

MINUTES OF FACILITIES PLANNING WORKSHOP MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD WEDNESDAY, JULY 27, 1988, AT 5:00 P.M., BOARD ROOM, ADMINISTRATION BUILDING, KISSIMMEE, FLORIDA

Present at the meeting were Chairman Hord, Vice-Chairman Gant, Secretary Bobroff, Assistant Secretary Lowenstein, Director Van Meter, Attorney Brinson, General Manager Welsh, Recording Secretary Rundio. Director Jones was absent.

A. MEETING CALLED TO ORDER at 5:10 P.M. by Chairman Hord. He indicated Director Jones would be absent.

Mr. James C. Welsh, General Manager, opened the meeting by stating we have some startling things to discuss tonight relating to our system growth and current pressing problems for our facilities needs some years hence. He said we need to address it and, hopefully, the outcome will be to get firm direction from the Board on immediate problems, short-term and long-term needs, facilities, and overall questions regarding remaining downtown, usage of parking spaces and alternatives deemed best by the Board.

Mr. Welsh stated that staff will explain our system growth, what we're facing, and why we find ourselves in this position. He indicated 1982 revenues were \$24 million dollars compared to this fiscal year's projected revenues at \$42.9 million. The compound growth rate is 12% growth, which ends up doubling every 6-7 years. Overheads in graphical form showed number of employees for fiscal year 1988-89. It encompassed our business needs and employee increases (presently 187 authorized in the 1989 Budget) all leading to facilities increases.

Discussion followed on numbers of employees in various departments, what the costs were for contract services, and the need for increased office space.

I. SYSTEM GROWTH (PAST AND FUTURE)

Kenneth L. Davis, Manager, Planning & Engineering, made a presentation on our planning process for Distribution and substations. We are looking at the overall service territory to find the largest influx on the system. He explained the county road plans, land use, and what is developing in those various areas North of Hwy. 192, and new growth in the area. He detailed several classifications of land usage, commercial, industrial and unit density. Discussion continued on the growth of Osceola County.

Director Gant indicated the uncertainty of our growth rate in the future in various divisions, as well as administrative and staffing. He indicated the need for strategy to deal with common ground and mentioned the volatility of potential growth.

II. INTERIM PLAN 1988-1989

James C. Schuster, Mgr./Finance & Administration, gave an overview of our strategies for redesigning office space, staffing, and also highlighted floor plans for future changes in the existing Administrative facility. An interim plan would temporarily remedy our space needs; the new Distribution Center would take the overflow from this building.

The Board and staff discussed the advantages and disadvantages of purchasing and utilizing various land and building sites in a most cost-effective way.

Mr. Welsh stressed the advantages of certain departments being housed together for favorable interaction and he emphasized areas with heavy interfacing with customers.

Chairman Hord recessed the meeting at 6:16 P.M. and reconvened at 6:43 P.M.

Director Bobroff left the meeting at 6:50 P.M.

Discussion ensued on short and long-term needs of various departments, with questions from the Board being answered by staff.

Mr. Welsh posed the question whether we want to be here and across the street, or at Bermuda Avenue in the long term.

Director Gant suggested contracting with the City for Board meeting facilities. Mr. Welsh added, "on an interim, interim basis."

III. MODIFICATION OF CURRENT CONSTRUCTION PLANS

Kenneth W. Lackey, Mgr./Distribution Operations, and Project Manager of the development on Bermuda Avenue, showed an overhead chart on Construction Cost Comparison between buying additional acreage and building an Administrative facility, versus building over the Parking lot at the existing site downtown. He showed a proposed 2nd floor arrangement indicating the 2nd floor would serve the General Manager, the Board room and part of Customer Service, allowing for future expansion. He quoted costs for elevator, additional parking, cost per square footage for finishing off the 2nd floor of the Distribution Center totaling approximately \$168,000.00.

Discussion on the above followed with staff answering questions of the Board.

Mr. Chuck Parsons, architect, briefed the Board on some building sites and City/County Ordinances.

Mr. Welsh stated a decision needs to be made in the relative near future regarding construction costs of comparable building size of 40,000 sq.ft. initially, 80,000 sq.ft. in the future on new acreage, or at the existing location. The decision needed is which plan should be pursued. New acreage must be acquired now before the opportunity escapes us, as raw land is being developed next door as an industrial/business park.

Director Hord inquired as to the legality of buying/selling land for a profit if it wasn't used. Mr. Edward Brinson, legal counsel, said yes, it is legal anytime a surplus is declared.

Director Lowenstein's viewpoint was having a facility on the parking lot, perhaps subleasing unused space, and suggested buying the 10 acres for future use. Director Hord stated the penalty paid for building downtown versus on Bermuda Avenue is \$1.75 million. Director Van Meter saw no problem with that. Director Gant agreed to building it downtown.

The Board gave their views on the land speculation. Director Hord thought it would be more cost-effective to build upward. He shares Director Gant's opinion on the 10 acres. If it is needed as further expansion of Distribution, buy it. If not, don't spend the money.

Mr. Welsh said, "what I hear the Board saying is if there's a potential for needed expansion at the existing Bermuda Avenue site to pursue the 10 acres, but also pursue real heavily the expansion of our office facilities at the downtown location even to the tune of cost differential such as was shown here" (indicating on chart).

Discussion continued.

Mr. Welsh repeated, for the record, I'd like to state what I feel is the direction given to us by the Board and that is to evaluate additional acreage at Bermuda for Distribution expansion or other purposes and if necessary bring that to the Board. Further, that we should look for the long-term facilities plan to be located in the downtown area and pursue that with the City and internally with our planning. Is that correct?

Director Hord replied, that's what we're saying.

Further discussion followed, with answers provided by staff on the interim and interim, interim plan solutions.

Mr. Parsons said schedule is not developed yet concerning the construction because of unresolved unknowns; drawings could take 6-7 weeks to complete. Permits and impact fees are required.

Director Hord stated that what staff is recommending is an interim, interim, namely the Board Room, be revised with partial height partitions into some work spaces and that we contract with the City to use City Hall as a meeting room twice a month or so, and the Executive offices remain here until Bermuda Avenue is done.

Mr. Welsh stated "that's our recommendation."

Consensus by the Board was 3 - 0 for the Administration offices remaining downtown. Directors Jones and Bobroff were absent.

Mr. Welsh said the direction received from the Board on the interim plan is to have an interim, interim plan to vacate this Board Room and arrange for meetings in City Hall or some other meeting facility and to convert this room for temporary office space. When Bermuda Avenue is finished, to finish it off in such a way that it will accommodate the Executive office as well as the Energy Auditor, Meter Readers, and Board Room for an interim basis of 2-3 years and then proceed forthwith. At the same time to develop the long-range facilities needs as stated previously.

Director Van Meter suggested staff needed something interim for 9 months, the time frame for North Bermuda.

Discussion followed on scheduling meetings at different locations and possible inconveniences and problems encountered.

Mr. Welsh confirmed staff received their direction.

B. **ADJOURNMENT:** Meeting adjourned at 8:17 P.M. by Chairman Hord.



CHAIRMAN

ATTEST:



SECRETARY