



**BOARD OF COUNTY
COMMISSIONERS
INDIAN RIVER COUNTY, FLORIDA
COMMISSION AGENDA
SPECIAL CALL MEETING**

WEDNESDAY, JANUARY 28, 2015 - 1:00 PM

**County Commission Chamber
Indian River County Administration Complex
1801 27th Street, Building A
Vero Beach, Florida, 32960-3388
www.ircgov.com**

COUNTY COMMISSIONERS

DISTRICT

Wesley S. Davis, Chairman	District 1	Present	Joseph A. Baird, County Administrator	Present
Bob Solari, Vice Chairman	District 5	Present	Dylan Reingold, County Attorney	Present
Joseph E. Flescher	District 2	Present	Jeffrey R. Smith, Clerk of the Circuit	
Peter D. O'Bryan	District 4	Present	Court and Comptroller	Present
Tim Zorc	District 3	Present	Terri Collins-Lister, Deputy Clerk	Present

	<u>CALL TO ORDER</u>	<u>1:00 P.M.</u>	<u>PAGE</u>
1.	<u>CALL TO ORDER</u>	<u>1:00 P.M.</u>	
2.	<u>INVOCATION</u>	Commissioner Wesley S. Davis, Chairman	
3.	<u>PLEDGE OF ALLEGIANCE</u>	Dylan Reingold, County Attorney	
4.	<u>ITEMS</u>		
1:01 p.m.	A.	Discussion of the Preliminary and Tentative Findings by the Florida Auditor General concerning Florida Municipal Power Agency (Auditor General Report Dated January 21, 2015)	1-30

The Indian River County Board of County Commissioners held a Special Call Meeting on January 28, 2015 at 1:00 p.m. to discuss the Preliminary and Tentative Findings (The Findings) by the Florida Auditor General in his Executive Summary concerning the Florida Municipal Power Agency (FMPA).

Attorney Reingold reviewed the financial findings and questionable expenditures of the FMPA. He indicated the FMPA has thirty (30) days after receipt of the list of written statement of explanation concerning all of the findings with actual or proposed corrective actions.

Attorney Reingold concluded the activities of the FMPA listed in the Auditor General's findings was a serious matter that affects all citizens in the State of Florida. He wanted the Board to focus on a statewide comprehensive solution and strategy to this problem and recommended hiring a firm to assist the County in getting out this statewide message. He suggested the Board call upon the Florida Legislature to conduct hearings and he believed the Florida Public Service Commission (PSC) should have oversight of the FMPA. He mentioned State Representative Debbie Mayfield has legislation in bill drafting in regards to the PSC governing the FMPA.

The Board of County Commissioners shared their concerns on the FMPA's inconsistency, and the risks taken in excess of industry practices' and County Administrator Baird pointed out the biggest part of FMPA's demand charge was debt service.

Discussion ensued with remarks from the Board on the FMPA's magnitude of loss from bad decisions, interest rate swaps, salaries, and state requirements for meal and vehicle allowances.

Chairman Davis opened the Public Hearing.

Mr. John McCord encouraged the Board to contact their legislative delegations to make changes and was disgusted on the Auditor General's Findings regarding FMPA's operations. He wanted to see the City of Vero Beach (the City) seek damages on behalf of its customers and demand that its contracts with FMPA be annulled.

Dr. Stephen Faherty discussed the Auditor General's Findings and pointed out there were items that should have been picked up in a regular audit.

Harry Howle, 765 Broadway Street, stated the Florida Municipal Electric Authority was another agency that needs to be audited.

Pilar Turner spoke on behalf of herself and made remarks on the FMPA's interest rate swaps. She pointed out FMPA, as part of a governmental entity, had no operational audit within 37 years of the FMPA's history. She affirmed that FMPA's gross mismanagement was being passed on to the ratepayers.

Glenn Heran did not believe PSC control would solve the inherent inefficiencies of monies in the FMPA. He asked the Board to take some specific action in respect to promoting legislation by: 1) request auditor go back and look at the Fair Market Value of the underlining generation assets of the FMPA; and 2) amend the contracts to allow a member city to exit the FMPA through an agreement with the FMPA members or legislatively.

Clerk of Circuit Court and Comptroller Jeffrey R. Smith indicated State Representative Debbie Mayfield was a member of the Legislative Auditing Committee, and he suggested giving her the information. In addition, he expounded on the comments heard, and recommended the Board look at what Purvis Gray & Company, CPA Firm, had to say about the internal control structure of the FMPA.

J. Rock Tonkel voiced it would ultimately be a judicial action or legislative solution in order to bring about the changes and accountability to the FMPA.

Mark Mucher, 617 Indian Lilac Road, wanted the items that “fell through the cracks” in the audit to be readdressed.

Dan Stump said it would take a judicial action, not legislative acts, to get the City and outside city electric ratepayers to become customers of Florida Power & Light.

Gerard Weick, as a ratepayer, questioned the amount that FMPA spends on lobbyists, and wanted to know their names.

Caroline Ginn gave a brief history on FMPA and described the structure.

There were no additional speakers, and the Chairman closed the Public Hearing.

Discussion ensued on the audit and how it was funded, and the FMPA Board and its membership. Attorney Reingold explained the Auditor General was given authorization to spend \$200,000 for subject matter experts.

MOTION WAS MADE by Vice Chairman Solari, **SECONDED** by Commissioner Zorc, to request the Auditor General and the Joint Legislative Auditing Committee of the Florida Legislature to use the remaining \$200,000 allocated for audits from funds in the State’s Specific Appropriation 2685, General Revenue Fund to:

1. Determine the Fair Market Value of the Generation Assets.
2. Determine Fair Market Value of the Florida Municipal Power Agency as a whole.
3. Prepare three years of pro forma financial statements from FMPA based on the Governmental Accounting Standards Board which would include: a balance sheet, profit and loss statement, and two cash flow statements.
4. Review the Purvis Gray & Company comments regarding the Florida Municipal Power Agency’s internal policies and controls.
5. Include the Florida Municipal Electric Authority to the scope of the audit or the pro formas to be performed.

Discussion ensued by Commissioner Zorc for clarification of the motion.

The Chairman recapped the motion and **CALLED THE QUESTION**, and the motion carried unanimously.

MOTION WAS MADE by Vice Chairman Solari, **SECONDED** by Commissioner Zorc to:

1. Ask our Legislative Delegation to prompt the State of Florida to investigate through legislative hearings the activities of the Florida Municipal Power Agency.
2. Engage in a statewide dialogue with Utility Members of the Florida Municipal Power Agency or other interested entities on their activities.
3. Hire professional support to help with the statewide dialogue regarding the Florida Municipal Power Agency.

Under Discussion, Vice Chairman Solari stated the fact that the overall goal was the sale of the electric system to Florida Power & Light. Chairman Davis recapped the motion and County Administrator Joe Baird asked the Board to give County staff the authority to begin the process immediately.

Dr. Stephen Faherty proposed including the Florida League of Cities and the Florida Association of Counties in the statewide dialogue.

The Chairman **CALLED THE QUESTION** and the motion carried unanimously.

MOTION WAS MADE by Commissioner O'Bryan, **SECONDED** by Commissioner Flescher, to: (1) add to the County's Legislative Priorities, the amendment to Florida Statutes Chapter 366, Section 02, which propose the Florida Municipal Power Agency be placed under the Florida Public Service Commission's regulation; and (2) ask County staff to research what avenue the County should proceed with in order to get the Florida Municipal Power Agency to follow many of the laws applicable to local governments including municipalities

The Chairman **CALLED THE QUESTION** and the motion carried unanimously.

5. **ADJOURNMENT**

There being no further business, the Chairman declared the meeting adjourned at 3:05 p.m.

ATTEST:

Jeffrey R. Smith, CPA, CGFO, CGMA
Clerk of Circuit Court and Comptroller

Wesley S. Davis, Chairman

By: _____
Deputy Clerk

Approved: February 17, 2015

BCC Special Call /TCL/2015Minutes