alyst Manager Maint. Supt. lant Operator on/Coll. Supt. t Super. ewater Coll. nt-At-Arms lerk						
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for the	rd Shanahan was interview vacancy on the East Naple istrict Advisory Board.							
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CITY OF NAPLES, FLORIDA City Council Minutes Date 3-09-92	COUNCIL MEMBERS	MOTHON	Y E S	E N O	A B S E N T
The following were interviewed by Council for the vacancy on the Beach Renourishment/Maintenance Committee: John E. Ayres Fern Aitchison Kenneth Lee Abernathy Not present for the interview but interested in serving on the Committee: David L. McElrath, Esq. It was the consensus of Council that Mr. Howard Shanahan would be nominated to fill the vacancy on the East Naples Bay Taxing District Advisory Board. It was the consensus of Council that Mr. Kenneth Lee Abernathy would be nominated to fill the vacancy on the Beach Renourishment/Maintenance Committee. Several of the Council Members brought attention to the fact that it would be advantageous to have someone on that Committee who resides at the north end of the beach. In addition, Mr. Abernathy is involved with his condominium association and can bring that input to the Committee. Discussion ensued with respect to the makeup of the Committee and Mayor Muenzer noted that Council had agreed it was important to have political representation on the Committee. It was the consensus of Council that the composition of the Beach Renourishment/Maintenance Committee will remain as it currently is. BREAK: 10:40 a.m 10:50 a.m.					
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PRESENTATION OF UTILITY WASTEWATER, RECLAIMED WATER AND SOLID WASTE RATE STUDY BY HARTMAN & ASSOCIATES, INC.					

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CITY OF NAPLES, FLORIDA City Council Minutes Date 3-09-92	COUNCIL MEMBERS	M O T I O N	SECOZD	E NO	A B S
City Manager Woodruff presented each Council Member with a copy of the Utilities Rate & Charge Study prepared by Hartman & Associates, Inc. Dr. Woodruff thanked Council Member Korest for the time he had spent on the study process. He told Council that staff hoped to finalize the process of refinancing the City's present debt and that it was important to move forward as soon as possible. Utilities Manager Dan Mercer introduced members of staff who had assisted with the Study: Public Works Analyst Al Lane, Utilities Maintenance Superintendent David Graff, Treatment Plant Operator Silas Crane, Water Distribution/Collection Superintendent Ray Amos and Wastewater Collection Tradesworker Michael Whitcavage. Representatives from Hartman & Associates present were introduced: Gerald C. Hartman, P.E., Robert J. Ori, Manager of Rates & Finance and Richard Copeland, M.B.A. Mr. Hartman said that last year's rate increase simply met bond covenants. The proposed increase would also fund the cash needs of the system for this year and next. Mr. Hartman pointed out that the City's loss of Pelican Bay resulted in a 5% impact on the system. In addition, Mr. Hartman emphasized that while growth has dropped off, regulations have become more stringent. Discussion followed on the topic of Federal and State sludge-handling rules, which will become more restrictive and more expensive. Mr. Hartman will supply Council with copies of the briefing document which outlines the proposed sludge rules. The proposed rates include only revenues needed for testing sludge. Quantification of capital needs is required in order to place a rate on such needs. Mr. Hartman then proceeded to review the Rate & Charge Study, including: System Overview, Historical Results, Revenue Requirements, Rate Adjustments, Rate Comparisons and Bond Covenant Requirements. He explained that for the past					

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	COUNCIL MEMBERS	I O N	O N D	Y E S	N O
several years, the system had operated with deferred maintenance because of lack of funding.					
Utilities Manager Dan Mercer distributed copies of a memorandum in which he outlined the condition of the Utility's Department facilities and infrastructure. Mr. Mercer noted that the data presented was only informative and he recommended an in-depth engineering study.					
Mr. Mercer displayed a map of the City's water and sewer service areas and their ages. He noted that although the greatest percentage of the City's system consisted of cement asbestos pipe, studies by various water institutes have not shown any type of health hazard.					
Capital needs were discussed and Mr. Mercer described maintenance requirements. Dr. Woodruff stressed that no one had been slack in their work assignments. Regardless of how well the system has been cared for, there are continuing maintenance items that get more and more expensive. To keep the City's system from becoming a major replacement item, it is vital to practice proper maintenance, he added.					
The City Manager noted that the City's water and sewer system was a "massive utility system" including 263 miles of water line and approximately 200 miles of sewer line. The proposed rate increases would make it possible to begin a much-needed preventive maintenance program.					
LUNCH RECESS: 12:30 p.m 1:40 p.m.					
NOTE: Council Member Herms returned to the meeting at 1:45 p.m.					
Mr. Hartman described the proposed rate increases in detail. He explained that under the new rates, the capacity charge and billing charge would be combined into a base bill. Customers would be charged the base bill plus whatever usage exists at the rate of \$.75 per 1,000					
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CITY OF NAPLES, FLORIDA City Council Minutes Date 3-09-92	COUNCIL MEMBERS	M O T I O N	SECOND		E N O	A B S
gallons. He pointed out that the South West Florida Water Management District will require a total water conservation plan. Part of that plan is a conservation rate, for the purpose of encouraging water conservation. When asked how the proposed rates would compare to the old, Mr. Hartman said that it would cost approximately \$4.56 more, six times a year, for water service. He emphasized that the City was currently losing "big money" on the minimum users within the system. Council discussed the matter of installing irrigation caps. Finance Director Harrison said that staff was encouraging commercial accounts to do so. Mr. Hartman informed Council that the City's bond covenants mandate "no free service" yet in his opinion the present billing system allows just that. He said that the new rates would more equitably spread the cost to all customers, although it would represent a higher increase for the lower user. NOTE: Mayor Muenzer left the meeting at 2:35 p.m. Discussion ensued with respect to proposed improvements and their costs. It was noted that renewal and replacement had never been figured into the budget. City Manager Woodruff told Council that staff would prefer to have cash with no debt obligation every year, rather than to incur any additional debt. Then, should a catastrophic event occur, the City would have the flexibility to get funding. Council Member Herms expressed the desire to know exactly what the new rates would be. Staff will provide Council with 1-2 dozen actual bills, from the largest type use to a minimum bill. Staff will also prepare documentation so that Council can review its options with regard to increased rates. Examples of the County's water and sewer						

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CITY OF NAPLES, FLORIDA City Council Minutes Date 3-09-92	COUNCIL MEMBERS	M O T I O N	S E C O	E	A B S E N N O T
rates will also be provided. Mr. Hartman assured Council that his firm would also provide additional information with regard to what the existing system does, what is proposed, what and how the rates will generate and provide examples of impacts on specific bills. He added that Hartman & Associates could give another presentation to Council at its Workshop Meeting on March 16th. The issue of unbilled water versus the amount of water produced was discussed. It was noted that the amount of water not billed had been substantially reduced. Council Member Herms requested the water plant production numbers. He also asked for a copy of the water and sewer section of the City's most recent financial report. Mr. Herms commented, "I need more information showing me exactly where we're going to be spending the money so that I can justify this increase." Council and staff next discussed bond covenants and funding of C.I.P. projects and the fact that the City's Master Plan must also be considered. City Manager Woodruff asked Council to direct any other questions they might have about the rates to Finance Director Harrison. He reminded Council of the importance of making its decisions about the rates soon. Realistically, said Dr. Woodruff, this matter should be finalized within the next two weeks. The proposed rates will be further discussed at the March 16th Council Workshop and if necessary a Special Meeting will be scheduled to consider first reading of the related ordinance. Staff was thanked for the work put into this project. Mr. Hartman told Council that staff had saved the City considerable money by doing work which would otherwise have had to be done by a consultant.					

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ITEM 3						-
DISCUSSION OF STORAGE OF SAILBOATS AND OTHER SMALL BOATS ON THE BEACH.						
This item will be rescheduled for discussion at a future date.						

ADJOURN: 4:30 p.m.						
PAUL W. MUENZER, MAYOR JANET CASON CITY CLERK						
Marilyn McCord Deputy Clerk						
These minutes of the Naples City Council were approved on		,				
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SUPPLEMENTAL ATTENDANCE LIST

March 9, 1992 - City Council Workshop

Charles Andrews Tom O'Riley Richard Copeland Gerald C. Hartman Werner W. Haardt Lyle Richardson Robert J. Ori

Other interested citizens and visitors.

NEWS MEDIA

Eric Staats, Naples Daily News Traci Griffith, WNOG Radio Evan Bacon, WNPL-TV