

**TOWN COUNCIL
WORKSHOP MEETING
APRIL 30, 1997**

The meeting was called to order at 7:03 p.m. Present were Mayor Venis, Vice-Mayor Santini and Councilmembers Bush, Cox and Kiar. Also present were Town Administrator Flatley, Town Attorney Webber, and Town Clerk Reinfeld recording the meeting.

1. South Broward Utilities

Budget and Finance Director Christopher Wallace provided an update on the purchase of the South Broward Utility system. He stated that the goal of the Town was to ensure rate stability.

Vice-Mayor Santini inquired whether there was any progress in the negotiations. Mr. Wallace responded affirmatively. He added that negotiations were continuing and a resolution was becoming clearer.

Mayor Venis stated that the 1998 permit expiration date was an important issue. Mr. Flatley replied that this matter would be addressed and indicated that the City of Pembroke Pines was also involved. Mayor Venis indicated that the City of Sunrise was also negotiating with the utility.

Councilmember Cox inquired about the change to a membrane processing, or something similar, by the year 2001. Mr. Flatley stated that this matter would be addressed by Berry and Calvin.

Lisa Lane, representing Rachlin, Cohen and Holtz, explained that Pembroke Pines had a 25 percent surcharge. She stated that Pembroke Pines' rate structure remained lower than the South Broward Utilities structure.

John Calvin, representing Berry and Calvin, provided a brief history of the report and stated that several options had been reviewed.

Mr. Flatley related that citizens wanted lower costs for service. He said cessation of traffic hauling sludge and sewage through the neighborhood was also desired. Mr. Calvin explained the process of removing sludge.

Mayor Venis asked about the status of the permit and also inquired about liability issues. Mr. Calvin replied that the renewal process had begun which could take a year or more.

Councilmember Cox questioned whether there was adequate capacity to service the existing area following the acquisition. Mr. Calvin replied that it was close for both water and sewer. Councilmember Cox requested reassurance that all equipment was in good working order which Mr. Calvin provided.

Mr. Flatley inquired about government regulations in public utilities. Mr. Calvin responded that no detrimental intervention was anticipated.

Councilmember Cox questioned the costs associated with Pembroke Pines which Ms. Lane explained.

Councilmember Cox inquired about the chance of negotiating with Florida Power and Light to change the route of sludge removal vehicles through the power line easement roads. Mr. Flatley mentioned the possibility of using the Britannia plat area. Mayor Venis referred to the sludge truck transportation schedule. Mr. Flatley advised that there were eight trips per week.

Mr. Calvin discussed the expense of wastewater with Ms. Lane advising that the capital improvement costs would be over \$700,000. Mr. Calvin stated that additional costs would be dependent upon expansion and indicated that expanding the customer base could incur costs into the millions. He described an additional \$700,000 cost for the pipelines and pump stations to Pembroke Pines, which was anticipated to be split between the Town and Pembroke Pines.

Ms. Lane remarked on the \$1.5 million for engineering studies. She indicated that discussion on recouping some of those costs through reduction of the purchase price was ongoing. Mr. Wallace provided details on these costs. He discussed the common ground and the challenges between the seller and the Town.

Councilmember Cox inquired about the recommended price. Mr. Wallace responded that the Town was prepared to offer \$10.5 million at the last negotiating session. Ms. Lane stated that a \$7 million offer was preferred. Mr. Wallace advised that the difference in purchase price would revolve mostly around the risk in acquisition and spending additional money. He added that the \$10.5 million assured maintenance of existing rates.

David Brown, Chairman of the Davie Water Advisory Board, asked how profitable South Broward Utilities was for the Culverhouse Foundation at the current rate. Ms. Lane responded that the 1996 annual report had not yet been filed. Mr. Brown inquired about instituting contingencies on the consumptive permit renewal scheduled for 1998. Councilmember Cox stated that standard language would be utilized.

Councilmember Kiar questioned whether allowable increases would be added should the purchase proceed. Mr.

Wallace stated that the policy was not to make excessive money on the utility system and keep profits in the system. He said that the foreseeable future projected no increases. Vice-Mayor Santini inquired if rate increases were focused in one area or spread throughout the system. Mr. Wallace said that the system was currently unified and indicated that separation was possible.

Councilmember Cox asked how the \$10 million would effect the Town's borrowing capacity. Mr. Wallace replied that he believed there would be no adverse effect and indicated that the users would be repaying the debt through their rates.

Mr. Wallace stated that it was the Town's the goal to complete the acquisition only if rates remained constant.

2. Non-Profit Grant Program

Mr. Wallace provided a breakdown of the requests that had been made by the different agencies and indicated that the Town did not have enough funds to provide the total amount of the requests. He suggested that the specific needs of the organizations be provided and reviewed.

A discussion ensued regarding the priority of the agencies making the requests. Vice-Mayor Santini proposed that \$3,000 be designated for the Seahawk After School Program; \$3,000 for the E.A.S.E. Foundation, Inc. and \$3,000 for H.O.P.E. She indicated that the remaining requests would have to be postponed. Mr. Wallace suggested that the matter be delayed until the May 7th Council meeting to allow his office time to further review the situation. There was no objection from Council.

Mr. Flatley mentioned that the workshop to discuss the arena management was scheduled for May 14, 1997 and indicated that several alternatives had been suggested.

Councilmember Cox advised that the participants of the most recent WestFair meeting were concerned with the Town leasing out the arena. She indicated that the Boys and Girls Club was hiring a full time person to promote WestFair. Councilmember Cox stated that it was suggested that this person, besides being a member of a volunteer board, manage Westfair and the arena. She asked that Council consider this type of co-hiring arrangement.

Vice-Mayor Santini inquired about profits for the arena. Mr. Wallace said a breakdown could be provided.

Mr. Flatley stated that the annexation bill would pass on May 1, 1997 and distributed a draft of the annexation proposal for Sunshine Ranches and Southwest Ranches.

Mr. Flatley stated that the upcoming goal setting sessions would include suggestions from Council and would be held at the Old Davie School.

There being no objections or further business, the meeting was adjourned at 9:25 p.m.