

Planning Board; but she does not indicate on her application she is interested in planning. She would be more in favor of supporting Sunny Gates.

Mayor Dannahower said he is not sure about Commissioner Burdge's remarks. He has recently had some opportunity to work with Ms. Gates on the Crime Watch in his neighborhood. She is doing a superb job in working on that and working on code enforcement in the area. She has attended at least one Commission meeting to support the need for code enforcement. He does not know Ms. Parks; she probably would serve very well. But he knows Ms. Gates quite well and will support her. The resolution that is going to be voted on would appoint Susan Parks.

Those voting in favor of the adoption of Resolution No. 94-42 were: Commissioners Burdge. Those opposed: Commissioner Bryan, Drummond, Sessions, and Dannahower.

(RESOLUTION NO. 94-42, APPOINTING SUSAN ENGEL PARKS, WAS NOT ADOPTED.)

City Clerk Steele introduced the following resolution by title only:

RESOLUTION NO. 94-42

"A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, CERTIFYING THE APPOINTMENT OF **SONJA M. GATES** AS A MEMBER OF THE CITY PLANNING BOARD."

Motion was made by Commissioner Burdge, seconded by Commissioner Drummond, that Resolution No. 94-42 be adopted.

Those voting in favor of the adoption of Resolution No. 94-42 were: Commissioners Bryan, Burdge, Drummond, and Dannahower. Those opposed: Commissioner Sessions.

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The next item on the Agenda was Resolution No. 94-44, Appointing an Alternate Member of the Board of Adjustment (to serve the unexpired term of Donald L. Bergman); said term expiring February 29, 1996.

Mayor Dannahower asked do they have a name for this one? (No names were submitted). Those in the audience that have a desire to work with the City on some of its important boards, they would certainly like to know about it so they could consider them. They do require pretty much they be a resident of the City.

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The next item on the Agenda was Request authorization to advertise an ordinance that would change the present formula being used to transfer funds from the Utilities Authority to the City to 6% of gross revenues.

City Manager Powell said on the Agenda tonight is a request for the Commission to approve the advertising of an ordinance that would change the transfer formula from its present 60%/40% to 6% of gross sales. If the City Commission agrees and approves the recommendation, there would need to be a date set to place this matter before a referendum and there would need to be an effective date as well. Representatives from the Utilities Authority are here tonight as well as City Staff who have been working on this proposed change for quite some time. There was a Special Meeting this afternoon at 5:00 p.m. of the Utilities Authority Board, which basically gave approval to the language that was prepared. Mr. Bryan, the U.A.'s attorney, has prepared an ordinance.

Mayor Dannahower said before they go on, he wants to be sure of one item. The present ordinance, as he understands it, that was approved and recommended by the Utilities Authority Board this afternoon would call for the 6% of gross and there are certain

caveats that go with that. But also that transfer would include the \$200,000 in free services the City has been receiving.

City Manager Powell said the \$200,000 would be deleted. It would be part of the transfer.

Mayor Dannahower said so that would not be in addition to the transfer. Is that Mr. Boudreaux's understanding of what they are doing here tonight?

**Mr. Bud Boudreaux**, Director of Fort Pierce Utilities Authority, said yes.

Commissioner Burdge said he would like to know the story about the \$200,000.

Mr. Boudreaux asked does he have a specific question?

Commissioner Burdge asked why can't they get the \$200,000 any more?

Mr. Boudreaux said that was a recommendation on part of the Utilities Authority, to include the \$200,000 as a part of the 6% and not an addition to it. The reason being is that the 6% of gross revenue as opposed to 40% of the net revenue or net profit would be a rather large increase on the order of \$800,000 to \$1 million per year depending on the amount of revenue the Utilities Authority took in. It is their feeling that large an amount could have somewhat of a detrimental effect and it would be greatly mitigated if the \$200,000 of free services would be absorbed into the 6% gross. It is strictly a matter of economics.

Commissioner Burdge asked if the formula is to be changed, does he anticipate a rate increase within the first two years?

Mr. Boudreaux said he cannot really prognosticate within the next two years; but they do not plan to have a rate increase within the next fiscal year. They have balanced their budget based upon those circumstances and it does not include a rate increase for Fiscal Year 1994-95.

Commissioner Burdge said the circumstances are the 6% transfer.

Mr. Boudreaux said yes. The problem with predicting rate increases is that the Utilities Authority revenues are greatly dependent upon the weather.

Commissioner Burdge asked does he anticipate the same or the projected amount of capital expenditures they have projected before this potential change in formula?

Mr. Boudreaux said in the past they have had a capital budgeting philosophy which differs somewhat from the present budgeting philosophy. In the past the philosophy has been to budget for the things that they need to do. This year they decided to try to budget for the things they can do, which is a vast difference in quantity, because with what they have given Staff, they can only do so much and get so far. This year they tried to predict what they could do as opposed to what needs to be done. They are going to keep that philosophy for the next few years. Consequently the capital budgets they will see coming out of the Utilities Authority will be considerably less than what they have seen in the past. However, he anticipates that they will be completing a much higher percentage of their capital budget programs in the future than they have in the past.

Mayor Dannahower said one other change that happened recently also was the inclusion of the wholesale water that would be included in the gross that originally was not. There will be

some additional revenues from that which will partly make up for the \$200,000. And also there is some potential of the Utilities Authority doing some management for others; in that case those fees would also be included. That would offset it somewhat. There was the one concession and then another concession. The request before them is to authorize advertising the ordinance. They need to set a date for the referendum; is that correct?

City Manager Powell said that is correct. The information that has been provided to him indicates if the Commission wishes to place this matter on the September 8th primary, a decision would need to be made by July 22nd. There has been some discussion with both staffs in reference to the short period of time between now and September 8th because some educational information will have to be relayed to the public, hopefully by the Utilities Authority and the City agreeing this change is in the best interest of the taxpayers and the ratepayers. Sufficient information will need to be provided to make this appealing to the public and make them aware of just exactly what is taking place. The next date would be October 4th, which would be a run-off date and would probably have less attendance. Those are the two dates that are before the Commission. It is his understanding based on what both attorneys indicated today at the 5:00 meeting of the U.A. Board, that if they do elect to authorize advertising the ordinance, they can proceed with that; and if there are any changes of a minor nature, between now and the time the ordinance is finally passed there could be some amendments to it.

Motion was made by Commissioner Burdge, seconded by Commissioner Bryan, to authorize advertising of an ordinance that would change the present formula being used to transfer funds from the Utilities Authority to the City to 6% of gross revenues; and that the date of the referendum be October 4, 1994.

Commissioner Drummond asked what happens if no one is in the runoff?

Commissioner Burdge said they will probably have a bunch in the runoff with all the governors, school board members, and County Commissioners.

Mayor Dannahower said if there wasn't they would be stuck with having a special election and paying for it.

Commissioner Burdge asked is it possible to say October 4th subject to a run-off election; and if not, then November 8th?

City Manager Powell said it would be a legal matter. If they advertise it, the Supervisor of Elections has to know it in time.

Mayor Dannahower said they will know September 8th whether there is going to be a runoff or not. If there isn't, there will be sufficient time to change it to November.

City Attorney Brennan said the question he would have is in reference to any advertisement requirements. That just might throw it off.

Commissioner Sessions asked is there a particular reason why he chose October 4th?

Commissioner Burdge said yes. Primarily because it is a run-off election and it would give them an opportunity in a sense because they would basically be the only people on the ballot and they would be able to have that educational process. The September election, everyone wants to get elected, so everyone is going to be running around. On October 4th, there would be fewer people. When they get into the November one, the campaigns themselves will intensify so much that he is not sure they will be able to

get their message across. On the October one he thinks they could get their message across to their constituents which are basically the people within the City of Fort Pierce. It should not be that hard of an election in a sense to get that across. But if they are flooded with all the other elections involved in it... That is one of the reasons why they don't hold municipal elections in with these elections, so there elections can be viewed more by the City electors.

Mayor Dannahower said he does not have any concerns about there not being a runoff. But if that happens they will know the morning of September 9th and can deal with it at that point.

Those voting in favor of the motion were: Commissioners Bryan, Burdge, Drummond, Sessions, and Dannahower. Those opposed: None.

Mayor Dannahower said he would like to publicly thank the Staff and the Attorney for the Utilities Authority, and City Staff and the City Attorney, for a lot of time and work that went in on that ordinance they asked to be advertised. There was a lot of give and take, but it was done in good spirit in the interest of the public; and they should be complimented for the way that has been handled.

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The next item was Consider Interlocal Agreement between the City, St. Lucie County and the Fort Pierce Utilities Authority for Disposal of Leachate from the County Landfill into the UA's Wastewater System.

City Manager Powell said he received a letter from the County Administrator (dated July 8, 1994), along with a proposed Interlocal Agreement which has been amended after many discussions between the Utilities Authority Staff, City Staff, and County Staff. The changes in the Interlocal Agreement have been noted by the City Attorney in a memorandum (dated July 12, 1994), which outlines a number of concerns he has in reference to the language. He agrees with the City Attorney's concerns. And based on the conditions as outlined, he recommends that the Interlocal Agreement not be approved. However, he thinks it is in the interest of the County, the City, and the U.A. - and especially the people who live in the County - that this thing go forward. He is not just sure how to get it forward. To him it is a rather simple matter; but again, everyone has their own concerns. Those concerns have been expressed over and over. And that is basically where they are.

Mayor Dannahower said he would hope they can find a way to get this Interlocal Agreement signed and completed. It is in the interest of the County and all County residents. It is in the interest of the Utilities Authority and the City to see it put together if they can. When it first came to the Utilities Authority, he had serious concerns and still has concerns about the potential liability and the potential difficulty of materials ending up in the Wastewater Treatment Plant that they don't want. Be that as it may, the engineers have assured him that is a minimal risk and they could live with that risk. However, there are some things that have been pointed out by the City Attorney and the City Manager that need to be changed. There are still some concerns that have not been resolved with the Utilities Authority. They were told at the U.A. meeting today the County Attorney had indicated there was an error in the 30 day written notice paragraph where the County could terminate without cause. The City certainly cannot in any circumstances live with that. The way it is written, the County could terminate immediately and the City would have to pay for the \$1.6 million cost of improvements. He would suggest the Commission approve the agreement with the caveat that the City Attorney make the changes that would make it acceptable and then send it back to the County.