



CITY OF LAKE WORTH

7 North Dixie Highway · Lake Worth, Florida 33460 · Phone: 561-586-1600 · Fax: 561-586-1750

**AGENDA
CITY OF LAKE WORTH
CITY COMMISSION MEETING
CITY HALL COMMISSION CHAMBER
TUESDAY, JANUARY 20, 2015 - 6:00 PM**

1. **ROLL CALL:**
2. **INVOCATION:** Father Paul Rasmus, St. Andrew's Episcopal Church
3. **PLEDGE OF ALLEGIANCE:** Commissioner John Szerdi
4. **AGENDA - Additions/Deletions/Reordering:**
5. **PRESENTATIONS:** (there is no public comment on Presentation items)
6. **COMMISSION LIAISON REPORTS AND COMMENTS:**
7. **PUBLIC PARTICIPATION OF NON-AGENDAED ITEMS AND CONSENT AGENDA:**
8. **APPROVAL OF MINUTES:**
 - A. Special City Commission Meeting - January 6, 2015
 - B. City Commission Meeting - January 6, 2015
9. **CONSENT AGENDA:** (public comment allowed during Public Participation of Non-Agendaed items)
 - A. Resolution No. 06-2015 - amend the City of Lake Worth Fee Schedule to create a credit card convenience fee for utility payments
 - B. Construction contract with West Construction for the 5th Avenue North Greenway Improvements project
 - C. Agreement with B&B Underground Contractors, Inc. and Materials Testing Allowance with Testing Lab of the Palm Beaches for the Seminole Manor Forcemain Modifications Project
 - D. Purchase three replacement service vans from Duval Ford LLC Sales for the Electric Utilities Meter Shop Division based on the Florida Sheriff's Association contract

Agenda Date: January 20, 2015 Regular Meeting

- E. Amendment to an Agreement with LHoist North America of Alabama, LLC for the purchase of Bulk Quicklime for the Water Treatment Plant

10. PUBLIC HEARINGS:

11. UNFINISHED BUSINESS:

12. NEW BUSINESS:

- A. Agreement with Burton & Associates for a Comprehensive Integrated Financial Sustainability Analysis for the City's 2015/2016 budget

13. LAKE WORTH ELECTRIC UTILITY:

- A. **CONSENT AGENDA:** (public comment allowed during Public Participation of Non-Agendaed items)

- B. **PUBLIC HEARING:**

- C. **UNFINISHED BUSINESS:**

- 1) Agreement with MR Valuation Consulting, LLC for Fair Market Value Appraisal of Electric Utility System; rescheduled from the December 2, 2014, Commission meeting
- 2) Agreement with Willdan Financial Services, Inc. for Economic and Financial Valuation of Electric Utility System; rescheduled from the December 2, 2014, Commission meeting

- D. **NEW BUSINESS:**

14. CITY ATTORNEY'S REPORT:

15. CITY MANAGER'S REPORT:

- A. February 3, 2015 draft Commission agenda

16. ADJOURNMENT:

If a person decides to appeal any decision made by the board, agency or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she 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. (F.S. 286.0105)

NOTE:ONE OR MORE MEMBERS OF ANY BOARD, AUTHORITY OR COMMISSION MAY ATTEND AND SPEAK AT ANY MEETING OF ANOTHER CITY BOARD, AUTHORITY OR COMMISSION.



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AGENDA DATE: January 20, 2015, Regular Meeting

DEPARTMENT: Finance

EXECUTIVE BRIEF

TITLE:

Resolution No. 06-2015 - amend the City of Lake Worth Fee Schedule to create a credit card convenience fee for utility payments

SUMMARY:

This Resolution will create a fee to recover the costs of accepting credit card payments for utility bills when a customer pays through an internet portal or via telephone.

BACKGROUND AND JUSTIFICATION:

The City accepts credit cards in payment for utility; this acceptance of credit cards is for the convenience of the customer. At this time the City is using the least costly interchange rates from the Credit Card providers; Master Card, Visa, and American Express.

However, even utilizing these favorable rates, the fees from the credit card providers for Utility payments are approximately \$220,000 per year. To put this amount in perspective it is the equivalent of almost a ½% rate reduction in Electric rates.

The City Attorney has determined that there is no legal barrier to creating a convenience fee to offset the City's costs of accepting this form of payment. Florida Statute 215.322 (5) specifically allows for surcharging in an amount sufficient to pay the service fees charged by the financial institution for such services.

Most other local governments utilize this mechanism to recover the costs of accepting credit card payments.

VISA rules which are followed by MasterCard and American Express allow surcharges only on those transactions where for the convenience of the customer the payment can be made in a "card not present" mode. For the City this would be via the internet payment portal or via telephone. Consequently those are the payment modalities that would be surcharged.

The surcharge proposed in this action is 1.2% which for example would be \$6 on the payment of a \$500 utility bill. This charge compares favorably with the amount charged in surrounding jurisdictions and should cover the City's fees for accepting these "card not present" payments.

The City imposed a fee for in person payments at the Customer Service Office in the current budget year. That fee will help offset the cost of accepting credit card payments in the "card present" mode, where a convenience fee is not allowed by the credit card providers. Consequently between the two fees the City will be able to recover essentially all the costs of credit card acceptance, reducing City expenses by approximately \$220,000 annually.

The City continues to offer utility bill payment via the internet, lockbox and drop box by check or preauthorized electronic funds transfers at no additional charge to the customer.

MOTION:

I move to approve/not approve Resolution No. 06-2015 amending the City of Lake Worth's 2014/15 fee schedule to include credit card convenience fees for payment of utility bills through the internet or via telephone.

ATTACHMENT(S):

Fiscal Impact Analysis

Florida Statute

Credit Card Fee

Resolution

FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures	0	0	0	0	0
Operating Expenditures	(\$220,000)	0	0	0	0
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
Net Fiscal Impact	0	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

B. Recommended Sources of Funds/Summary of Fiscal Impact:

This will produce revenue to offset credit card fees in the electric fund.

C. Department Fiscal Review: __SC_____



CITY OF LAKE WORTH

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AGENDA DATE: January 20, 2015, Regular Meeting

DEPARTMENT: Public Services

EXECUTIVE BRIEF

TITLE:

Construction Contract with West Construction for the 5th Avenue North Greenway Improvements project

SUMMARY:

The Construction Contract sets forth the terms and conditions for construction services for the 5th Avenue North Greenway Improvements project in the public right-of-way between North A Street and North C Street. Community Development Block Grant funding in the amount of \$100,000 has been allocated for this purpose.

BACKGROUND AND JUSTIFICATION:

On July 13, 2014, the City of Lake Worth issued Invitation to Bid #14-124 to solicit bids from responsible and experienced contractors to perform construction services for the 5th Avenue North Greenway Improvements project in the public right-of-way between North A Street and North C Street. The scope of work to be performed consists of clearing and grubbing, fine grading to provide positive surface drainage, sidewalk construction with driveway access aisles, sod and related landscaping, irrigation system and certain site amenities.

At the bid opening conducted on August 14, 2014, the City received four bids as follows:

Bidder	Project Cost
West Construction, Inc.	\$ 90,672.00
JMW Construction Corp.	\$119,550.56
Sunshine Land Design, Inc.	\$136,054.36
Weekley Asphalt Paving, Inc.	\$168,016.69

West Construction, Inc. was determined to be the low responsive and responsible bidder to this competitive sealed bid process. Staff issued a Notice of Recommendation to Award (NORA) the construction contract to West Construction, Inc. on August 19, 2014. The City provided a five day period to receive protests to this NORA during which none was filed. Palm Beach County Department of Community Sustainability subsequently approved the City's solicitation process and intent to award the construction contract to West Construction, Inc.

The Interlocal Agreement R2013-1423 between Palm Beach County and the City, as amended, makes available a total of \$100,000 in Community Development Block Grant funds – Account # 180-9710-539.63-15 for this project. This will provide a contingency amount of \$9,328 for the project.

MOTION:

I move to approve/not approve a Construction Contract with West Construction, Inc. for the Community Development Block Grant funded 5th Avenue North Greenway Improvements project in an amount not to exceed \$100,000.

ATTACHMENT(S):

Fiscal Impact Analysis

Bid Tabulation Sheet

Notice of Recommendation to Award

Construction Contract

FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures	90,672	0	0	0	0
Operating Expenditures	0	0	0	0	0
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
Net Fiscal Impact	90,672	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Public Services		5th Ave North (Re-allocated from 10th Ave S) - Proj # FG 1407				
Account Number (s)	Account Description	FY 2015 Budget	Available Balance	Agenda Expenses	Contingency	Remaining Balance
180-9710-539-63-15	Building/Infrastructure	100,000	100,000	(90,672)	(9,328)	-

C. Department Fiscal Review: _____



CITY OF LAKE WORTH

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AGENDA DATE: January 20, 2015, Regular Meeting

DEPARTMENT: Water Utilities

EXECUTIVE BRIEF

TITLE:

Agreement with B&B Underground Contractors, Inc. and Materials Testing Allowance with Testing Lab of the Palm Beaches for the Lake Worth Seminole Manor Forcemain Improvements

SUMMARY:

The Agreement authorizes B&B Underground Contractors, Inc. to construct the Lake Worth Seminole Manor Forcemain Improvements project and Testing Lab of the Palm Beaches to provide materials testing allowance services.

BACKGROUND AND JUSTIFICATION:

Seminole Manor is a sub regional sewer customer of the City of Lake Worth. This system connects to the City of Lake Worth's forcemain located at the intersection of Seminole Drive and Lantana Road.

This project will replace a section of 8 inch forcemain serving Seminole Manor and eliminate an 8 inch butterfly valve that has been an operational problem during storm events, and a continued maintenance problem.

The City of Lake Worth Utilities department has solicited bids from contractors for the construction of the Lake Worth Seminole Manor Forcemain Improvements, under Bid IFB-15-100. The lowest responsible, responsive bid for the sum of \$48,000 was from B&B Underground Contractors, Inc. plus \$1,000 for materials testing allowance services. Mock Roos & Associates are recommending award of the Bid to B&B Underground Contractors, Inc.

MOTION:

I move to approve/disapprove an agreement B&B Underground Contractors, Inc. at a cost not to exceed \$48,000, and materials testing allowance with Testing Lab of the Palm Beaches at a cost not to exceed \$1,000, for the construction of the Lake Worth Seminole Manor Forcemain Improvements; for a total not to exceed \$49,000.

Attachments

- 1) Fiscal Analysis
- 2) B&B Underground Contractors, Inc. Bid Proposal
- 3) Recommendation for Award Letter
- 4) Bid Tabulation
- 5) Agreement

FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures	49,000	0	0	0	0
Operating Expenditures	0	0	0	0	0
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-Kind Match	0	0	0	0	0
Net Fiscal Impact	49,000	0	\$0	\$0	\$0

No. of Additional Full-Time Employees	0	0	0	0	0
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B. Recommended Source of Funds/Summary of Fiscal Impact

The funds have been identified in the FY2015 Local Sewer Capital budget from account 403-7231-535.63-15

Utilities/Water Production							
Account Number	Account Description	Project #	FY 2014 Proposed Budget	Amended Budget	Current Balance	Agenda Item Expenditures	Remaining Balance
403-7231-535.63-15	Local Sewer CIP	LS-1406	\$72,346	N/A	\$69,056	-\$49,000	\$20,056

C. Fiscal Review:

Larry Johnson – Director
 Monica Shaner –Engineer
 Clyde Johnson - Finance



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AGENDA DATE: January 20, 2015, Regular Meeting

DEPARTMENT: Public Services

EXECUTIVE BRIEF

TITLE:

Purchase three replacement service vans from Duval Ford LLC Sales

SUMMARY:

The purchase will provide three service vans for the Transmission & Distribution / Meter Shop of the Electric Utility at an amount not to exceed \$63,000.00.

BACKGROUND AND JUSTIFICATION:

The Transmission and Distribution / Meter Shop currently has three vehicles scheduled for replacement. Due to age, condition and safety concerns, the following vehicles are being replaced:

- Truck #141---1995 Chevrolet Astro Van
- Truck #258—1997 Chevrolet Astro Van
- Truck #190---1998 Chevrolet S-10 Pick up

These vehicles are currently being used by the Electric Utility as part of their daily operations and are past their useful life and to the daily needs of the Electric Utility. The new vehicles will have a 5 year, 75,000 mile warranty on them.

These vehicles are quoted by Duval Ford LLC under specification # 31 for the 2015 Ford Transit Connect (S6E), Florida Sheriff's contract (Bid # 14-22-0904). This item is a cooperative purchase (piggy back) and the Florida Sheriff's contract can be viewed at http://www.flsheriffs.org/our_program/purchasing_programs/cooperative-fleet-bid-awards/

MOTION:

I move to approve/not approve the purchase of three replacement vehicles from Duval Ford LLC Sales under a cooperative purchase use of the entire Sheriff's vehicle contract.

ATTACHMENT(S):

Fiscal Impact Analysis
Dealer Quote Sheet
Vehicle Specifications

FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures	63,000	0	0	0	0
Operating Expenditures	0	0	0	0	0
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
Net Fiscal Impact	63,000	0	0	0	0

No. of Addn'l Full-Time Employee Positions	0	0	0	0	0
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B. Recommended Sources of Funds/Summary of Fiscal Impact:

Public Services						
Account Number	Account Description	FY2015 Budget	Project #	Pre Exp; Balance	Expenditure for this item	Post Exp; Balance
530-9010-549.64-30	Machinery and Equipment / Vehicles	2,004,161	N/A	1,294,832.65	-63,000.00	1,231,832.65

C. Department Fiscal Review: _JB_



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AGENDA DATE: January 20, 2015, Regular Meeting

DEPARTMENT: Water Utilities

EXECUTIVE BRIEF

TITLE:

Amended Amendment to an Agreement with LHoist North America of Alabama, LLC for the purchase of Bulk Quicklime for the Water Treatment Plant

SUMMARY:

The Amended Agreement authorizes the purchase of Quicklime from LHoist North America of Alabama LLC, under a cooperative purchasing contract for an amount not to exceed \$128,939.80. This amount is based on an estimated usage for the year of 470 tons at \$274.34 per ton, which is an increase of 2.31% from 2014.

BACKGROUND AND JUSTIFICATION:

The City of Lake Worth is a member of a local cooperative purchasing effort, which includes the Cities of Delray Beach and Boynton Beach. As a member of this purchasing cooperative the City of Lake Worth is able to leverage its purchasing power with its neighboring utilities to provide for the acquisition of a critical chemical, at a price point that would be otherwise unattainable.

Quicklime is a necessary chemical which, when added to the raw water supply, precipitates the coagulation process necessary to remove hardness color and iron content, as well as other contaminants. The approval of this purchase order will provide for the continued and uninterrupted delivery of Bulk Quicklime to the Water Treatment Plant.

The City of Boynton Beach bid the purchase under bid number 009-2821-13/JMA in November 2012. LHoist North America of Alabama, LLC was the lowest responsive bidder. The purchase agreement was extended one year to December 15, 2015, by the City of Boynton Beach on November 5, 2014, with a price of \$274.34 per ton, which is an increase of 2.31% from 2014. Based on the cost effectiveness of this contract, it is recommended the City purchase this critical chemical from LHoist North America of Alabama, LLC for 2015 for an amount not to exceed \$128,939.80.

MOTION:

I move to approve/disapprove an Amended Agreement with LHoist North America of Alabama, LLC, for bulk quicklime with a price of \$274.34 per ton for 470 tons, in an amount not to exceed \$128,939.80.

Attachments

- 1) Fiscal Analysis
- 2) Purchase Agreement
- 3) Boynton Beach Renewal Letter

FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact

Fiscal Years	2015
Capital Expenditures	0
Operating Expenditures	\$128,939.80
External Revenues	0
Program Income	0
In-Kind Match	0
Net Fiscal Impact	\$128,939.80

B. Recommended Source of Funds/Summary of Fiscal Impact

The purchase of the quicklime is included as part of the annual budget for the Water Fund. If approved, this purchase will be made from the Water Treatment - chemical account #402-7022-533.52-30.

Utilities/Water Production				L. Hoist	North	America	Alabama
Account Number	Account Description	Project #	FY 2015 Proposed Budget	Amended Budget	Current Balance	Agenda Item Expenditures	Remaining Balance
402-7022-533.52-30	Water Treatment Chemicals	N/A	\$541,990.00	\$541,990.00	\$249,044.95	- \$128,939.80	\$120,105.15

C. Fiscal Review:

Larry Johnson – Director
Clyde Johnson - Finance



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AGENDA DATE: January 20, 2015, Regular Meeting

DEPARTMENT: Finance

EXECUTIVE BRIEF

TITLE:

Agreement with Burton & Associates for a Comprehensive Integrated Financial Sustainability Analysis for the City's 2015/2016 budget

SUMMARY:

This Contract will provide for the development of an inter-active Comprehensive Integrated Financial Sustainability Analysis that will provide the framework for the development of a City wide business plan and the basis for the FY2015/16 through FY 2026 Budgets. The program will provide the information for multi-year plans and will be based on the consultants wide ranging knowledge of local government finance projections. The system will plot multiple variables and changes through all funds that would be affected and allows for real-time changes of variables.

BACKGROUND AND JUSTIFICATION:

The City has been struggling to overcome the economic downturn of 2007-2009. A number of problems have been dealt with and the City is moving toward financial stability. In order to continue that course the City needs to improve its ability to create multi-year plans that will achieve that goal and provide financial transparency.

Burton and Associates has provided the City's Water, Sewer and Regional Sewer Enterprise Funds with utility rate analyses and related financial services since 2008; and as a part of its services, they created a comprehensive financial analysis (FAM-XL© Model) for the Water, Sewer and Regional Sewer Enterprise Funds to better analyze the impact to those funds of different proposed rate and operational changes.

That platform has now been expanded and can be used for a Comprehensive Integrated Financial Sustainability Analysis on a City wide basis. This analysis will allow the City to immediately observe the impact of proposed fee and rate changes across all major funds and over a 10 year planning horizon. Using this analysis will significantly increase the efficiency and effectiveness of the preparation, approval and maintenance of the City's budget as well as provide the Commission with the information to clearly see the result of policy decision on the budget.

This Comprehensive Integrated Financial Sustainability Analysis and platform has been successfully used in the cities of Fort Lauderdale, St. Cloud, Fort Myers, Cape Coral, New Port Richey, Tarpon Springs, Dunnellon and Okeechobee County

Burton & Associates past service and experience with the City, their development of the FAM-XL© Model for the City's Water, Sewer and Regional Sewer Enterprise Funds as well as their distinctive field of expertise and experience in creating comprehensive (10-year) integrated financial sustainability analysis for local governments major funds gives them unique qualifications and expertise. The procurement code, section 2-112(c), authorizes the selection of a consultant to provide professional services with a distinctive field of expertise without competitive selection; in addition section 2-112(f), authorizes a single source procurement if the source is the only practical source or it is in the best interest of the City.

Once set up this comprehensive model will be a useful tool for the Policy Board and public to see the interrelationships of the City's funds and the impact of policy decisions in a transparent manner. The program is inter-active which allows for real-time changes of variables and plots those changes through all funds that would be affected. For example a change in electric rates or total KWH sold affects Electric Fund Revenues, Electric fund expenses such as cost of purchased power, and the contribution to the General fund, in turn that would affect revenues in the General Fund from contributions and Public Service Taxes which are based on the electric sales.

Even though the total contract is for \$139,529, \$64,477 of that total is for work in the utility funds that has been previously contracted with Burton and Utility Financial Solutions (electric rates). This contract brings those tasks into this contract and adds other City funds. The incremental cost for adding the other City funds is \$75,052.

MOTION:

I move to execute/not execute an Agreement with Burton & Associates for a Comprehensive Integrated Financial Sustainability Analysis for the City in the amount of \$139,529.

ATTACHMENT(S):

Fiscal Impact Analysis
Agreement

FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures	0	0	0	0	0
Operating Expenditures	139,529	0	0	0	0
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
Net Fiscal Impact	139,529	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

B. Recommended Sources of Funds/Summary of Fiscal Impact:

City of Lake Worth		Burton & Associates Sustainability Analysis				
Account Number (s)	Acct Description (s)	FY 2015 Budget	Amended Budget	Current Balance	Agenda Expenses	Remaining Balance
001-1220-513.34-50 * Bud Xfer from 001-1220-513.12-10	General Fund	817,054	817,054	750,692	(41,471)	709,221
401-6010-531.31-90	Electric Fund	33,000	33,000	29,150	(27,544)	1,606
402-7010-533.31-90	Water Fund	300,000	300,000	249,000	(12,900)	236,100
Bud Amendment 402-7010-533.31-90	Local Sewer Fund	300,000	300,000	236,100	(12,900)	223,200
Bud Amendment 402-7010-533.31-90	Regional Fund	300,000	300,000	223,200	(11,133)	212,067
410-5084-534.52-32	Sanitation Fund	22,000	22,000	22,000	(12,114)	9,886
408-5090-538.34-50	Stormwater Fund	97,500	92,609	32,655	(10,334)	22,321
140-8074-575.43-10	Beach Fund	178,801	178,801	178,801	(11,133)	167,668
					(139,529)	

C. Department Fiscal Review: ____SC____



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AGENDA DATE: January 20, 2015, Regular Meeting

DEPARTMENT: Electric Utility

EXECUTIVE BRIEF

TITLE:

Agreement with MR Valuation Consulting, LLC for Fair Market Value Appraisal of Electric Utility System

SUMMARY:

This Agreement will authorize a fair market value appraisal and economic and financial value of the City's electric utility to be performed.

BACKGROUND and JUSTIFICATION:

The Electric Utility Advisory Board was directed to evaluate three alternatives concerning the Lake Worth Electric Utility: (1) sell the system, (2) build new generation facilities to serve the customers directly, and (3) consider a long term purchase power agreement with another generating source. In order to consider a sale of the utility, it was determined that a Fair Market Value Appraisal and an Economic and Financial Value of the Electric Utility to the City of Lake Worth needed to be determined. Request for Letters of Interest and Professional Qualifications (RFQ # 13-14-402) was issued June 20, 2014. Four proposals were received. Evaluation of the written submissions were done and the top 3 firms Cohn Reznick, MR Valuation Consulting and Willdan were selected to do Oral presentations. Evaluations of proposals were completed September 3, 2014. MR Valuation Consulting of Monmouth, New Jersey was selected as the preferred qualified consultant.

The Fair Market Value Appraisal seeks to determine a price for the Lake Worth Electric Utility System serving approximately 26,000 customers in the Southeast Florida market. The Fair Market Value is defined as a professional opinion expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts. It was determined that MR Valuation Consulting had the best overall professional qualifications to perform the services requested in the RFQ.

This appraisal is one component of the 'sale option' and should be performed in conjunction with the Economic and Financial Value of the Electric Utility to the City of Lake Worth. The MR Valuation price for this service is \$85,000.

This item was reviewed and recommended by the Electric Utility Advisory Board on November 5, 2014. Additionally, this item was discussed during the December 2, 2014, City Commission meeting. The action of the Commission was to bring it back on the January 20, 2015, meeting.

MOTION:

I move to approve / not approve an agreement with MR Valuation Consulting, LLC in the amount of \$85,000 to perform consulting services for the Fair Market Value Appraisal of the Lake Worth Electric Utility.

ATTACHMENT(S):

- 1) Fiscal Impact Analysis
- 2) MR Valuation Agreement
- 3) RFQ-13-402 Evaluations Fair Market Value
- 4) RFQ-13-402 Fair Market Value Appraisal

FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures	0	0	0	0	0
Operating Expenditures	85,000	0	0	0	0
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
Net Fiscal Impact	85,000	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Account Number	Account Description	FY2015 Budget	Curr Bal After Economic Study	Agenda Expense	Remaining Balance
401-6020-531-3190	Other	209,000	138,675	-85,000	53,675

C. Department Fiscal Review: _CL_



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AGENDA DATE: January 20, 2015, Regular Meeting

DEPARTMENT: Electric Utility

EXECUTIVE BRIEF

TITLE:

Agreement with Willdan Financial Services, Inc. for Economic and Financial Valuation of Electric Utility System

SUMMARY:

This Agreement will authorize the economic and financial value of the City's electric utility system to be performed.

BACKGROUND and JUSTIFICATION:

The Electric Utility Advisory Board was directed to evaluate 3 alternatives concerning the Lake Worth Electric Utility: (1) sell the system, (2) build new generation facilities to serve the customers directly, (3) consider a long term purchase power agreement with another generating source. In order to consider a sale of the utility, it was determined that an Economic and Financial Value of the Electric Utility System to the City of Lake Worth and a Fair Market Value Appraisal needed to be determined. Request for Letters of Interest and Professional Qualifications (RFQ # 13-14-403) was issued June 20, 2014. Three proposals were received. Evaluation of the written submissions were done and the top 2 firms GAI and Willdan were selected to do Oral presentations. Evaluations of proposals were completed September 3, 2014. Willdan Financial Services of Orlando, Florida was selected as the preferred qualified consultant.

The Economic and Financial Value of the Electric System seeks to obtain an economic value to the City of Lake Worth. The Economic and Financial Value is determined as a going business concern for the indefinite future in terms of revenue provided to the City's general functions and activities. It was determined that Willdan Financial Services, Inc. had the best overall professional qualifications to perform the services requested in the RFQ. This appraisal is one component of the 'sale option' and should be performed in conjunction with the Fair Market Appraisal of the Electric Utility. The Willdan Financial Services price for this study is \$46,000.

This item was reviewed and recommended by the Electric Utility Advisory Board on November 5, 2014. Additionally, this item was discussed during the December 2, 2014, City Commission meeting. The action of the Commission was to bring it back on the January 20, 2015, meeting.

MOTION:

I move to approve / not approve an agreement with Willdan Financial Services, Inc. in the amount of \$46,000 to perform consulting services for the Economic and Financial Value of Electric Utility System of Lake Worth.

ATTACHMENT(S):

- 1) Fiscal Impact Analysis
- 2) Agreement
- 3) List of Proposers and Evaluation Matrix
- 4) Economic Value of Electric System

FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures	0	0	0	0	0
Operating Expenditures	46,000	0	0	0	0
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
Net Fiscal Impact	46,000	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Account Number	Account Description	FY2015 Budget	Current Balance	Agenda Expense	Remaining Balance
401-6020-531-31-90	Other	209,000	184,675	-46,000	138,675

C. Department Fiscal Review: Clay Lindstrom