

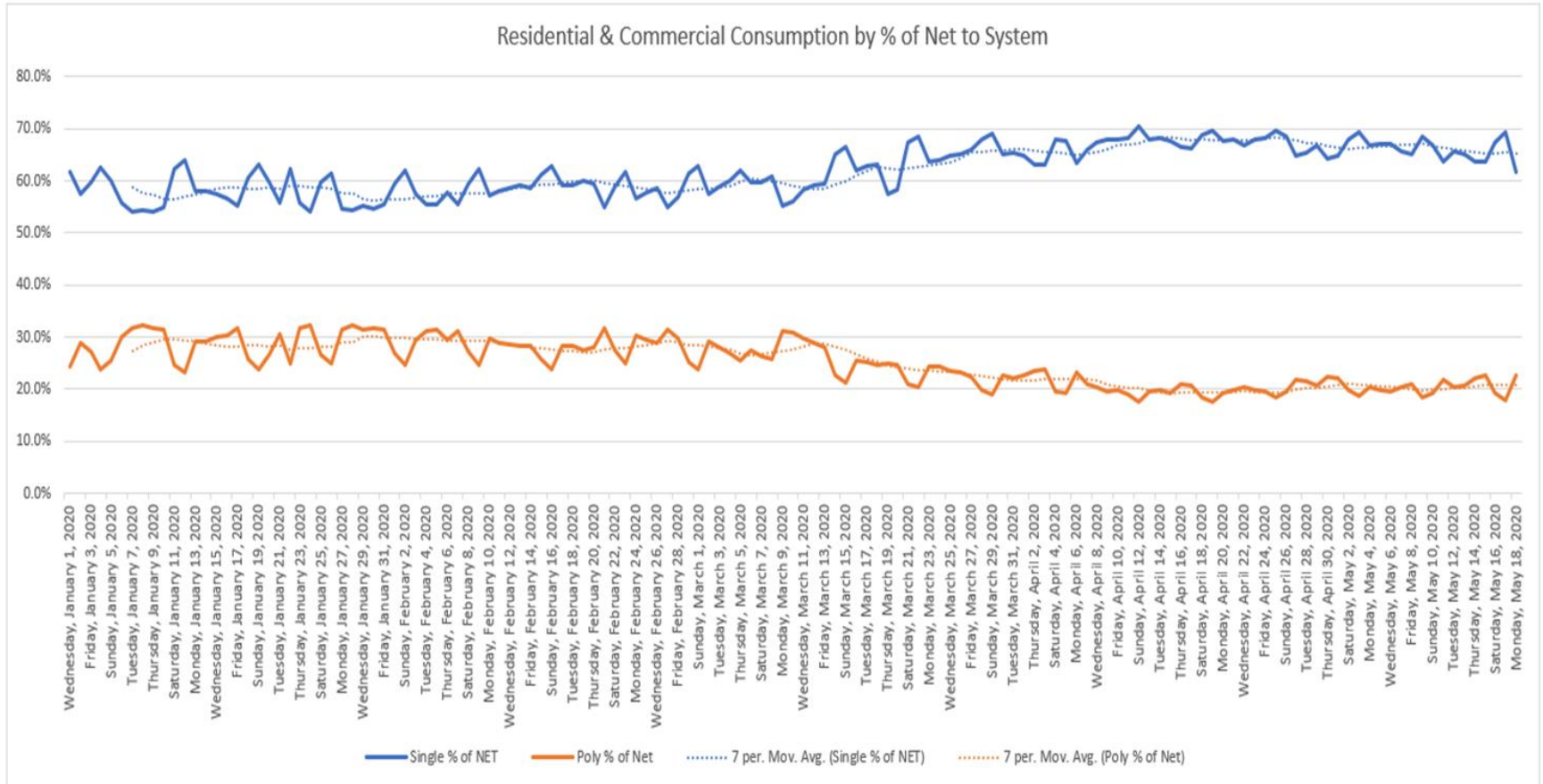


Electric Utility Presentation
May 26, 2020
Ed Liberty, Electric Utility Director

Energy Use, Degree Days, and Customer Growth Metrics

	<u>kWh FYTD</u>	<u>TDD FYTD</u>	<u>CUST FYTD</u>	<u>kWh MAY</u>	<u>TDD MAY</u>	<u>CUST APRIL</u>	<u>AVG Daily Peak</u>
	<u>5/18/2020</u>	<u>5/18/2020</u>	<u>4/30/2020</u>	<u>5/18/2020</u>	<u>5/18/2020</u>	<u>4/30/2020</u>	<u>5/18/2020</u>
2019	267094650	2380	186666	23961985	244	26777	76.19
2020	268071457	2680	188644	21628870	221	27051	67.54
Change	976807	300	1978	-2333115	-23	274	-8.65
%	0.366%	12.605%	1.060%	-9.737%	-9.426%	1.023%	-11.353%

Residential Energy Use is Up while Commercial is Down



Electric Utility 7+5 Forecast with Potential Revenue Reductions

SUMMARY OF FINANCIAL ACTIVITY FY 2020							
	Category		FY 2020 1st Qtr	FY 2020 2nd Qtr	FY 2020 3rd Qtr	FY 2020 4th Qtr	Totals \$\$\$
			Actual	Actual	1 Mth Actual; 2 Mths Projections	Projections	
B. Pre- Residential & Commercial Reduction Scenario							
1	7 Mth Actual &	Total Revenues	\$ 13,867,490	\$ 11,199,682	\$ 14,521,985	\$ 24,354,878	\$ 63,944,036
2	Revised Forecast	Total Expenditures	\$ (10,699,871)	\$ (10,792,702)	\$ (18,448,579)	\$ (17,956,285)	\$ (57,897,437)
3		Operating Income	\$ 3,167,619	\$ 406,980	\$ (3,926,593)	\$ 6,398,593	\$ 6,046,599
B. 10% Residential & Commercial Reduction Scenario							
4	7 Mth Actual &	Total Revenues	\$ 13,867,490	\$ 11,199,682	\$ 13,533,110	\$ 22,510,245	\$ 61,110,528
5	Revised Forecast	Total Expenditures	\$ (10,699,871)	\$ (10,792,702)	\$ (18,448,579)	\$ (17,956,285)	\$ (57,897,437)
6		Operating Income	\$ 3,167,619	\$ 406,980	\$ (4,915,469)	\$ 4,553,960	\$ 3,213,091
B. 15% Residential & Commercial Reduction Scenario							
7	7 Mth Actual &	Total Revenues	\$ 13,867,490	\$ 11,199,682	\$ 13,038,672	\$ 21,587,929	\$ 59,693,773
8	Revised Forecast	Total Expenditures	\$ (10,699,871)	\$ (10,792,702)	\$ (18,448,579)	\$ (17,956,285)	\$ (57,897,437)
9		Operating Income	\$ 3,167,619	\$ 406,980	\$ (5,409,906)	\$ 3,631,644	\$ 1,796,337

Utility Receivables Are Growing

30 Day Aging

	3/18	5/18	
	30 days	30 days	Change
Total Commercial (excl. taxes & fees)	\$41,231 3.6%	\$95,230 8.1%	\$53,998 226%
Total Residential (excl. taxes & fees)	\$84,999 4.9%	\$301,189 11.9%	\$216,190 241%
Total EU Res & Comm (excl. taxes & fees)	\$126,230 4.4%	\$396,419 10.7%	\$270,189 243%
Total Water&Sewer (excl. taxes & fees)	\$55,768 3.5%	\$184,472 10.6%	\$128,705 306%
Trial Utilites Balances (incl. taxes & fess)	\$240,651 4.5%	\$696,350 10.8%	\$455,699 242%

60 Day Aging

	3/18	5/18	
	60 days	60 days	Change
Total Commercial (excl. taxes & fees)	\$1,157 0.1%	\$27,687 2.4%	\$26,531 2342%
Total Residential (excl. taxes & fees)	\$8,884 0.5%	\$108,251 4.3%	\$99,367 828%
Total EU Res & Comm (excl. taxes & fees)	\$10,040 0.4%	\$135,938 3.7%	\$125,898 1048%
Total Water&Sewer (excl. taxes & fees)	\$5,050 0.3%	\$67,817 3.9%	\$62,767 1242%
Trial Utilites Balances (incl. taxes & fess)	\$19,987 0.4%	\$253,575 3.9%	\$233,588 1060%

Customer Payment Methods

Payment TYPE

	<i>Dec-19</i>	<i>Jan-20</i>	<i>Feb-20</i>	<i>Mar-20</i>	<i>Apr-20</i>
CREDIT CARDS	42%	46%	47%	43%	45%
CHECKS	28%	26%	25%	26%	24%
e-Checks	7%	8%	8%	8%	8%
ACH (old)	11%	10%	10%	10%	10%
AUTO PAY (new)	1%	3%	4%	5%	6%
CASH (local office)	10%	0%	0%	0%	0%
CASH (PayNearMe)	1%	7%	6%	8%	7%
# of Transactions	30,503	29,398	26,720	30,620	25,820

Payment DETAIL

	<i>Dec-19</i>	<i>Jan-20</i>	<i>Feb-20</i>	<i>Mar-20</i>	<i>Apr-20</i>
Online	33%	36%	36%	36%	37%
By Mail	21%	21%	21%	20%	21%
Walk-Ins	15%	0%	0%	0%	0%
ACH (old AutoPay)	11%	10%	10%	10%	10%
Auto Pay (new)	1%	3%	4%	5%	6%
Drop Box	7%	8%	9%	9%	7%
Local Office	0%	0%	0%	0%	0%
Paymentus IVR	11%	15%	14%	12%	12%
PayNearMe	1%	7%	6%	8%	7%
# of Transactions	30,503	29,398	26,720	30,620	25,820

SUMMARY DASHBOARD

	TOTAL DEPOSIT ON HAND	BALANCE DUE	TOT BALANCE DUE AFTER DEP APPLIED	TOT DEPOSIT REMAIN AFTER DEPOSITS ARE APPLIED
COMMERCIAL	\$172,316.22	\$228,285.96	\$99,213.76	\$43,244.02
RESIDENTIAL	\$381,242.35	\$573,111.59	\$265,430.99	\$73,561.75
COMBINED	\$553,558.57	\$801,397.55	\$364,644.75	\$116,805.77

RESIDENTIAL

%	# accts.	<i>balance due</i> <i>(after deposit applied)</i>
0.6%	7	\$2000 - \$5400
3.8%	43	\$1000 - \$1999
9.7%	110	\$500 - \$999
21.7%	247	\$200 - \$499
12.7%	145	\$100 - \$200
13.6%	155	< \$100
37.9%	432	Zero Balance
100%	1139	87%

COMMERCIAL

%	# accts.	<i>balance due</i> <i>(after deposit applied)</i>
4.0%	7	\$5000 - \$10,500
4.0%	7	\$2000 - \$4999
5.7%	10	\$1000 - \$1999
6.9%	12	\$500 - \$999
10.9%	19	\$200 - \$499
5.7%	10	\$100 - \$199
10.3%	18	< \$100
52.3%	91	Zero Balance
100%	174	13%

1313 TOTAL ACCOUNTS (as of FRI 5/14)

Assistance with Utility Bills

22	2454	985	1035	948	948	9	2
TOTAL # of Days of Calls	TOTAL Calls Made	TOTAL Voice Mail Reached	TOTAL Talked With	TOTAL Flyers Sent	TOTAL Interested in Assistance	TOTAL Moved	TOTAL Vacant

- Our outreach program to customers with accounts in arrears continues and is showing positive results. Customers are being offered information on sources of assistance by our team members in personal phone calls and direct mailings.
- 481 of our customers have applied and 24 will begin receiving assistance with their Lake Worth Beach utility bills as an outcome of the outreach program.
- As of May 20th there are 1,544 customers seriously in arrears on their utility bills, approximately 87% of which are residential accounts and 13% are commercial accounts.

Revenue Recovery Plan, Why?

- We need a Plan to help customers catch up on their City utility bills, and for the City to create FY2020 forecasts and FY2021 budgets
- The Plan needs to be defined in advance so customers know what to expect, and to allow Staff time to create the required processes to implement the Plan
- The Plan needs to balance the needs of all customers and the City's financial obligations
 - Coverage ratios, cash flows, working capital, etc.

Conceptual Elements of a Revenue Recovery Plan

- Phase-in of disconnects for non-payment
 - ✓ Set a date and give 30 days notice to all customers
- Apply deposits on hand to outstanding balances
 - ✓ Reduces immediate impact on customers
 - ✓ Requires changes to City Resolution 70-2013; Section 4 (A) and Section 5
- Waiver of late fees incurred between March 18 and date of Recovery Plan implementation
- Spread customer payment on remaining balances over subsequent monthly payments; number of months to be suggested by City Commission

Value of Including Deposits in a Conceptual Recovery Plan

- Provides free working capital to commercial customers
 - Enhances benefits received under state/federal programs
- Allows customers to use a stranded asset (utility deposits) as working capital
 - Zero cost of capital and waived late fees
 - Rapid application and approval; no process delays
- Benefits to the City
 - Deposits are deployed locally to decrease financial stress on the involved customers and the City, thereby benefiting all customers and residents
 - Helps businesses focus their resources on opening and returning employees to work

City Resolution 70-2013

Section 4. Refund of Residential Service Deposits.

- (A) Residential service deposits shall be refunded to the depositor(s) after a continuous service period of twenty-five (25) months provided that the customer has a satisfactory payment record; the customer has not, in the previous twelve (12) months, made more than one (1) late payment of a bill; had a check returned for non-payment of a utility bill; has not engaged in any Illegal Use; left an unpaid balance from a previous account; and, does not have any other indebtedness to the City.
- (B) Refund of a deposit for an active utility account(s) shall be in the form of a credit to the corresponding account(s). Refund of deposit for closed accounts will be in the form of a check payable to the person or persons who established said utility deposit. In the event of a deceased depositor, refund will be to the estate or pursuant to Court order.

Section 5. Commercial Deposits - Non-refundable.

No commercial deposit shall be refunded until the service(s) are terminated; the final bill is paid in full; and, any other indebtedness to the City is paid.

Conceptual

Elements of a Revenue Recovery Plan (Continued)

- Temporarily suspend bill deposit reviews through September 30, 2020;
 - ✓ For Residential Customers requires modification to City Resolution 70-2013 Sections 3.A.1 and 3.A.3
 - ✓ For Commercial Customers required modification to City Resolution 70-2013 Sections 3.B.1 and 3.B.3
- Plan would not apply to new accounts created after Recovery Plan implementation
- A customer who has a deposit applied to their outstanding balance would not have to replenish their deposit unless they have a subsequent occurrence that meets the criteria of Resolution 70-2013

City Resolution 70-2013 (Residential)

Section 3. Deposit Review/Adjustment Policy

(A) Residential

In addition to the City's reserved right to periodically update an individual(s)' Consumer Information Check and revise the required residential deposit accordingly, the City shall require an adjustment of a residential deposit balance under the following circumstances:

1. One (1) disconnect for non-payment;
2. One (1) dishonored check;
3. Four (4) delinquent payments within current twelve (12) month period;
4. Balance due on a prior final bill;
5. Evidence of Illegal Use; or,
6. Any other evidence to suggest a higher risk of delinquency.

If any of the above exist, the residential account balance shall be adjusted to the amount required for an individual whose Consumer Information Check suggests a high risk of delinquency.

City Resolution 70-2013 (Commercial)

(8) Non-Residential (commercial) General Service.

The City shall require an adjustment of a non-residential deposit balance under the following circumstances:

1. One (1) disconnect for non-payment;
2. One (1) dishonored check;
3. Four (4) delinquent payments within current twelve (12) month period;
4. Balance due on a prior final bill; or,
5. Evidence of Illegal Use.

If any of the above exist, the non-residential account balance shall be adjusted to the amount equal to two and one-half (2.5) times the recent monthly average or estimated bill rounded to the nearest Fifty Dollars (\$50).

Next Steps

- Develop a consensus on when to phase out the no-disconnect policy
- Develop a consensus on the elements of a deferred revenue recovery plan
- Staff to prepare a Staff Report and Motion for City Commission vote at a subsequent meeting

End.....Questions

