

MINUTES FROM THE STRATEGIC PLANNING WORKSHOP OF THE UTILITY BOARD OF THE CITY OF KEY WEST, FLORIDA, HELD AT 2:00 P.M. ON WEDNESDAY, MAY 2, 2018 AT THE KEYS ENERGY SERVICES BOARD ROOM LOCATED AT 1001 JAMES STREET, KEY WEST, FLORIDA

The above referenced workshop of the Utility Board of the City of Key West, Florida, convened at 2:00 P.M., on the above date and location and was called to order by Chairman Batty.

Utility Board Members Present

Peter Batty, Chairman
Mona Clark, Vice Chair
Charlie Bradford, Member
Timothy Root, Member
Steven Wells, Member

Staff Present

Lynne Tejeda, General Manager & CEO
Jack Wetzler, Assistant General Manager & CFO
Edee Delph, Executive Assistant to GM/CEO & UB

Other Present

Bill Hunter, Ratepayer

Mrs. Tejeda thanked the Utility Board for their attendance and stated that the purpose of the Strategic Planning Workshop is for the Board to review and discuss KEYS current Mission, Vision, Values, Goals and Strategies. Mrs. Tejeda stated that due to the unfortunate events during and following Hurricane Irma, Staff and the Board agreed it would be best to extend Goals/Action Plans from 2017/2018 Strategic Plan into 2019.

Mrs. Tejeda said any changes would be discuss and provided to staff; and would be approved at a Utility Board meeting subsequent to this workshop.

Mrs. Tejeda reviewed the current Mission, Vision and Values, with the Board and it was the consensus of the Board there would be no changes at this time.

Mrs. Tejeda reviewed the Goals and Values for 2017/2018, with the Board and it was the consensus of the Board there would be no changes at this time. Mr. Wells asked to move Environmental Value further up on the list, following the Safety Value and the Board agreed.

Mrs. Tejeda stated that staff recommends an additional Strategy for Goal #1: Finalize Hurricane Irma Transmission and Distribution Repairs and Update Hurricane Procedures. The Board agreed with Staff's addition.

Mrs. Tejada stated that staff recommends an additional Strategy for Goal #2: Identify Financial Solution to Hurricane Irma Expense. The Board agreed to reduce budget before raising rates to pay for expenses not reimbursable by Federal Emergency Management Agency (FEMA).

The Board discussed establishing a hurricane reserve "hurricane war chest" over the next several years. Chairman Batty said the sale of KEYS property on Stock Island, which is currently leased by Fishbusterz would be an excellent start to funding a hurricane reserve.

Mr. Tejada informed the Board that Baker Tilly would present/discuss the Compensation Analysis, Findings & Recommendations, via conference call. Mrs. Tejada introduced Catlin Humrickhouse, Baker Tilly Consulting Manager and Deanna Kempinsk, Baker Tilly Consulting Manager.

Chairman Batty stated there would be no discussion on the presentation provided due to ongoing union negotiations.

Mrs. Tejada stated that staff has no changes for Goal #3 Strategies. The Board had no changes at this time.

Mrs. Tejada stated that staff has no changes for Goal #4 Strategies. The Board had no changes at this time.

Mrs. Tejada stated that staff has no changes for Goal #1 Action Plans with the Board. The Board had no changes at this time.

Mrs. Tejada stated that staff has no changes for Goal #2 Action Plans with the Board. A discussion ensued on the outsourcing of Plan Administrator and the Board agreed to schedule a Pension Workshop after the upcoming elections. There was also discussion on the current number of trustees and the Board agreed that 15 trustees was excessive.

Mr. Wetzler provided the Board with a status update on reimbursement from the Federal Emergency Management Agency (FMEA).

Mrs. Tejada reviewed Goal #3 Action Plans with the Board. Mrs. Tejada provided the Board with the current organizational chart and stated that Staff recommends the increase of one employee for up to 15 months for unusual circumstances for pending retirements. After discussion, the Board agreed to update current policy allowing the change and bring back at a Regularly Scheduled meeting for approval.

Mrs. Tejada stated that staff has no changes for Goal #4 Action Plans with the Board. The Board had no changes at this time.

There was additional discussion on:

- Monroe County Traffic Light Contract – Monroe County has provide KEYS with notice to end current contract effective July 1, 2018 and stated that Florida Department of Transportation (FDOT) will oversee County Traffic Lights.
- The City of Key West has recently gone out on competitive Bid for traffic lights but has not provided KEYS with notice to date.
- Contractor Damage to bay bottom following Hurricane Irma- Information pending from National Marine Sanctuary.

After the presentation and Board discussion was concluded, the Board directed staff review the following:

- Environmental Value moved further up on the list, following the Safety Value.
- Add additional Strategy for Goal #1: Finalize Hurricane Irma Transmission and Distribution Repairs and Update Hurricane Procedures.
- Add additional Strategy for Goal #2: Identify Financial Solution to Hurricane Irma Expense.
- Establish a Hurricane Reserve "War Chest"
- Explore the sale of KEYS property on Stock Island, currently leased by Fishbusterz.
- Schedule Utility Board Pension Workshop after Utility Board Elections.
- Update policy regarding replacements for pending retirements to allow the increase of one employee up to 15 months for unusual circumstances.

(All documents provided at the meeting are available upon request)

ADJOURNMENT

The Strategic Planning Workshop of May 2, 2018, was adjourned by Chairman Batty at 4:19 P.M.

APPROVE:

Peter Batty, Chairman

ATTEST:

Lynne E. Tejada, General Manager/CEO & Secretary

/ed