

Board decides against vote of \$1 million surplus

Published: Friday, February 29, 2008 11:12 AM CST
Rolla Daily News

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Citing declining sales and increasing costs for electricity, the Board of Public Works on Thursday decided against a proposed rebate program that would have refunded \$1.1 million to customers of Rolla Municipal Utilities.

On both ends of discussion on the topic, Board Secretary John D. Wiggins twice proposed a rebate of 5 percent and sought the elimination for five months of the Payment in Lieu of Taxes (PILOT) line item.

The PILOT line item automatically charges customers 5 percent of their monthly bill, making Wiggins' proposal 10 percent. The PILOT is revenue collected by RMU that is paid directly to the city.

It was Judge Wiggins' hope the rebate could be implemented by RMU Office Manager Dennis Roberts in the final five months of the company's fiscal year ending Sept. 30.

RMU General Manager Dan Watkins told the board sales of electricity to its customers are down \$417,099.05 in the three months of the first quarter. Meanwhile, Watkins said, costs the utility paid for that electricity did not drop accordingly, only \$7,595.62. It's Watkins' contention that disparity is a harbinger of increasing electrical prices.

Wiggins contended the \$1.1 million surplus was collected during the 2006-'07 fiscal year, on which the utility has closed its financial books, and for that reason the rebate should be forthcoming.

"We're still talking about last year's money," Wiggins said. "We have \$6.7 million in reserves and with this rebate, we'll still have \$5.6 million. It's only fair that we give the 5 percent rebate and remove the PILOT," Wiggins said.

Board Vice President Maurice Alfermann said the board is still trying to rebuild its reserves. The utility called upon those reserves in January, 2007, as it spent in excess of \$2 million to repair damage to its infrastructure as a result of the ice storm.

“We should have \$15 million in our capital reserves,” Alfermann said.

Wiggins fired back: “And, we’re not going to make it all up in one year.”

To that, Alfermann said the figures presented by Watkins would indicate the utility would finish the year \$2 million in the deficit, if the three-month trend continues.

Then Wiggins made a last-ditch attempt to get a second on his motion.

“I was here when the rates went up 40 percent, and I was here when the PILOT was tacked on. I’ll make this motion again and if it dies for a lack of a second, I’ll stop talking,” Judge Wiggins said.

“I won’t second that,” Alfermann said.

Vice Secretary Mark Rolufs was silent.

So was Board President Dr. James Stoffer.

Wiggins sat quietly until board members revisited the topic.

“If we’re going to keep talking about it, I move that we take the line item (PILOT) off the bill,” Wiggins continued.

Then there was a question as to whether the board had the legal authority to remove the PILOT, to which Stoffer said the board would take the issue under advisement in executive session.

At that point, Wiggins’ motion to remove the PILOT died for lack of a second.

Watkins said RMU already is returning the rebate, of sorts, to its customers, as it is absorbing the rising electrical costs.

“We’re giving the rebate back,” Watkins said. “I also understand his (Wiggins’) opinion. I just don’t happen to share it.”

After a 40-plus minute executive session, the board returned no decision had been made.

Upon leaving the meeting, Wiggins was the first to exit the board meeting.

“I gave it my best shot,” Wiggins said just before reaching the exit. “That’s all I can do.”

