



CITY OF JACKSONVILLE BEACH

FLORIDA

MEMORANDUM TO:

The Honorable Mayor and
Members of the City Council
City of Jacksonville Beach, Florida

Council Members:

The following Agenda of Business has been prepared for consideration and action at the Regular Meeting of the City Council on **Monday, February 18, 2013, at 7:00 P.M. in the Council Chambers, 11 North Third Street, Jacksonville Beach, Florida.**

**Opening Ceremonies: Invocation
 Salute to the Flag**

Roll Call

1. **APPROVAL OF MINUTES:**

- Council Briefing held February 4, 2013
- Regular City Council Meeting held February 4, 2013

2. **ANNOUNCEMENTS:**

3. **COURTESY OF THE FLOOR TO VISITORS:**

4. **MAYOR AND CITY COUNCIL:**

5. **CITY CLERK:**

6. **CITY MANAGER:**

- (a) Monthly Financial Reports – Month of January 2013
- (b) Acceptance of the Independent Auditor’s Report on the General Purpose Financial Statements of the City of Jacksonville Beach for the Fiscal Year Ending September 30, 2012.
- (c) Approve the Purchase of a Trailer to Transport Multiple Kayaks and Paddle Boards for use by the Ocean Rescue Competition Team.

Memorandum, Mayor and City Council
City Council Agenda for February 18, 2013

- (d) Award Bid Number 1213-02 for Distribution Transformers.
- (e) Award Bid 1213-05 for SF6 145kV, 40kA Transmission Gas Circuit Breakers.
- (f) Award Bid No. 1213-06 – Electric Supplies – 12 Months Requirements.
- (g) Award Bid Number 1213-04, “12th Avenue South (Central) Stormwater Basin Erosion Control Improvements Project,” to *G & H Underground Construction, Inc.*, the Lowest, Qualified Bidder.

7. **RESOLUTIONS:**

(a) **RESOLUTION NO. 1911-2013**

A RESOLUTION REVISING ELECTRIC RATES FOR BEACHES ENERGY SERVICES BY ESTABLISHING A RATE STABILIZATION ACCOUNT.

8. **ORDINANCES:**

(a) **ORDINANCE NO. 2013-8024 – First Reading**

AN ORDINANCE AMENDING CHAPTER 32, UTILITIES, OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, FLORIDA; PROVIDING THE METHOD OF CALCULATING THE MAXIMUM ANNUAL CONTRIBUTION MADE BY THE ELECTRIC UTILITY FUND TO THE GENERAL FUND TO BE INCLUDED IN THE CITY’S ANNUAL OPERATING BUDGET; PROVIDING FOR REPEAL OF ALL CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

Respectfully submitted,

/s/George D. Forbes
CITY MANAGER

GDF:sdg
02/11/13

If a person decides to appeal any decision made by the City Council with respect to any matter considered at any meeting, such person may need a record of the proceedings and, for such purpose, such person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

The public is encouraged to speak on issues on this Agenda that concern them. Anyone who wishes to speak should submit the request to the City Clerk prior to the beginning of the meeting. These forms are available at the entrance of the City Council Chambers for your convenience.

In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the City Clerk’s Office at (904) 247-6299, ext 10, no later than 12:00 PM, Friday, February 15, 2013.

Minutes of City Council Briefing
Monday, February 4, 2013 – 6:30 PM
City Council Chambers
11 North 3rd Street, Jacksonville Beach, FL

The Council Briefing began at 6:30 p.m.

The following City Council Members attended:

Mayor Charlie Latham

Keith Doherty
Steve Hartkemeyer
Chris Hoffman
Tom Taylor
Phil Vogelsang
Jeanell Wilson

Also present were City Manager George Forbes, Assistant City Clerk Nancy Pyatte, and City Department Directors.

Purpose of Briefing

The purpose of the Briefing is to update the Councilmembers on projects, recent developments, upcoming issues, and review of agenda items.

February Meetings

Mr. Forbes distributed a February calendar of events to the Mayor and Council members present, and reviewed as follows:

February 6 at 3 PM, new Council Orientation – City Hall and Fire Department
February 6 at 6:30 PM, 26.2 with Donna National Marathon Public Hearing by Police Department
February 11 at 3 PM, Interviews of 6 candidates for City Boards
February 13 at 6:30 PM, Council Workshop - Parking
February 18 at 6 PM, Council Briefing with Auditors

Proposed Developments

Steve Lindorff, Planning and Development Director, addressed the Mayor and Council concerning the recently updated Florida Building Code and the requirement for all Florida cities to now revise their flood hazard regulations to be consistent with the new building code. Mr. Lindorff stated that staff is now working on an ordinance to repeal the current flood hazard provisions in the City's Land Development Code (LDC) and replace them with 'model' language provided by the State. It will go before the Planning Commission on February 25, 2013, then to Council for approval in March.

Mr. Lindorff gave a power point presentation (print out attached for record) of new proposed developments. The proposed Richmond American Homes project will be for 59 residential lots. The main entrance to the project will be on South Beach Parkway. The traffic light signal will be relocated (in near future) from its location at South Beach Pkwy. and Sanctuary Pkwy. Also, there will be right turns in and out on the JTB North frontage road. Their PUD application was scheduled for the February 5, 2013 Board

Minutes of City Council Briefing
held on Monday, February 4, 2013 – 6:30 p.m.

of Adjustment meeting but will be postponed until the March 5, 2013 meeting. Staff just discovered an error in the notifications and it needs to be corrected and re-advertised.

Mr. Lindorff also advised of plans received proposing to rezone and develop the 4.4 acre 'George Moore' property on Beach Blvd. This will be for a five building, 176 unit rental apartment project, with a parking structure, surface parking, and a club house.

The City Manager presented a handout announcing the City's new Business Relations Coordinator, Rik Amato. Mr. Forbes stated there will be an 11 question survey mailed out to businesses and it will also be available on the City website. The goal is to improve and continue good business relations in our community. Mayor Latham commended Mr. Forbes and his staff for putting this project together.

The meeting adjourned at 6:54 PM.

Submitted by: Nancy J. Pyatte
Assistant City Clerk

Approved:

William C. Latham, Mayor

Date: February 18, 2013

**Minutes of Regular City Council Meeting
held Monday, February 4, 2013, at 7:00 P.M.
in the Council Chambers, 11 North 3rd Street,
Jacksonville Beach, Florida.**



CALL TO ORDER:

Mayor Charlie Latham called the meeting to order.

OPENING CEREMONIES:

Invocation was by Council Member Vogelsang, followed by the Salute to the Flag.

ROLL CALL:

Mayor:	Charlie Latham		
Council Members:	Keith Doherty	Steve Hartkemeyer	Christine Hoffman
	Tom Taylor	Phil Vogelsang	Jeanell Wilson

Also present was City Manager George Forbes and Judy L. Bullock, City Clerk.

APPROVAL OF MINUTES

It was moved by Mr. Taylor, seconded by Mr. Hartkemeyer, and passed, to approve the following minutes, as presented:

- Council Briefing held December 17, 2012
- City Council Workshop held January 16, 2013
- Council Briefing held January 22, 2013
- Regular Council Meeting held January 22, 2013

ANNOUNCEMENTS

Councilmember Chris Hoffman

- She extended her appreciation to everyone who assisted in the fundraising for BEAM.

Councilmember Tom Taylor

- He announced that the Exchange Club fundraiser will be held on February 9, 2013, at 6:30 p.m. at the Casa Marina restaurant and encouraged everyone to attend.

City Manager George Forbes

- The City Manager advised that he had overlooked two items during the Briefing. He stated that he is working with Sam Veal on a 4th of July Event. Plans are to bring the specifics back to the Council in approximately 30 days.
- Mr. Forbes told Councilmembers that there is a screen up at the pavilion which will show a small part of a movie to enable sound checks and compatibility of the screen size. He added that Recreation and Parks Director Gary Meadors had worked on the movie nights and found the

Minutes of Regular City Council Meeting
held Monday, February 4, 2013

screen being tested will cost less and allow the City to sponsor two movies this year instead of one. Mr. Forbes encouraged Councilmembers to look at the screen, following the meeting.

Mayor Charlie Latham

- He advised, on January 31, 2013 that he and Mr. Forbes had met with the Mayors and City Managers of Neptune and Atlantic Beach, Senator Aaron Bean and Representative Janet Adkins. Senator Bean and Representative Atkins are in full support of pension reform and long-term solutions to save the Ferry.
- He announced that he had the pleasure of being the official “Starter” for the *Chariots of Fur* run at the beach. Mayor Latham explained that the run was to benefit the local nonprofit St. Francis Animal Hospital who provides veterinary care, regardless of the owner’s ability to pay.
- Mayor Latham also announced that he had the pleasure of attending the Grand Opening Celebration of the *Shobukan Martial Arts Center*; and he will be attending the Grand Opening of the *Homeparts* store on February 11, 2013.
- He advised that he also attended the “Four Chaplains Memorial Service” at American Legion Post 129. Mayor Latham encouraged the public to attend this annual service, as it is in the memory of our fallen soldiers.
- Mayor Latham reminded everyone that the “Parking Workshop” (commercial parking) would be held at 6:30 p.m., Wednesday, February 13, 2013.
- He also announced that Christmas planning will probably begin in March, to allow time to gather volunteers and sponsors to assist. Mayor Latham advised that the Council is remaining true to their commitment to “Building Community” and bring family-oriented events to Jacksonville Beach.
- Mayor Latham commended Public Works Director Ty Edwards on his efforts to update the City’s website on upcoming projects and construction updates. Mayor Latham advised that residents can access this information at www.jacksonvillebeach.org, then, click on the heading “Construction Projects/Road Closures”.

COURTESY OF THE FLOOR TO VISITORS

Speakers:

- Robert Tilka, 3584 Trident Court, Jacksonville Beach
Mr. Tilka spoke in opposition to paid parking.
- Ken Marsh, 2027 Gail Avenue, Jacksonville Beach
Mr. Marsh spoke in opposition to paid parking and advised that there is a Mardi Gras event on Saturday, February 9, 2013, that has events that targets alcohol consumption.
- Tony Hall, (downtown business owner) 221 North 1st Street, Jacksonville Beach
Mr. Hall spoke in opposition of paid parking.

Minutes of Regular City Council Meeting
held Monday, February 4, 2013

- Bill Stevens, 733 North 2nd Avenue, Jacksonville Beach
Mr. Stevens spoke in opposition of paid parking.
- Vince McGuire, 127 North 1st Avenue, Jacksonville Beach
Mr. McGuire spoke in opposition to paid parking.

Mayor Latham advised the speakers that any decision on parking has been postponed until the Parking Workshop scheduled on February 13, 2013, is held.

MAYOR AND CITY COUNCIL

(a) Update on the 26.2 With Donna National Marathon

Interim Police Chief Pat Dooley and Donna Deegan provided an overview of the route and assured Council that plans are in place to ensure that residents are provided with ingress/egress to their homes during the run. He added that there will be no amplified music along the route with the exception of the downtown area (1st Street between 1st Avenue South to 6th Avenue South).

Ms. Deegan added that each home along the marathon route is visited and provided with information about the run. She added that approximately 10,000 runners are registered to participate. Ms. Deegan responded to a question about getting the runners from the end of the route, Mayo Clinic, back to TPC where their vehicles are parked. She explained that the runners will be shuttled back to the TPC area.

CITY CLERK

(a) Appointment of Two Alternate Members to the Board of Adjustment

Motion #1: It was moved by Mr. Taylor, seconded by Mr. Hartkemeyer, to reappoint Sylvia Osewalt to the Board of Adjustment, as First Alternate Member for a two-year term, expiring on January 31, 2015.

Ms. Wilson inquired about other applicants and City Clerk Judy Bullock explained that she currently has only one applicant that is greatly interested in serving on the Board of Adjustment, but he has not been through the interview process. She added that, until recently there were only two applicants on file.

Mr. Forbes clarified that "Alternate Members" attend the meetings, however they do not vote on a motion unless the regular member(s) are absent. He also advised six applicants are scheduled for interviews on the afternoon of Monday, February 11, 2013.

Roll call vote: Ayes – Doherty, Hartkemeyer, Hoffman, Taylor, Vogelsang, Wilson, and Mayor Latham; motion carried unanimously.

Minutes of Regular City Council Meeting
held Monday, February 4, 2013

Motion #2: It was moved by Mr. Taylor, seconded by Mr. Hartkemeyer, to reappoint Michael Gallimore to the Board of Adjustment as Second Alternate Member for a two-year term, expiring on January 31, 2015.

Roll call vote: Ayes – Hartkemeyer, Hoffman, Taylor, Vogelsang, Wilson, Doherty, and Mayor Latham; motion carried unanimously.

CITY MANAGER

- (a) Approve a Draw from the Federal Equitable Sharing Fund to Pay for the Police Department's Portion of the Fallen Police Officer Monument, to be placed in Front of the Police Department.

Motion: It was moved by Mr. Taylor, seconded by Mr. Hartkemeyer, to approve a draw in the amount of \$5,593.36, from the Federal Equitable Sharing Fund as described in the January 25, 2013, memo from the Interim Chief of Police entitled "Draw for purchase of Fallen Police Officer Monument from Federal Equitable Sharing Fund."

Mr. Forbes explained that the memorial is for fallen officers and Jacksonville Beach has only lost one officer in the line of duty, Town Marshal Charles B. Jones, June 27, 1927. Only names of officers killed in the line of duty will have their name added to the memorial.

Roll call vote: Ayes – Hoffman, Taylor, Vogelsang, Wilson, Doherty, Hartkemeyer, and Mayor Latham; motion carried unanimously.

- (b) Allocate \$14,500 for the Emergency Repair of the Fire-Pump on Reserve Engine-25.

Motion: It was moved by Mr. Taylor, seconded by Mr. Hartkemeyer, to approve \$14,500 for the emergency repair of the fire-pump on Engine-25, as described in a memo from Fire Chief Gary Frazier, dated January 24, 2013.

Mr. Forbes explained that the repairs needed on the fire engine were of an emergency nature and he authorized expenditure of the funds for the repairs. At this time, he needs the Council to approve the expenditure of funds, instead of approval to repair the pump.

Fire Chief Gary Frazier advised that this is a Reserve Engine – 25 and is a 1993 model. The pumper is used to supplement the front line equipment. Recently, on a regular pump test this unit failed, which is used anytime water is needed to supply hose-lines. The unit was taken to Sanford, Florida to the company *Ten-8 Fire Equipment* for repair. For safety conditions, this truck is essential as a backup.

Following a brief discussion among the Councilmembers, a roll call vote was requested.

Roll call vote: Ayes – Taylor, Vogelsang, Wilson, Doherty, Hartkemeyer, Hoffman, and Mayor Latham; motion carried unanimously.

Minutes of Regular City Council Meeting
held Monday, February 4, 2013

(c) Approve Cemetery Improvements at H. Warren Smith Cemetery.

Motion: It was moved by Mr. Taylor, seconded by Mr. Hartkemeyer, to approve the improvements to the H. Warren Smith Cemetery, as described in the memorandum from the Recreation & Parks Director, dated January 22, 2013.

Mr. Forbes reviewed the improvements for the H. Warren Smith Cemetery. The enhancements will include an entrance archway on Penman Road, fencing, irrigation and landscaping.

He also explained that the funds for the proposed improvements will come from the Cemetery Capital Improvement Account, which is funded by transferring 63% of the sales of cemetery lots into this account.

A discussion ensued about recent improvements, cremorial niches, a rose garden for scattering ashes, the future of the funding for improvements and the perpetual care requirement.

Ms. Wilson advised that she would like the City to set-up and fund an account to care for the cemeteries.

Roll call vote: Ayes – Vogelsang, Wilson, Doherty, Hartkemeyer, Hoffman, Taylor, and Mayor Latham; motion carried unanimously.

(d) Authorize Preparation of:

- The Application for Renewal of the City's 5-year Wastewater Treatment Facility (WWTF) National Pollutant Discharge Elimination System (NPDES) Permit with *Jones Edmonds*, and
- A Concurrent Copper and Cyanide Mixing Zone Assessment Study with *CDM Smith*, Along with Necessary River Sampling by *JEA* to Support the Assessment

Motion: It was moved by Mr. Taylor, seconded by Mr. Hartkemeyer, to authorize the work for the Wastewater Permit Renewal Application, the Mixing Zone Assessment Study for Copper and Cyanide, and the associated River Sampling as explained in the memorandum from the Public Works Director, dated January 25, 2013.

Mr. Forbes reviewed the percentages of copper and cyanide permitted in wastewater, which are much lower than the requirements for drinking water. He advised that wastewater is a heavily permitted area and the City must meet the requirements or pay extensive fines.

Mr. Forbes responded to a question from council regarding the percentage Jacksonville Beach pays, compared to Neptune and Atlantic Beach. He advised that Jacksonville Beach pays 41% due to the volume of wastewater.

Roll call vote: Ayes – Wilson, Doherty, Hartkemeyer, Hoffman, Taylor, Vogelsang, and Mayor Latham; motion carried unanimously.

Minutes of Regular City Council Meeting
held Monday, February 4, 2013

(e) Award Bid Number 1213-03 "Installation of Underground Electric Infrastructure"

Motion: It was moved by Mr. Taylor, seconded by Mr. Hartkemeyer, to award Bid Number 1213-03 "Installation of Underground Infrastructure" to Heart Utilities of Jacksonville, Inc., for a period of one year with the City Manager having the authority to renew the bid for two additional one-year periods. In the event the first qualified low bidder cannot meet contract stipulations, the next qualified low bidder will be used.

Mr. Forbes explained that the City uses private contractors to assist in large projects. He added that Beaches Energy was basically rebuilt and is now one of the best and most reliable electric systems in the state.

Roll call vote: Ayes – Doherty, Hartkemeyer, Hoffman, Taylor, Vogelsang, Wilson, and Mayor Latham; motion carried unanimously.

Mayor Latham Comments

Mayor Latham advised that the Council is proactively looking at the parking issue and the Mardi Gras concerns of Mr. Marsh. He stated that the Council is there for the residents.

ADJOURNMENT

There being no further business coming before the Council, Mayor Latham adjourned the meeting at 8:20 p.m.

Submitted by: Judy L. Bullock
City Clerk

Approval:

William C. Latham, Mayor

Date: February 18, 2013

City of

Jacksonville Beach

City Hall

11 North Third Street

Jacksonville Beach

FL 32250

Phone: 904.247 6274

Fax: 904.270 1 642

www.jacksonvillebeach.org

February 4, 2013

MEMORANDUM

TO: George D. Forbes
City Manager

From: Harry E. Royal
Finance Officer

RE: Audit Report for the Fiscal Year Ending September 30, 2012

ACTION REQUESTED:

Acceptance of the independent auditor's report on the general purpose financial statements of the City of Jacksonville Beach for the fiscal year ending September 30, 2012.

BACKGROUND:

A copy of the City's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2012 has been provided for your review. We have scheduled a workshop for 6:00 P.M. on February 18, 2013 to discuss the report with the City Council. We again received an unqualified audit opinion on our annual financial report. In addition, the auditors have found no major deficiencies in internal controls or any compliance violations of any laws or regulations. If you or the Mayor and Council Members have any questions for me prior to the workshop, please give me a call at 247-6274.

We will submit this report to the Government Finance Officers Association for the Certificate of Achievement Award for Financial Reporting. Last year we were one of only 1,852 cities (36,010 cities in the United States) that received this award nationwide.

RECOMMENDATION:

Accept the Comprehensive Annual Financial Report for fiscal year ending September 30, 2012.



City of
Jacksonville Beach
2508 South Beach
Parkway
Jacksonville Beach
FL 32250
Phone: 904.247.6236
Fax: 904.247.6143

www.jacksonvillebeach.org

TO: George D. Forbes
City Manager

FROM: Gary Meadors
Recreation & Parks Director

DATE: February 6, 2013

SUBJECT: Request to purchase a trailer for the Ocean Rescue Competition Team from donation monies

ACTION REQUESTED:

Approve the purchase of a trailer to transport multiple kayaks and paddle boards for use by the Ocean Rescue Competition Team.

BACKGROUND:

The City of Jacksonville Beach in association with the American Red Cross manages and operates the Ocean Rescue Division. A key reason for the success of the Rescue Division is the daily training and physical fitness regimens required of all lifeguards.

One method to gauge the level of readiness and training for a rescue is to participate in competitions against other lifesaving teams such as Daytona Beach, Myrtle Beach, and Ft. Lauderdale. In order to participate in the competitions the team must travel and transport equipment to these sites. Some of the equipment includes paddle boards and kayaks. The Ocean Rescue Competition Team members have raised funds on their personal time to assist with their travel costs and equipment costs. The competition team currently has a positive balance of \$ 3,613.00. The cost of the trailer is \$1,758.90. If this purchase is approved it will be included in the mid-year budget mod.

RECOMMENDATION:

Approve the purchase of a kayak / paddle board trailer for the Ocean Rescue Competition Team as described in a memorandum from the Recreation & Parks Director dated February 6, 2013.





BEACHES ENERGY
SERVICES

MEMORANDUM

TO: George D. Forbes
City Manager

FROM: Roy Trotter *RT*
Beaches Energy Services Director

DATE: February 8, 2013

RE: Bid for Distribution Transformers

ACTION REQUESTED:

Award Bid Number 1213-02 for Distribution Transformers.

BACKGROUND:

The City of Jacksonville Beach solicited bids from 104 vendors. On December 5, 2012, six bids were received for Bid Number 1213-02. This bid covers the purchase of 28 different sizes of padmounted and overhead electric transformers. These items are stocked in the Storeroom for Beaches Energy Services.

The bid establishes a unit price for each size/type transformer for the period of one (1) year, along with a price adjustment for transformer construction materials tied to published indices. The unit prices quoted have an option to renew for two additional one-year extensions, upon approval of the City Manager. The bids were evaluated on the conformance to Beaches Energy Services' specifications. All units must meet the minimum efficiency standards established by the U.S. Department of Energy manufactured after January 1, 2010. Central Maloney is the only bidder that met specifications (see attached Notes and Exceptions for Bid #1213-03) and recommended for award of all transformers.

Conventional Overhead Distribution Transformers 1-Phase 25kV Class

Bid Item	Vendor	kVA	Estimated Quantity	\$ Unit Price	\$ Total
1	Central Moloney	15	1	1,015.00	1,015.00
2	Central Moloney	25	10	1,252.00	12,520.00
3	Central Moloney	25	1	1,274.00	1,274.00
4	Central Moloney	50	10	1,617.00	16,170.00
5	Central Moloney	50	1	1,815.00	1,815.00
6	Central Moloney	75	10	2,062.00	20,620.00

Conventional Overhead Distribution Transformers 1-Phase 25kV Class continued

Bid Item	Vendor	kVA	Estimated Quantity	\$ Unit Price	\$ Total
7	Central Moloney	100	3	2,678.00	8,034.00
8	Central Moloney	100	1	2,730.00	2,730.00
9	Central Moloney	167	1	4,107.00	4,107.00
10	Central Moloney	167	1	4,043.00	4,043.00
11	Central Moloney	250	1	5,422.00	5,422.00

Single Phase Padmounted Transformers 25kV Class

Bid Item	Vendor	kVA	Estimated Quantity	\$ Unit Price	\$ Total
12	Central Moloney	25	5	1,984.00	9,920.00
13	Central Moloney	25	1	2,052.00	2,052.00
14	Central Moloney	75	30	2,878.00	86,340.00
15	Central Moloney	100	30	2,951.00	88,530.00
16	Central Moloney	167	15	4,202.00	63,030.00
17	Central Moloney	250	3	6,390.00	19,170.00

Three Phase Padmounted Transformers 25kV Class

Bid Item	Vendor	kVA	Estimated Quantity	\$ Unit Price	\$ Total
18	Central Moloney	150	2	10,696.00	21,392.00
19	Central Moloney	150	4	9,235.00	36,940.00
20	Central Moloney	300	4	11,683.00	46,732.00
21	Central Moloney	300	2	12,210.00	24,420.00
22	Central Moloney	500	4	15,931.00	63,724.00
23	Central Moloney	500	1	16,073.00	16,073.00
24	Central Moloney	750	2	26,376.00	52,752.00
25	Central Moloney	750	2	24,432.00	48,864.00
26	Central Moloney	1000	2	30,833.00	61,666.00
27	Central Moloney	1000	1	26,715.00	26,715.00
28	Central Moloney	1500	1	34,248.00	34,248.00

Funds are available in Beaches Energy Services Capital Improvements Account.

RECOMMENDATION:

Award Bid Number 1213-02 to Central Moloney as outlined in a memo from Roy Trotter dated February 8, 2013, and titled "Bid for Distribution Transformers" for a period of one year, with an option to renew for two additional one-year extensions, upon approval of the City Manager.

1213-02 Transformer Bid Proposal and Loss Evaluation Form

In accordance with the Terms, Conditions and Specifications contained herein, we wish to offer our Bid, as follows:

Bid Item No.	Est. Annual Unit Purchase	Size KVA	Sec. Volts	Vendor A Unit Price	Vendor B Unit Price	Vendor C Unit Price	Vendor D Unit Price	Vendor E Unit Price	Vendor F Unit Price
Conventional Overhead Distribution Transformers, Primary Voltage 14760/25565 Grounded Wye									
1	1	15	120/240	\$1,015.00	no quote	\$1,160.00	no quote	\$1,140.00	\$1,097.00
2	10	25	120/240	\$1,252.00	no quote	\$1,388.00	no quote	\$1,257.00	\$1,192.00
3	1	25	240/480	\$1,274.00	no quote	\$1,394.00	no quote	\$1,379.00	\$1,297.00
4	10	50	120/240	\$1,617.00	no quote	\$1,737.00	no quote	\$1,669.00	\$1,586.00
5	1	50	240/480	\$1,815.00	no quote	\$1,963.00	no quote	\$1,724.00	\$1,678.00
6	10	75	120/240	\$2,062.00	no quote	\$2,292.00	no quote	\$2,223.00	\$2,365.00
7	3	100	120/240	\$2,678.00	no quote	\$3,194.00	no quote	\$3,131.25	\$3,172.00
8	1	100	240/480	\$2,730.00	no quote	\$3,012.00	no quote	\$2,618.25	\$2,981.00
9	1	167	120/240	\$4,107.00	no quote	\$4,523.00	no quote	\$5,621.50	\$4,339.00
10	1	167	240/480	\$4,043.00	no quote	\$4,875.00	no quote	\$5,085.00	\$4,108.00
11	1	250	120/240	\$5,422.00	no quote	\$5,720.00	no quote	no quote	\$8,272.00

Bid Item No.	Est. Annual Unit Purchase	Size KVA	Sec. Volts	Vendor A Unit Price	Vendor B Unit Price	Vendor C Unit Price	Vendor D Unit Price	Vendor E Unit Price	Vendor F Unit Price
Single Phase Padmounted Transformers, Primary Voltage 14760/25565 Grounded Wye									
12	5	25	120/240	\$1,984.00	no quote	\$2,170.00	\$3,526.18	\$2,119.25	\$2,291.00
13	1	25	240/480	\$2,052.00	no quote	\$2,273.00	\$3,557.23	\$2,758.00	\$2,624.00
14	30	75	120/240	\$2,878.00	no quote	\$2,685.00	\$4,580.51	\$2,739.00	\$3,139.00
15	30	100	120/240	\$2,951.00	no quote	\$3,387.00	\$5,181.35	\$3,285.00	\$3,353.00
16	15	167	120/240	\$4,202.00	no quote	\$4,520.00	\$6,686.87	\$4,397.00	\$4,734.00
17	3	250	120/240	\$6,390.00	no quote	\$6,090.00	no quote	no quote	\$6,778.00

Bid Item No.	Est. Annual Unit Purchase	Size KVA	Sec. Volts	Vendor A Unit Price	Vendor B Unit Price	Vendor C Unit Price	Vendor D Unit Price	Vendor E Unit Price	Vendor F Unit Price
Three Phase Padmounted Transformers, Primary Voltage 14760/25565 Grounded Wye									
18	2	150	277/480Y	\$10,696.00	no quote	\$8,108.00	\$10,697.66	\$13,215.25	\$8,967.00
19	4	150	120/208Y	\$9,235.00	no quote	\$8,370.00	\$10,237.72	\$9,905.00	\$7,930.00
20	4	300	120/208Y	\$11,683.00	no quote	\$10,695.00	\$12,837.68	\$13,234.00	\$11,531.00
21	2	300	277/480Y	\$12,210.00	no quote	\$9,620.00	\$12,562.29	\$11,711.25	\$11,153.00
22	4	500	120/208Y	\$15,931.00	no quote	\$11,520.00	\$15,855.99	\$15,699.00	\$16,106.00
23	1	500	277/480Y	\$16,073.00	no quote	\$11,085.00	\$15,161.43	\$14,176.00	\$15,996.00
24	2	750	120/208Y	\$26,376.00	no quote	\$16,400.00	\$23,884.92	\$21,625.50	\$21,674.00
25	2	750	277/480Y	\$24,432.00	no quote	\$15,502.00	\$23,251.27	\$18,487.50	\$19,700.00
26	2	1000	120/208Y	\$30,833.00	no quote	\$19,490.00	\$26,147.11	\$24,641.00	\$25,926.00
27	1	1000	277/480Y	\$26,715.00	no quote	\$18,795.00	\$25,914.12	\$20,225.75	\$23,679.00
28	1	1500	277/480Y	\$34,248.00	no quote	\$22,275.00	\$32,937.51	\$28,022.50	\$30,305.00

- A Central Maloney, Inc./John Carter & Associates
- B** HD Supply
- C** Wesco Distribution
- D* Gresco
- E* Electric Supply/GE
- F- Tri-State

*See attached Notes and Exceptions
 ** Withdrew Bid

NOTES AND EXCEPTIONS FOR BID #1213-02

- A. Central Moloney, Inc.
 - Meets all aspects of the specifications.

- B. HD Supply for Cooper
 - Withdrew bid.

- C. Wesco Distribution for PowerPartners and ABB
 - Information provided with the overhead transformer portion of the bid is incomplete - that portion is considered non-responsive.
 - The dimensions of Bid Items 12, 13 and 17 do not meet the specification so they were excluded from evaluation.
 - Quoted 304 stainless steel instead of the specified 304L stainless steel.

- D. Gresco for Cooper
 - Did not quote overhead transformers.
 - Did not quote 250 kVA single-phase padmount.
 - An exception to the three-phase padmounted transformers specification is for 15kV inserts - this is not acceptable so three-phase padmounted transformers were excluded from the evaluation.

- E. Electric Supply for GE Prolec
 - Did not quote 250 kVA overhead transformer.
 - Did not quote 250 kVA single-phase padmount.
 - An exception to the overhead transformers specification is for 150kV BIL bushings - this is not acceptable so overhead transformers were excluded from the evaluation.
 - No physical dimensional data was provided in the bid response for padmounted transformers so all padmounted transformers were excluded from the evaluation.
 - Pricing was indicated to be valid only through 1/4/13.
 - Quoted GE Terms & Conditions.

- F. Tri-State Utility Products for Howard Industries
 - No physical dimensional data was provided in the bid response for padmounted transformers - this is not acceptable so all padmounted transformers were excluded from the evaluation.
 - Quoted the Howard Pricing Index instead of quoting commodity prices to be the Base for future adjustment - not enough information was provided to be able to perform a proper comparison - therefore, overhead transformers were also excluded from the evaluation.



BEACHES | ENERGY
SERVICES

MEMORANDUM

To: George D. Forbes
City Manager

From: Roy Trotter *RT*
Director of Beaches Energy Services

Date: February 5, 2013

Re: Bid for Purchase of Gas Circuit Breakers

ACTION REQUESTED:

Award Bid 1213-05 for SF6 145kV, 40kA transmission gas circuit breakers.

BACKGROUND:

Beaches Energy Services currently has eleven 145kV transmission line oil circuit breakers in service. These breakers were installed in 1982 and are at the end of their useful life. Replacement parts are no longer available commercially and must be custom manufactured or salvaged from a unit removed from service. Environmental regulations have changed significantly since these units were installed. The industry has moved toward the SF6 circuit breaker, a gas filled unit that does not contain oil. As a transmission owner, Beaches Energy Services must adhere to regulatory standards governed by the North American Electric Reliability Corporation (NERC) and the Florida Reliability Coordinating Council (FRCC). The circuit breakers are an integral component of the state transmission grid. In order to maintain the security and reliability of the transmission system, the oil circuit breakers must be replaced.

On January 9, 2013, six bids were received for the purchase of SF6 circuit breakers. The bid includes the cost of three circuit breakers and field engineering services for assistance in the breaker installation.

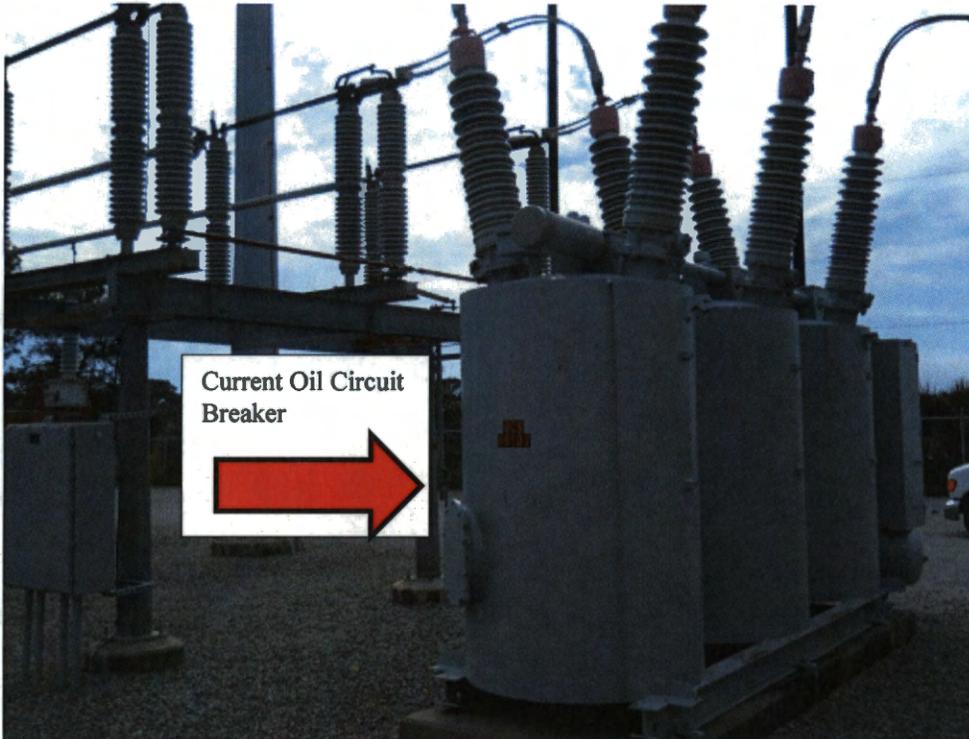
EVALUATION:

The Purchasing and Procurement Division mailed 107 requests for bids and six bidders responded. GRESKO is the lowest responsible bidder. The total cost for the three breakers and 2 days of field engineering services is \$152,000. (See attached bid tabulation)

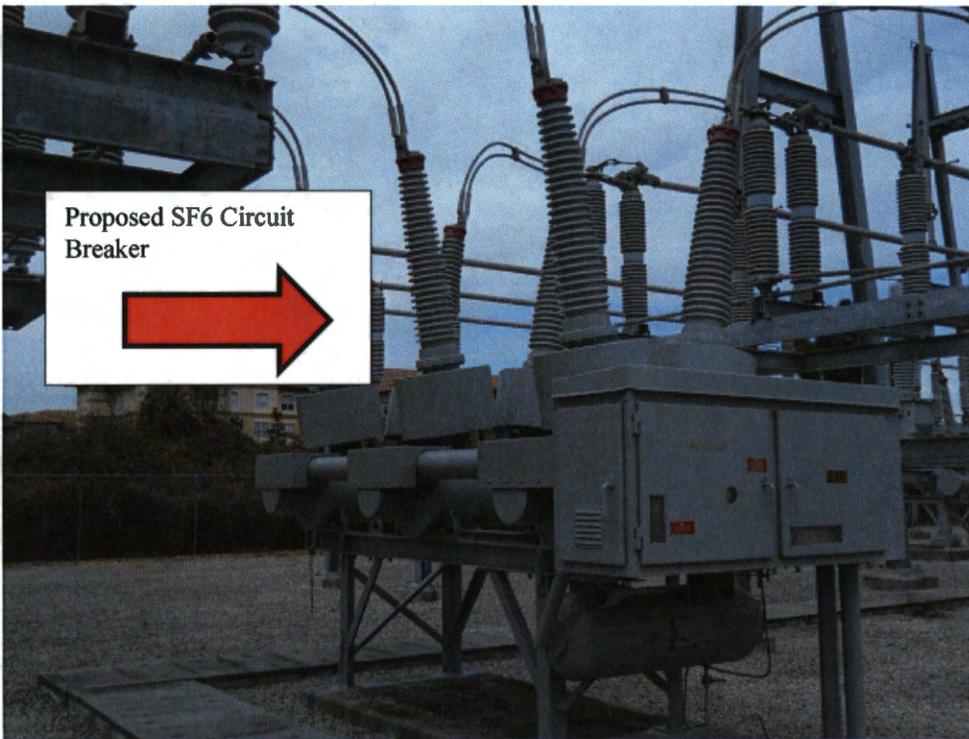
Funds are budgeted in the Beaches Energy Services budget.

RECOMMENDATION:

Award Bid 1213-05 for SF6 145kV, 40kA transmission gas circuit breakers to GRESKO.



Current Oil Circuit
Breaker



Proposed SF6 Circuit
Breaker





BEACHES | ENERGY
S E R V I C E S

TO: George D. Forbes
City Manager

FROM: Roy Trotter *RET*
Director of Beaches Energy Services

DATE: February 8, 2013

SUBJECT: Electric Supplies – 12 Months Requirements

ACTION REQUESTED:

Award Bid No. 1213-06 – Electric Supplies – 12 Months Requirements.

BACKGROUND:

The City of Jacksonville Beach solicited bids from 107 vendors. On January 23, 2013, six bids were received for Bid No. 1213-06. This bid covers 33 different items stocked in the Storeroom for use by Beaches Energy Services for maintenance of the overhead and underground electric system. A list of these items is shown on Attachment A.

The lowest bidders meeting specifications are as follows:

<u>ITEM NO.</u>	<u>JB NO.</u>	<u>VENDOR</u>	<u>UNIT PRICE</u>
1	00020	Stuart Irby	\$ 107.75
2	00096	Stuart Irby	\$ 2.29
3	00097	Gresco Utility	\$ 1.51
4	00105	Electric Supply	\$ 3.40
5	00135	HD Supply	\$ 95.50
6	00147	Tri-State Utility	\$ 147.80
7	00290	Electric Supply	\$ 96.25
8	00292	Tri-State Utility	\$ 160.15
9	00294	Stuart Irby	\$ 42.41
10	00351	Stuart Irby	\$ 28.50
11	00535	HD Supply	\$ 21.58
12	00565	Wesco	\$ 21.35

<u>ITEM NO.</u>	<u>JB NO.</u>	<u>VENDOR</u>	<u>UNIT PRICE</u>
13	00575	Stuart Irby	\$ 101.09
14	00577	Stuart Irby	\$ 133.34
15	00592	Electric Supply	\$ 1.38
16	00602	HD Supply	\$ 45.79
17	00614	Electric Supply	\$ 28.00
18	00653	Stuart Irby	\$ 28.71
19	00751	Stuart Irby	\$ 529.85
20	00756	HD Supply	\$ 133.58
21	00814	Stuart Irby	\$ 2.13
22	00868	HD Supply	\$ 41.51
23	00869	Stuart Irby	\$ 40.05
24	00902	Wesco	\$ 79.00
25	00918	Stuart Irby	\$ 742.00
26	00922	Electric Supply	\$ 103.45
27	00928	Stuart Irby	\$ 10.25
28	00953	Gresco	\$ 0.62
29	01101	Stuart Irby	\$ 145.02
30	01189	Wesco	\$ 195.00
31	01213	Stuart Irby	\$ 81.52
32	01215	Electric Supply	\$ 209.50
33	01229	Stuart Irby	\$ 375.05

Funds are budgeted in Beaches Energy Services' Operating Supplies and Capital Improvements Accounts.

RECOMMENDATION:

Award Bid No. 1213-06 to the lowest bidders meeting specifications as recommended in the February 8, 2013, memorandum from Roy Trotter titled "Electric Supplies – 12 Months Requirements."

Bid # 1213-06 Electric Supplies		Opening date 01/23/2013					
VENDOR	Description	A.	B.	C.	D.	E.	F.
		Wesco	HD Supply	Electric Supply	Tri-State Utility	Gresco Utility	Stuart Irby
Item # 1	1/0 modular terminator with mounting bracket, 25 Kv **	\$ 104.00	\$ 111.15	N/A	N/A	N/A	\$ 107.75
Item # 2	2/0 - 350 kcmil connector	\$ 2.54	\$ 2.70	N/A	\$ 2.51	\$ 2.65	\$ 2.290
Item # 3	Connector cover	\$ 1.77	\$ 1.55	N/A	N/A	\$ 1.51	\$ 1.68
Item # 4	Solid state photocell w/320 joule mov surge protection	\$ 3.75	\$ 3.41	\$ 3.40	\$ 3.89	\$ 3.97	\$ 3.43
Item # 5	Elbow arrester, 21 kV	\$ 103.85	\$ 95.50	N/A	N/A	\$ 96.32	\$ 122.92
Item # 6	Fault indicator w/pp2 logic dynamic curve fiber remote	\$ 160.00	\$ 153.55	\$ 149.92	\$ 147.80	\$ 153.60	N/B
Item # 7	600 amp elbow connector, 350 kcmil, 25 kV	\$ 106.05	\$ 118.45	\$ 96.25	\$ 115.05	\$ 116.20	\$ 110.19
Item # 8	Four point loadbreak junction, 25kV **	\$ 111.95	\$ 182.00	\$ 168.95	\$ 160.15	\$ 182.51	\$ 195.28
Item # 9	350 kcmil straight splice	\$ 43.80	N/A	N/A	N/A	N/B	\$ 42.41
Item # 10	1/0 straight splice	\$ 28.55	\$ 29.72	N/A	N/A	N.B	\$ 28.50
Item # 11	10" suspension insulator, 30,000 lb. strength rating	\$ 25.65	\$ 21.58	N/A	N/A	\$ 31.76	\$ 22.08
Item # 12	200 amp deadend loadbreak receptacle	\$ 21.35	\$ 26.95	\$ 27.35	\$ 29.95	\$ 27.18	\$ 21.71
Item # 13	1-1/2" service connection box w/ lid marked "Electric" ***	N/A	\$ 110.00	\$ 83.37	N/A	\$ 111.17	\$ 101.09
Item # 14	2" service connection box w/lid marked "Electric" ***	N/A	\$ 145.50	\$ 109.95	N/A	\$ 144.15	\$ 133.34
Item # 15	Cut-away lock (short shank)	\$ 1.47	\$ 1.50	\$ 1.38	\$ 1.49	N/B	\$ 1.41
Item # 16	Insulating parking bushing, 25 kV	\$ 48.90	\$ 45.79	\$ 71.35	\$ 76.95	\$ 46.45	\$ 49.46
Item # 17	1/0 loadbreak elbow connector, 25 kV	\$ 30.85	\$ 29.08	\$ 28.00	\$ 38.40	\$ 29.90	\$ 30.47
Item # 18	Loadbreak bushing insert, 200 amp, 25 kV	\$ 28.95	\$ 30.89	\$ 30.25	\$ 35.30	\$ 32.96	\$ 28.71
Item # 19	Junction cabinet single phase w/stainless steel mounting plate	N/A	\$ 657.50	\$ 610.00	N/A	N/B	\$ 529.85
Item # 20	Tri-mount cutout & arrester bracket w/hardware	\$ 135.02	\$ 133.58	N/A	N/A	N/B	N/B
Item # 21	Medium bronze parallel connector	\$ 2.25	\$ 2.18	\$ 2.25	\$ 2.85	\$ 2.20	\$ 2.13
Item # 22	Single mount arrester & cutout bracket w/2" captive bolt	\$ 42.65	\$ 41.51	N/A	N/A	\$ 43.08	N/B
Item # 23	Surge arrester 21 kV c/w crossarm bracket	\$ 42.25	\$ 41.98	\$ 40.10	\$ 44.65	\$ 42.80	\$ 40.05
Item # 24	Cutout open dist. c/w loadbuser hook, 100 amp, 38 kV	\$ 79.00	\$ 81.70	\$ 88.55	\$ 130.85	\$ 82.49	\$ 128.08
Item # 25	3 phase enclosure w/stainless steel double parking stands	N/A	\$ 859.74	\$ 948.00	\$ 921.50	N/B	\$ 742.00
Item # 26	Two way feed thru connector	\$ 108.95	\$ 116.55	\$ 103.45	\$ 114.90	\$ 117.86	\$ 121.13
Item # 27	Solid state photocell w/160 mov surge protection	\$ 10.54	N/A	\$ 11.80	N/A	N/B	\$ 10.25
Item # 28	Cut-away lock (long shank)	\$ 0.76	\$ 0.65	N/A	\$ 0.72	\$ 0.62	\$ 0.670
Item # 29	1000 kcmil straight splice	\$ 145.50	N/A	N/A	N/A	N/B	\$ 145.02
Item # 30	Parking stand arrester	\$ 195.00	\$ 220.00	N/A	N/A	\$ 215.25	\$ 202.61

Bid # 1213-06 Electric Supplies							Opening date 01/23/2013				
VENDOR	Description	A.	B.	C.	D.	E.	F.				
		Wesco	HD Supply	Electric Supply	Tri-State Utility	Gresco Utility	Stuart Irby				
Item # 31	Bolted deadend, 30k lbs. (clevis type)	\$ 88.60	\$ 87.64	\$ 81.75	\$ 87.35	N/B	\$	\$	\$	\$	81.52
Item # 32	200 amp secondary pedestal	\$ 240.00	N/A	\$ 209.50	N/A	N/B	\$	\$	\$	\$	223.22
Item # 33	1000KCM modular terminator with mounting bracket	N/A	\$ 386.83	N/A	N/A	N/B	\$	\$	\$	\$	375.05
	**Wesco requested to withdraw their bid amount										
	***Electric Supply requested to withdraw their bid amount										
	Sent 107 request / Received 6 responses										



February 8, 2013

City of

Jacksonville Beach

Operations &

Maintenance Facility

Department of Public

Works

1460-A Shetter Avenue

Jacksonville Beach

FL 32250

Phone: 904.247.6219

Fax: 904.247.6117

www.jacksonvillebeach.org

TO: George D. Forbes, City Manager

FROM: Ty Edwards, Public Works Director

SUBJECT: Award Bid Number 1213-04, 12th Avenue South (Central) Stormwater Basin Erosion Control Improvements Project

ACTION REQUESTED:

Award Bid Number 1213-04, "12th Avenue South (Central) Stormwater Basin Erosion Control Improvements Project," to *G & H Underground Construction, Inc.*, the lowest, qualified bidder.

BACKGROUND:

The 12th Avenue South (Central) Stormwater Basin is located parallel to 12th Avenue South between 4th and 9th Streets. The construction of this basin about two (2) decades ago was one of the first major stormwater infrastructure improvement projects undertaken by the City. The basin consists of a stilling pond extending from west of 4th St. to west of 9th St. and weir wall with pump station at the west end of the pond. During rains, stormwater flows by gravity through the surrounding area's stormwater collection system into the basin. In heavy rains as the pond elevation increases, the collected stormwater flows over the weir into the channel and continues westward. The pump station, with its piping through the weir, is used to lower water elevation in the pond when the water level is below the top of the weir. This turbulent stormwater flow spilling west of the weir into the channel has caused erosion issues on the banks, which is being addressed by this project.

This project is part of the City's FY 2013 Capital Improvement Plan. Major work includes:

PROJECT WORK SUMMARY	
<ul style="list-style-type: none"> • Clear, grub & regrade • Remove existing mat material & concrete west of weir • Install new 6" thick mat material • Remove & replace asphalt drive • Remove & replace guardrail & fence • Remove abandoned 4" aerial gas pipe in bottom of channel 	<ul style="list-style-type: none"> • Install rubble & geotextile material at west end of channel • Install mitered end section for existing 24" stormwater main • Extend / realign 24-inch discharge pipes • Dewater & mitigate stormwater pollution during construction



Fifty-three (53) invitations to bid were issued, two (2) design plan bid packages were requested and two (2) bids were received by the bid opening date. The City's design engineer firm, *Jones Edmunds*, evaluated the bids and recommended award to *G & H Underground Construction, Inc.*, the lowest, qualified bidder. The City bid tabulation sheet is attached. The construction cost and staff recommendation are summarized following:

Project Cost Summary		
Bid 1213-04,		
12th Ave. S. (Central) Stormwater Basin Erosion Control Improvements Project		
<u>DESCRIPTION</u>	<u>COST</u>	<u>RECOMMENDATION</u>
Construction Bid Total:	\$427,250.00	<ul style="list-style-type: none"> • Award construction to <i>G & H Underground Construction, Inc.</i>, the lowest, qualified bidder
10% Contingency	\$42,725.00	
Construction Total:	\$469,975.00	
Construction Administration (C&A) Services:	\$32,881.68	<ul style="list-style-type: none"> • Fund C&A Services to <i>Jones Edmunds</i> (the project's design firm)
10% Contingency	\$3,288.17	
C&A Services Total:	\$36,169.85	
GRAND TOTAL:	\$506,144.85	
Project funding is allocated in the FY2013 Stormwater Budget and Business Plan at \$348,150. The remaining \$157,994.85 is available in the Stormwater Enterprise Fund and the FY 2013 budget will be adjusted accordingly at mid-year.		

It is recommended that Bid Number 1213-04, "12th Ave. S. (Central) Stormwater Basin Erosion Control Improvements Project," be awarded to the lowest, qualified bidder, *G&H Underground Construction, Incorporated*, at a cost of \$427,250.00, plus a 10% contingency, for a total cost not to exceed \$469,975.00.

It is also recommended that Construction Administration Services be authorized with the project's design firm, *Jones Edmund*, at a cost of \$32,881.68, plus a 10% contingency, for a total cost not to exceed \$36,169.85,

RECOMMENDATON:

Award Bid Number 1213-04, titled "The 12th Avenue South (Central) Stormwater Basin Erosion Control Improvements Project," to the lowest, qualified bidder, *G & H Underground Construction, Incorporated*, and authorize Construction Administration Services with the project's design firm, *Jones Edmunds*, as described in the memorandum from the Public Works Director dated February 8, 2013.

**Photos of Project Area, Bid 1213-04,
12th Ave. S. (Central) Stormwater Basin Erosion Control Improvements Project**



**Project Area
Aerial Blow Up**



Central Stormwater Basin
Along 12th Avenue South
(from 4th St. S. to west of 9th St. S.)

**Photos of Project Area, Bid 1213-04,
12th Ave. S. (Central) Stormwater Basin Erosion Control Improvements Project**

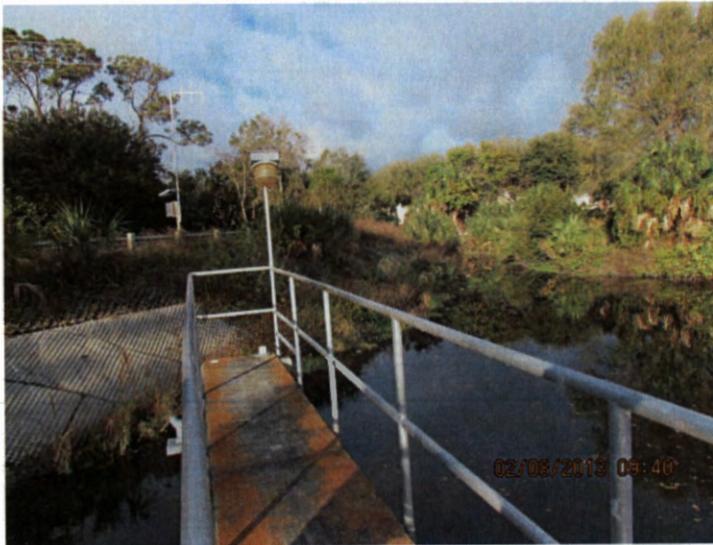
North Bank View



Pipes Thru Weir Wall



West-South Channel View



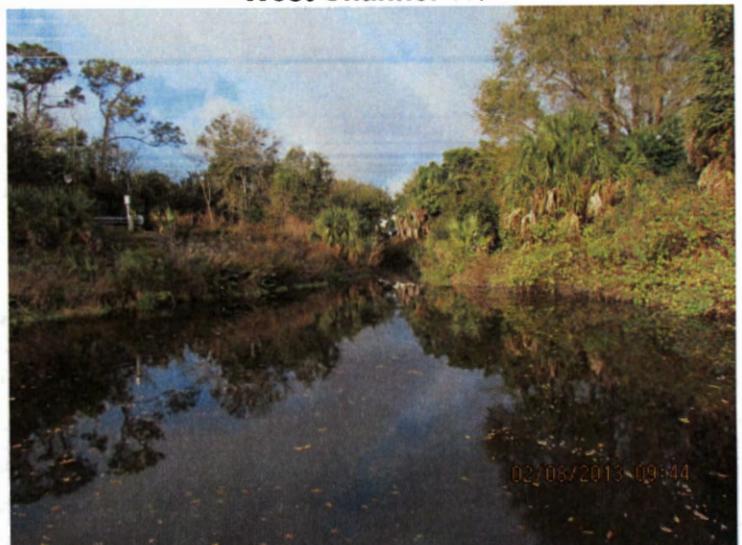
Location for Construction of Mitered End Section



South Bank View



West Channel View



Project Overview

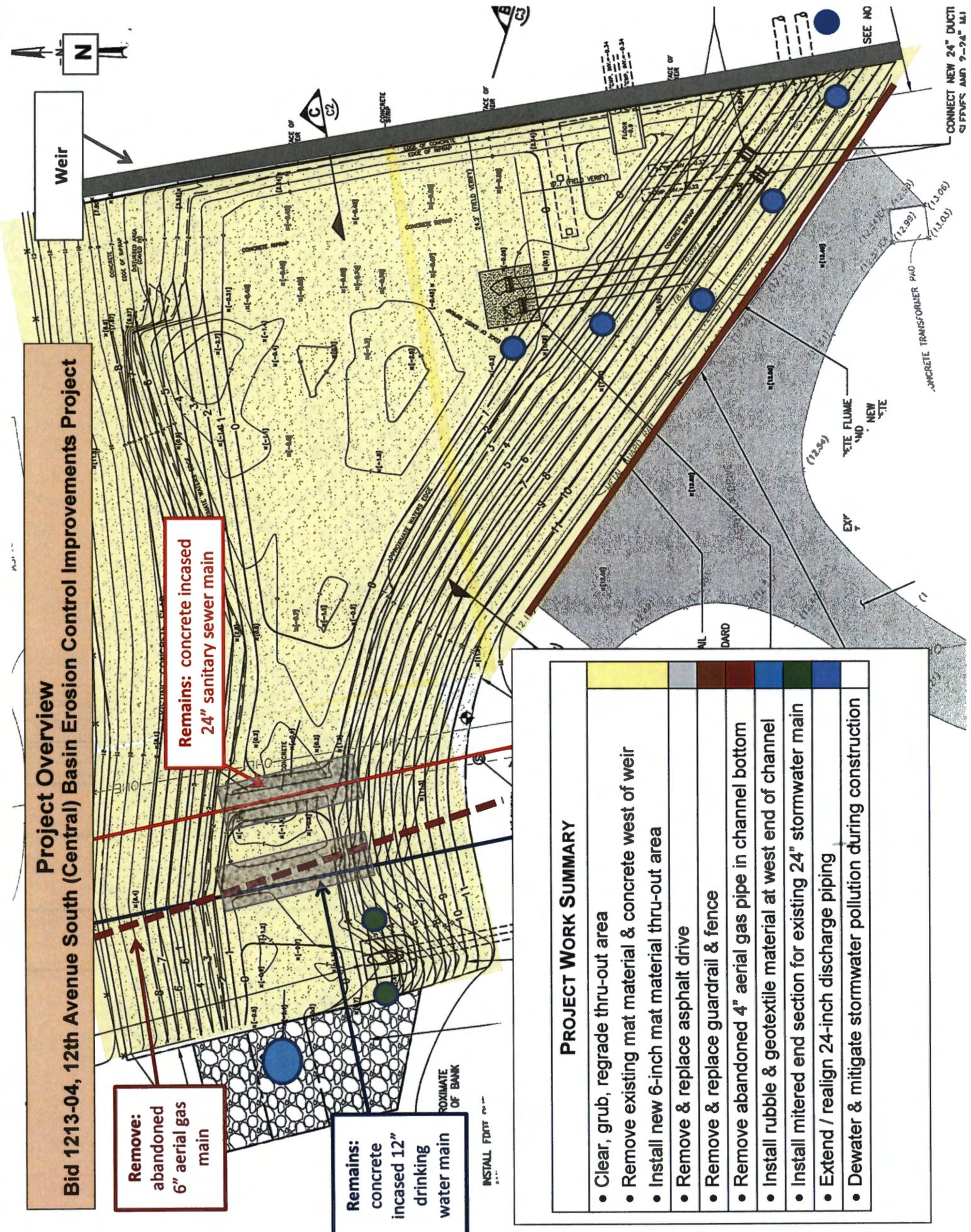
Bid 1213-04, 12th Avenue South (Central) Basin Erosion Control Improvements Project

Remove:
abandoned
6" aerial gas
main

Remains: concrete incased
24" sanitary sewer main

Remains:
concrete
incased 12"
drinking
water main

PROJECT WORK SUMMARY	
• Clear, grub, regrade thru-out area	
• Remove existing mat material & concrete west of weir	
• Install new 6-inch mat material thru-out area	
• Remove & replace asphalt drive	
• Remove & replace guardrail & fence	
• Remove abandoned 4" aerial gas pipe in channel bottom	
• Install rubble & geotextile material at west end of channel	
• Install mitered end section for existing 24" stormwater main	
• Extend / realign 24-inch discharge piping	
• Dewater & mitigate stormwater pollution during construction	





January 18, 2013

Mr. Arnold F. Lilly
Construction Project Manager
City of Jacksonville Beach
Department of Public Works
1460A Shetter Avenue
Jacksonville Beach, Florida 32250

RE: Certified Bid Tabulation and Recommendation of Award
12th Avenue South Basin Erosion Control Improvements
Bid No. 1213-04
Jacksonville Beach, Florida
Jones Edmunds Project No. 09803-016-01

Dear Mr. Lilly:

We are pleased to enclose two certified copies of the bid tabulation for the bids received on January 16, 2013, at 2:00 p.m., for the referenced project. The bids have been checked for mathematical errors, verified, and evaluated for conformance with the criteria set forth in the bidding documents.

G&H Underground Construction, Inc. is the low bidder for the project with a Total Base Bid of \$427,250.00.

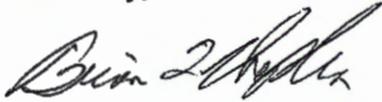
We recommend award of the Base Bid to G&H Underground Construction, Inc., for a total of \$427,250.00. We also recommend the City set aside a contingency fund in an amount not less than ten (10) percent of the bid amount to allow for any unknown conditions that may be encountered during construction.

The City's past experience indicates G&H Underground Construction, Inc., is a very reputable contractor and has performed excellent work for the City over a number of years.

Mr. Arnold F. Lilly
January 18, 2013
Page 2

We appreciate this opportunity to be of service to the City of Jacksonville Beach and look forward to the successful construction of this project.

Sincerely,



Brian F. Hepburn, MPA
Project Manager

BFH/js / K:\09803 Jacksonville Beach\016-01 12th South Basin Erosion Control Design\Construction\Construct
Deliverables\NoticeofAward\RECAWARD LTR.doc

Enclosures

City of
Jacksonville Beach
City Hall
11 North Third Street
Jacksonville Beach
FL 32250
Phone: 904.247 6274
Fax: 904.270 1 642

February 5, 2013

MEMORANDUM

TO: George Forbes
City Manager

From: Harry Royal *HER*
Finance Officer

RE: Resolution No. 1911-2013 Establishing A Rate Stabilization Account for
Beaches Energy Service

ACTION REQUESTED:

Approve Resolution No. 1911-2013 establishing a rate stabilization account (RSA) and prescribing the methodology and the definition of terms related to the calculation of the bulk power adjustment energy rate for Beaches Energy.

BACKGROUND:

Our auditors have recommended that the City establish a rate stabilization account in the electric fund as provided for by our current rate tariff with the Public Service Commission. Many electric utilities use a rate stabilization account as a means of providing more stable retail electric rates to their customers. During times of sudden and temporary changes in the cost of power such an account can mitigate fluctuations in the cost of power billed to our customers. Monies in a rate stabilization account are put into a separate cash account within the electric utility fund and, when needed, used to minimize rate increases.

The City can fund the rate stabilization account from monies currently on hand in the bulk power adjustment account. In the future, the cash in the rate stabilization account can be replenished through the periodic bulk power cost adjustment process. The funding and use of rate stabilization amounts result only in the movement of cash between general operating and rate stabilization cash accounts of the electric fund, with no effect on the income of the electric utility.

RECOMMENDATION:

Approve Resolution No. 1911-2013 establishing a rate stabilization account and prescribing the methodology and definition of terms related to the calculation of the bulk power adjustment energy rate for Beaches Energy.



Introduced by: _____
Adopted: _____

RESOLUTION NO. 1911-2013

**A RESOLUTION REVISING ELECTRIC RATES FOR BEACHES
ENERGY SERVICES BY ESTABLISHING A RATE STABILIZATION
ACCOUNT**

WHEREAS, the City desires to establish electric rates, charges, and fees for Beaches Energy Services by resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JACKSONVILLE BEACH AS FOLLOWS:

Section 1. That the schedule of fees, and charges for the electric utility previously established by Resolution No. 1846-2010 be revised as follows:

- A. Monthly Electric Rates.** The following schedule of rates and charges to be imposed, assessed and collected by the City for electric energy, facilities and services furnished by the City to its consumers, including the initial cut-in charges, deposit, line extension and other connection and service charges, is hereby adopted and established:
1. Residential service as defined in section 32-56 for the following:
 - a. *Character of service.* Alternating current; regulated frequency of sixty (60) cycles; delivered at approximately 120/240 volts, 3-wire, single-phase; or 3-phase, 4-wire service, as available and at the option of the City.
 - b. *Available.* In Jacksonville Beach, Neptune Beach, Ponte Vedra Beach, Palm Valley and other territories served by the City.
 - c. *Monthly meter reading.* All quantities of electrical energy shown by regular monthly watt-hour meter readings to have been delivered shall be charged for at the following rate in subsection d.
 - d. *Rate per month:*
Customer service charge . . . \$ 4.50
Energy charge (all kWh), per kWh . . . \$0.07557
 - e. *Minimum monthly bill.* A minimum monthly electric bill shall be rendered to each consumer whose application has been approved for residential service for an amount equal to the customer service charge.
 - f. *Bulk Power Cost Base (BPCB).* Those power related costs that are embedded within the base rate stated in cost per kilowatt-hour.
 - g. *Bulk Power Cost Adjustment (BPCA).* The amount per kilowatt hour by which the rate billed for consumption of electrical energy increases or decreases the Bulk Power Cost Base rate in order to recover the actual cost of the bulk power supply of electricity to the City as approved by the City Manager.

- h. Bulk Power Cost True-Up (BPCT). The difference between the bulk power cost actually incurred (BPC) and the bulk power cost recovered through the bulk power cost base (BPCB) and the bulk power cost adjustment (BPCA).
- i. Rate Stabilization Account (RSA). Extraordinary power cost recoveries, other than routine wholesale true-ups, may be deposited into or withdrawn from a Rate Stabilization Account to be used to offset sudden and temporary changes in the cost of power. The City may retain unusual or extraordinary power cost recoveries in excess of amounts transferred to the rate stabilization at its discretion but can only use these moneys for items which are directly related to the electric utility.
- j. Calculation of BPCA-The bulk power cost adjustment is the difference between the bulk power costs and the bulk power cost base (all stated in cost per kilowatt hour) as determined periodically. The formula for the calculation of the bulk power cost adjustment per kilowatt hour is calculated as follows:

$$((BPC+ BPCT+ RSA)/ \text{kilowatt hours sold})-BPCB = BPCA \text{ per kilowatt hour}$$

- 2. General service nondemand service as defined in section 32-56 for the following:
 - a. *Character of service.* Alternating current; regulated frequency of sixty (60) cycles, delivered at approximately 120/240 volts, 3-wire, single-phase; 4-wire, 3-phase, 240 or 208 volts, as available, and at the option of the City.
 - b. *Available.* In Jacksonville Beach, Neptune Beach, Ponte Vedra Beach, Palm Valley and other territories served by the City.
 - c. *Monthly meter reading.* All quantities of electrical energy shown by regular monthly watt-hour meter readings to have been delivered shall be charged for at the rate in subsection d.
 - d. *Rate per month:*
 Customer service charge . . . \$ 6.00
 Energy charge (all kWh), per kWh . . . \$0.07557
 - e. *Minimum monthly bill.* A minimum monthly electric bill shall be rendered to each consumer whose application has been approved for general service nondemand service for an amount equal to the customer service charge.
 - f. Bulk Power Cost Base (BPCB). See Section 1. A. 1. f.
 - g. Bulk Power Cost Adjustment (BPCA). See Section 1. A. 1. g.
 - h. Bulk Power Cost True-Up (BPCT). See Section 1. A. 1. h.
 - i. Rate Stabilization Account (RFA). See Section 1. A. 1. i.
 - j. Calculation of BPCA. See Section 1. A. 1. j. Limitations applicable to all classes of service: Auxiliary and standby service or resale of electric energy delivered by the City shall not be permitted except by written consent expressly authorized by the City Council.
- 3. General service demand as defined in section 32-56 for the following:
 - a. *Character of service.* AC,60 cycles, single-or 3-phase, 120/208 volts and above as required and as available.
 - b. *Available.* Within the service area of the electric utility of the City.
 - c. *Monthly meter reading.* All quantities of electrical energy shown by regular monthly watt-hour meter readings to have been delivered shall be charged for at the following rate in subsection d.

d. *Rate.* The charge per month shall consist of the total of the demand, energy, and customer service charge as follows:

Rate per month:

Customer service charge . . . \$16.25

Demand charge (all kWh), per kW . . . \$8.50

Energy charge (all kWh), per kWh . . . \$0.06127

e. *Minimum bill.* The minimum bill shall be equal to the customer service charge.

f. *High load factor credit.* The monthly per kw demand credit to those general service demand customers whose annual load factor is as follows:

TABLE INSET:

Load Factor	Monthly Demand Credit
75 percent & higher	\$2.00 per kW demand charged
70 to 74 percent	\$1.50 per kW demand charged
65 to 69 percent	\$1.00 per kW demand charged
60 to 64 percent	\$0.50 per kW demand charged

The load factor will be established after the initial twelve (12) months of service for new customers and the previous twelve (12) months for existing customers. Existing demand customers' load factor will be reviewed and recalculated annually.

g. Bulk Power Cost Base (BPCB). See Section 1. A. 1. f.

h. Bulk Power Cost Adjustment (BPCA). See Section 1. A. 1. g.

i. Bulk Power Cost True-Up (BPCT). See Section 1. A. 1. h.

j. Rate Stabilization Account (RSA). See Section 1. A. 1. i.

k. Calculation of BPCA. See Section 1. A. 1. j.

l. Should the customer demonstrate that the future metered demand is expected to be reduced below the fifty (50) kW thresholds then the customer's account may be reclassified to either residential or general service, as applicable, at the option of the City.

5. Rental lights. Rental lights will be furnished on sites approved by the City electric department, including installation, maintenance, replacement when necessary, and electrical energy consumed, including a rate schedule as provided by City resolution.

B. Installation charges.

1. *Underground installation charges.* Jacksonville Beach and other service areas: Underground residential installation, single-phase, 240-volt, 125-ampere, up to and including 200 ampere service class:

a. Initial charge for new installation in this class . . . \$400.00

b. Initial installation charge, additional apartments or services on the same service line, whether new or existing, each . . . \$5.00

c. Service replacement as the result of additional demand:

(1) Customer may at his/her option obtain the services of a licensed electrician to install necessary wiring from meter to the termination point designated by the City. Charge for initial cut-in when complete service is installed by an electrical contractor . . . \$20.00

- (2) Customer may request that his/her service be increased to a maximum 200-ampere single-phase class for residential use. Charge for this service performed by the City. .\$. 200.00
- d. Temporary service charge . . . \$20.00
- e. All underground services other than residential 125-ampere through 200-ampere single-phase must be installed by a licensed electrician from meter to the termination point designated by the City.
- f. Underground service laterals. All underground service laterals to be installed by the utility shall be installed in a conduit provided at owner expense, size, and quantity to be determined by the utility.
- 2. *Overhead installation charges.* Jacksonville Beach and other service areas: Overhead installation charge when permitted, single-phase, 240-volt, up to and including 200-ampere class:
 - a. Initial charge for new installation in this class . . . \$50.00
 - b. Initial installation charge, additional apartments or services on the same service line, whether new or existing, each . . . \$5.00
 - c. Temporary service charge . . . \$20.00
- 3. *Overhead installations over two hundred amperes.* Jacksonville Beach and other service areas: Overhead installation, when permitted, other than single-phase or in excess of 200-ampere class:
 - a. Initial installation charge shall be the estimated actual cost of such service as determined by the electrical utility.
 - b. Initial installation charge, additional apartments or services on the same service line, whether new or existing, each . . . \$ 5.00
 - c. Temporary service: Temporary service charge shall be the estimated actual cost of such service as determined by the electric utility.
 - d. Service replacements as the result of additional demand: Installation charge shall be the estimated actual cost of such service as determined by the electric utility.
- 4. *City and other service areas.* Available to customers having a three-phase demand meter and providing for customer's access to meter real time energy and demand values. Initial charge for installation of a KYZ contact assembly.....\$170.00

C. Fuel adjustment and rates for service outside limits.

- 1. Bulk Power Cost Base (BPCB). See Section 1. A. 1. f.
- 2. Bulk Power Cost Adjustment (BPCA). See Section 1. A. 1. g.
- 3. Bulk Power Cost True-Up (BPCT). See Section 1. A. 1. h.
- 4. Rate Stabilization Account (RSA). See Section 1. A. 1.i.
- 5. Calculation of BPCA. See Section 1. A. 1. j.
- 6. Rates for service outside limits. The rates to be charged and collected by the city for electric energy furnished by the City to customers outside of its corporate limits shall be such as are fixed by the City, to be applicable within certain designated areas, or upon a schedule adopted for such specific extensions as may be constructed by the City or by contract with any person taking electric energy from the City through their own or through the City's distribution system.

D. Testing of meters; payment of costs; special readings.

1. Upon written notice a meter will be tested by the City and in the event the meter when tested is found to be not more than two (2) percent fast, the expense of the test shall be paid by the customer at a cost of ten dollars (\$10.00); otherwise, the expense of the test will be borne by the City and billing adjustments for a period not to exceed six (6) months will be made. Special meter readings requested by the customer will be made upon application and upon payment of ten dollars (\$10.00) to the City.

Section 2. All Resolutions in conflict with this resolution are hereby repealed.

Section 3. This Resolution shall take effect April 1, 2013.

AUTHENTICATED this _____ day of _____, A.D., 2013.

William C. Latham, MAYOR

Judy L. Bullock, CITY CLERK

Introduced by: _____
Adopted: _____

RESOLUTION NO. 1911-2013

**A RESOLUTION REVISING ELECTRIC RATES FOR BEACHES
ENERGY SERVICES BY ESTABLISHING A RATE STABILIZATION
ACCOUNT**

WHEREAS, the City desires to establish electric rates, charges, and fees for Beaches Energy Services by resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JACKSONVILLE BEACH AS FOLLOWS:

Section 1. That the schedule of fees, and charges for the electric utility previously established by Resolution No. 1846-2010 be revised as follows:

- A. Monthly Electric Rates**~~-. The following schedule of rates and charges to be imposed, assessed and collected by the City for electric energy, facilities and services furnished by the City to its consumers, including the initial cut-in charges, deposit, line extension and other connection and service charges, is hereby adopted and established:~~
1. Residential service as defined in section 32-56 for the following:
 - a. *Character of service.* Alternating current; regulated frequency of sixty (60) cycles; delivered at approximately 120/240 volts, 3-wire, single-phase; or 3-phase, 4-wire service, as available and at the option of the City.
 - b. *Available.* In Jacksonville Beach, Neptune Beach, Ponte Vedra Beach, Palm Valley and other territories served by the City.
 - c. *Monthly meter reading.* All quantities of electrical energy shown by regular monthly watt-hour meter readings to have been delivered shall be charged for at the following rate in subsection d.
 - d. *Rate per month:*
Customer service charge . . . \$ 4.50
Energy charge (all kWh), per kWh . . . \$0.07557
 - e. *Minimum monthly bill.* A minimum monthly electric bill shall be rendered to each consumer whose application has been approved for residential service for an amount equal to the customer service charge.
 - f. Bulk Power Cost Base (BPCB)~~-. Those power related costs that are embedded within the base rate stated in cost per kilowatt-hourkilowatt-hour-~~.
 - g. f. Bulk Power Cost Adjustment (BPCA)~~-. The amount per kilowatt hour by which the rate billed for consumption of electrical energy increases or decreases the Bulk Power Cost~~

Base rate in order to recover the actual cost of the bulk power supply of electricity to the City as approved by the City Manager. ~~Bulk power cost adjustment.~~ The energy charge in any month hereunder shall be increased or decreased by an amount per kilowatt-hour as may be necessary to accommodate the increased or decreased purchase cost of bulk electricity to the City.

h. Bulk Power Cost True-Up (BPCT).~~-. The difference between the bulk power cost actually incurred (BPC) and the bulk power cost recovered through the bulk power cost base (BPCB) and the bulk power cost adjustment (BPCA).~~

i. Rate Stabilization Account (RSA).~~-. Extraordinary power cost recoveries, other than routine wholesale true-ups, may be deposited into or withdrawn from a Rate Stabilization Account to be used to offset sudden and temporary changes in the cost of power. The City may retain unusual or extraordinary power cost recoveries in excess of amounts transferred to the rate stabilization at its discretion but can only use these moneys for items which are directly related to the electric utility.~~

j. Calculation of BPCA.~~The bulk power cost adjustment is the difference between the bulk power costs and the bulk power cost base (all stated in cost per kilowatt hour) as determined periodically. The formula for the calculation of the bulk power cost adjustment per kilowatt hour is calculated as follows:~~

$$((\text{BPC} + \text{BPCT} + \text{RSA}) / \text{kilowatt hours sold}) - \text{BPCB} = \text{BPCA per kilowatt hour}$$

Formatted: Indent: Left: 0.25", First line: 0", Numbered + Level: 1 + Numbering Style: a, b, c, ... + Start at: 10 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Formatted: Indent: Left: 0.5"

Formatted: Indent: Left: 0.75", First line: 0.25"

2. General service nondemand service as defined in section 32-56 for the following:
 - a. *Character of service.* Alternating current; regulated frequency of sixty (60) cycles, delivered at approximately 120/240 volts, 3-wire, single-phase; 4-wire, 3-phase, 240 or 208 volts, as available, and at the option of the City.
 - b. *Available.* In Jacksonville Beach, Neptune Beach, Ponte Vedra Beach, Palm Valley and other territories served by the City.
 - c. *Monthly meter reading.* All quantities of electrical energy shown by regular monthly watt-hour meter readings to have been delivered shall be charged for at the rate in subsection d.
 - d. *Rate per month:*
Customer service charge . . . \$ 6.00
Energy charge (all kWh), per kWh . . . \$0.07557
 - e.
 - d. *Minimum monthly bill.* A minimum monthly electric bill shall be rendered to each consumer whose application has been approved for general service nondemand service for an amount equal to the customer service charge.
 - f. Bulk Power Cost Base (BPCB). See Section 1. A. 1. f.
 - e. ~~*Bulk power cost adjustment.* The energy charge in any month hereunder shall be increased or decreased by an amount per kilowatt-hour as may be necessary to accommodate the increased or decreased purchase cost of bulk electricity to the City.~~
 - g. Bulk Power Cost Adjustment (BPCA). See Section 1. A. 1. g.
 - h. Bulk Power Cost True-Up (BPCT). See Section 1. A. 1. h.
 - i. Rate Stabilization Account (RFA). See Section 1. A. 1. i.

Formatted: Numbered + Level: 1 + Numbering Style: a, b, c, ... + Start at: 3 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Formatted: Indent: Left: 0.25", First line: 0"

Formatted: Font: (Default) Times New Roman

Formatted: Font: (Default) Times New Roman

j. Calculation of BPCA. See Section 1. A. 1. j.

Limitations applicable to all classes of service: Auxiliary and standby service or resale of electric energy delivered by the City shall not be permitted except by written consent expressly authorized by the City Council.

3. General service demand as defined in section 32-56 for the following:

a. *Character of service.* AC,-60 cycles, single—or 3-phase, 120/208 volts and above as required and as available.

b. *Available.* Within the service area of the electric utility of the City.

c. Monthly meter reading. All quantities of electrical energy shown by regular monthly watt-hour meter readings to have been delivered shall be charged for at the following rate in subsection d.

ed. *Rate.* The charge per month shall consist of the total of the demand, energy, and customer service charge as follows:

Rate per month:

Customer service charge . . . \$16.25

Demand charge (all kWh), per kW . . . \$8.50

Energy charge (all kWh), per kWh . . . \$0.06127

de. *Minimum bill.* The minimum bill shall be equal to the customer service charge.

ef. *High load factor credit.* The monthly per kw demand credit to those general service demand customers whose annual load factor is as follows:

TABLE INSET:

Load Factor	Monthly Demand Credit
75 percent & higher	\$2.00 per kW demand charged
70 to 74 percent	\$1.50 per kW demand charged
65 to 69 percent	\$1.00 per kW demand charged
60 to 64 percent	\$0.50 per kW demand charged

The load factor will be established after the initial twelve (12) months of service for new customers and the previous twelve (12) months for existing customers. Existing demand customers' load factor will be reviewed and recalculated annually.

fg. Bulk Power Cost Base (BPCB). See Section 1. A. 1. f

~~f. Bulk power cost adjustment. The energy charge in any month hereunder shall be increased or decreased by an amount per kilowatt-hour as may be necessary to accommodate the increased or decreased purchase cost of bulk electricity to the City.~~

gh. Bulk Power Cost Adjustment (BPCA). See Section 1. A. 1. g.

hi. Bulk Power Cost True-Up (BPCT). See Section 1. A. 1. h.

j. Rate Stabilization Account (RSA). See Section 1. A. 1. i.

k. Calculation of BPCA. See Section 1. A. 1. j.

~~kl.~~ Should the customer demonstrate that the future metered demand is expected to be reduced below the fifty (50) kW thresholds then the customer's account may be reclassified to either residential or general service, as applicable, at the option of the City.

Formatted: Indent: Left: 0.25"

(5.) Rental lights.—Rental lights will be furnished on sites approved by the City electric department, including installation, maintenance, replacement when necessary, and electrical energy consumed, including a rate schedule as provided by City resolution.

B. Installation charges.

1. *Underground installation charges.* Jacksonville Beach and other service areas: Underground residential installation, single-phase, 240-volt, 125-ampere, up to and including 200 ampere service class:
 - a. Initial charge for new installation in this class . . . \$400.00
 - b. Initial installation charge, additional apartments or services on the same service line, whether new or existing, each . . . \$5.00
 - c. Service replacement as the result of additional demand:
 - (1) Customer may at his/her option obtain the services of a licensed electrician to install necessary wiring from meter to the termination point designated by the City.—Charge for initial cut-in when complete service is installed by an electrical contractor . . . \$20.00
 - (2) Customer may request that his/her service be increased to a maximum 200-ampere single-phase class for residential use.—Charge for this service performed by the City —\$ 200.00
 - d. Temporary service charge . . . \$20.00
 - e. All underground services other than residential 125-ampere through 200-ampere single-phase must be installed by a licensed electrician from meter to the termination point designated by the City.
 - f. Underground service laterals.—All underground service laterals to be installed by the utility shall be installed in a conduit provided at owner expense, ~~size~~, and quantity to be determined by the utility.
2. *Overhead installation charges.* Jacksonville Beach and other service areas: Overhead installation charge when permitted, single-phase, 240-volt, up to and including 200-ampere class:
 - a. Initial charge for new installation in this class . . . \$50.00
 - b. Initial installation charge, additional apartments or services on the same service line, whether new or existing, each . . . \$5.00
 - c. Temporary service charge . . . \$20.00
3. *Overhead installations over two hundred amperes.* Jacksonville Beach and other service areas: Overhead installation, when permitted, other than single-phase or in excess of 200-ampere class:
 - a. Initial installation charge shall be the estimated actual cost of such service as determined by the electrical utility.
 - b. Initial installation charge, additional apartments or services on the same service line, whether new or existing, each . . . \$ 5.00
 - c. Temporary service: Temporary service charge shall be the estimated actual cost of such service as determined by the electric utility.
 - d. Service replacements as the result of additional demand: Installation charge shall be the estimated actual cost of such service as determined by the electric utility.

4. *City and other service areas.* Available to customers having a three-phase demand meter and providing for customer's access to meter real time energy and demand values. Initial charge for installation of a KYZ contact assembly.....\$170.00

C. Fuel adjustment and rates for service outside limits.

1. Bulk Power Cost Base (BPCB). See Section 1. A. 1. f.
2. ~~*Bulk power cost adjustment.* All charges for consumption of electrical energy shall be increased or decreased by an amount per kilowatt hour to pay for the fluctuation in the cost of bulk electricity as approved by the City Manager or his/her designee. The City may retain unusual or extraordinary power cost refunds at its discretion but can only use these monies for items which are directly related to the electric utility.~~ Bulk Power Cost Adjustment (BPCA). See Section 1. A. 1. g.
3. Bulk Power Cost True-Up (BPCT). See Section 1. A. 1. h.
4. Rate Stabilization Account (RSA). See Section 1. A. 1. i.
5. Calculation of BPCA. See Section 1. A. 1. j.
6. Rates for service outside limits. The rates to be charged and collected by the city for electric energy furnished by the City to customers outside of its corporate limits shall be such as are fixed by the City, to be applicable within certain designated areas, or upon a schedule adopted for such specific extensions as may be constructed by the City or by contract with any person taking electric energy from the City through their own or through the City's distribution system.

Formatted: Font: Not Italic
Formatted: Indent: Left: 0.25", First line: 0", Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

Formatted: Indent: Left: 0.25", No bullets or numbering
Formatted: Font: Not Italic
Formatted: Indent: Left: 0.25"

Formatted: Indent: Left: 0.5", No bullets or numbering

D. Testing of meters; payment of costs; special readings.

1. Upon written notice a meter will be tested by the City and in the event the meter when tested is found to be not more than two (2) percent fast, the expense of the test shall be paid by the customer at a cost of ten dollars (\$10.00); otherwise, the expense of the test will be borne by the City and billing adjustments for a period not to exceed six (6) months will be made. Special meter readings requested by the customer will be made upon application and upon payment of ten dollars (\$10.00) to the City.

Formatted: Indent: Left: 0.25"

Section 2. All Resolutions in conflict with this resolution are hereby repealed.

Section 3. This Resolution shall take effect April 1, 2013.

_____ AUTHENTICATED this _____ day of _____, A.D., 2013.

~~Charlie~~ William C. Latham, MAYOR

Judy L. Bullock, CITY CLERK

City of

February 7, 2013

Jacksonville Beach

City Hall

MEMORANDUM

11 North Third Street

TO: George Forbes
City Manager

Jacksonville Beach

FL 32250

From: Harry Royal
Finance Officer

Phone: 904.247 6274

Fax: 904.270 1 642

RE: Ordinance Establishing a Transfer Policy for Beaches Energy Services

www.jacksonvillebeach.org

ACTION REQUESTED:

Adopt Ordinance No. 2013-8024 establishing an annual maximum transfer from the electric utility to the general fund and prescribing the methodology for calculating the transfer amount.

BACKGROUND:

The Electric Utility's annual transfer to the General Fund is currently based on the kilowatt hours purchased during the twelve-month period ending on June 30 in the prior fiscal year multiplied by \$4.50 dollars per thousand kilowatt hours. The budgeted transfer amount for FY 2013 is \$3,272,548. Since 1995 the transfer rate has varied between \$4.50 and \$5.00 dollars per thousand kilowatt hours.

A transfer to the general fund of a municipality by an electric utility represents a rate of return on the municipality's investment. The Public Service Commission allows investor owned utilities a return on equity that varies between different utilities but generally is in a range of 10 to 11%. The rate of return earned by the City in FY 2012 based on a transfer rate of \$4.50 per thousand kilowatt hours purchased was 3%.

Our auditors concur with guidance from the American Public Power Association which states that public utilities should have a clear and consistent policy establishing the formula or methodology to determine the transfer amount. In addition, having an established written transfer policy that is clearly defined and not subject to change ensures the predictability of the transfer amount for budgeting purposes and also debt rating agencies view such policies favorably.

I am proposing that the maximum transfer rate to be set at \$5.50 per thousand kilowatt hours. The City's Financial Advisor agrees that a \$5.50 rate would be considered reasonable by debt rating agencies.



RECOMMENDATION:

Adopt Ordinance No. 2013-8024 establishing an annual maximum transfer from the electric utility to the general fund and prescribing the methodology for calculating the transfer amount.

Introduced by: _____
1st Reading: _____
2nd Reading: _____

ORDINANCE NO. 2013-8024

AN ORDINANCE AMENDING CHAPTER 32, UTILITIES, OF THE CODE OF ORDINANCES OF THE CITY OF JACKSONVILLE BEACH, FLORIDA; PROVIDING THE METHOD OF CALCULATING THE MAXIMUM ANNUAL CONTRIBUTION MADE BY THE ELECTRIC UTILITY FUND TO THE GENERAL FUND TO BE INCLUDED IN THE CITY'S ANNUAL OPERATING BUDGET; PROVIDING FOR REPEAL OF ALL CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City operates an electric utility system that has historically made an annual transfer to the General Fund; and

WHEREAS, in the past the City Council has adhered to a consistent budgetary transfer formula based on gross kilowatt hours purchased for resale in order to ensure a consistent fiscal policy, and

WHEREAS, the City desires to establish maximum transfer amount while still ensuring adequate cash flows in the Electric Fund for working capital reserves, operations and maintenance, and future construction needs, and

WHEREAS, the City desires to establish maximum transfer amount in order to ensure favorable credit ratings from the major rating agencies such as Fitch, Standard & Poor's, and Moody's.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JACKSONVILLE BEACH, FLORIDA:

SECTION 1. That Chapter 32, Utilities, in Article III. of the Code of Ordinances of the City of Jacksonville Beach, Florida, be amended as follows:

Article III. Electricity.

Section 32.77. That the City Manager in preparing his annual budget proposal for submission to the Council will calculate the contribution from the Electric Fund to the General Fund by multiplying a millage rate by the gross kilowatt hours purchased for resale by the electric utility system from the Florida Municipal Power Agency during the twelve-month period ending on June 30 of the prior fiscal year. The maximum millage rate effective for fiscal years beginning October 1, 2013 or thereafter is set at \$5.50 dollars per 1,000 kilowatt hours purchased.

Sec. 32-78 – 32-90. - Reserved

SECTION 2. That all ordinances or parts of ordinances, that conflict with this ordinance to the extent that the same may conflict, are repealed.

SECTION 3. That this ordinance shall take effect upon its adoption by the City Council.

AUTHENTICATED THIS _____ DAY OF _____ A.D., 2013

William C. Latham, MAYOR

Judy L. Bullock, CITY CLERK