

MINUTES OF SPECIAL MEETING OF KISSIMMEE UTILITY AUTHORITY, HELD THURSDAY, JUNE 17, 1993, AT 6:00 PM, BOARD ROOM, ADMINISTRATION BUILDING, 1701 W. CARROLL STREET, KISSIMMEE, FLORIDA

Present at the meeting were Vice-Chairman Gant, Secretary Bobroff, Assistant Secretary Lowenstein, Director Jones, Attorney Brinson, President & General Manager Welsh, and Recording Secretary Rundio. Chairman Hord and Mayor Pollet were absent.

A. MEETING CALLED TO ORDER at 6:00 PM by Acting Chairman Gant who announced the Public Hearing for the purpose of approving the FY 1994 Budget.

B. PUBLIC HEARING - FISCAL YEAR 1994 BUDGET RESOLUTION NO. R93-3

Mr. Welsh stated our Finance Director would be explaining some technical differences in the numbers since our last workshop on this and also making a presentation on the Budget for the public. We are basically another million dollars to the good in terms of our calculations for reinvested earnings for 1994 and also in terms of our available cash for that year. We went from slightly under \$1 million to slightly under \$2 million in reinvested earnings and from \$4 million to \$5 million in terms of cash generated from operations due to the refinancing. There was another \$1 million in capitalized interest that was not calculated originally.

Joe Hostetler said that the closing of the bond issue took place today and that the money and the securities were transferred, completing this project. He distributed copies of the official, final Summary Statement covering the \$145,800,000 Bond Refunding, Series 1993 with all the final numbers.

The proposed budget discussed at the previous meeting did not incorporate the refunding just completed and contained only estimated numbers for the new money issue. This final budget incorporated the updated numbers and showed the effects on the budget. Staff asked that the Budget and the accompanying Resolution R93-3 be approved at this meeting.

Mr. Welsh handed out copies of the FY 1994 Budget Resolution and Agenda Item, which includes the final numbers.

The total budget amount of \$137,447,657 includes the effect of the Series 1993 bonds as well as the refunding of a portion of the Series 1991 bonds. The 3% Market Level Adjustment approved June 9th was also included.

Mr. Hostetler stated that the budget was reduced by \$1,548,589. He highlighted all the budget changes, via overheads, since the last meeting.

Director Gant announced that this was a Public Hearing for the purpose of reviewing the FY 1994 Budget and asked if there were any questions from the audience. There was no response.

Moved by Director Lowenstein that we accept Staff's recommendation to approve the Fiscal Year 1994 Budget and Resolution No. R93-3. Seconded by Director Jones.

**Motion carried 4 - 0
Chairman Hord absent**

C. OSCEOLA PARKWAY TURNPIKE INTERCHANGE RELOCATION PROJECT CHANGE ORDER TO CONSTRUCTION CONTRACT

Ken Davis, Director of Engineering, summarized the three items under the Change Order as indicated in the Agenda Item. All the expenses are reimbursable from the State, with the exception of \$6,650 for structure inspections. Approval of this Change Order was requested in order to close out this contract and finalize the billing to the Florida Department of Transportation.

Jim Scott, Beunaventura Lakes (BVL) asked if the County will pay for the moving of the transmission line. Mr. Welsh said we are doing this at the State's request. It allows us to move our transmission line to allow them to construct Osceola Parkway. Mr. Scott asked about several poles being moved in that area which Mr. Ken Lackey said were for the purpose of putting in a new driveway for a building going up in that area.

Moved by Director Jones authorizing the Change Order to Contract No. 19953.72.0601 with Kohler Construction Co. in the amount of \$40,621, bringing the net contract amount to 0248,401.

**Motion carried 4 - 0
Chairman Hord absent**

D. BOGGY CREEK SUBSTATION SITE ACQUISITION

Mr. Welsh gave an overview of this and said a new development arose. The Board had earlier approved the purchase of the site from the bank. An access for the owner at the back of the property was being cleared up. Under consideration are two additional parcels which we might be able to purchase for a reasonable rate.

Ken Davis identified parcels "D" and "F" as having been contracted for us to purchase from Osceola National Bank. In closing that deal, we were notified that the owners of parcels "H" and "J" requested access back to their properties and we are trying to establish how to give them an easement for an access road off of Boggy Creek. There is a possibility of our acquiring "H" and "J" (approximately 25 acres) for a total of \$50,000. The appraisal performed on "D" and "F" came in at roughly \$125,000 per acre. For comparison purposes, the purchase price was \$410,000 (\$82,000 per acre) with frontage road.

Attorney Ed Brinson stated they are willing to pay us for an easement of \$10,000 for a section of our property. In negotiating a sale for this easement they came back with a counter-proposal for "H" and "J" for \$50,000. A finance company owns them, but the properties are land bound. Mr. Brinson detailed the problems and negotiations discussed to get the easements.

Mr. Welsh stated we planned to develop the substation at the north end of "D" and "F" and perhaps sell off the front portions (south end). We paid \$82,000 per acre and if we can pick up the additional two acres at the rear end of that lot, in our long-term plans we might be able to use the entire backside and retain the frontage property which could be liquidated. If we purchased the two acres no additional easements would have to be granted to any other parcels. Parcel "C" is not a firm offer, only a speculation at this point, also for the above reasons.

In-depth discussion followed on all the pros and cons of purchasing these additional parcels and whether we want to expend extra monies for properties we will not need for the substation. Having some extra acreage for a substation would ensure us added reliability for the BVL area for future growth.

Director Gant said we need to go ahead and look at its value as it stands now. We should find out what it sold for previously and what kind of money the finance company might have on this property as it has no use in its present condition. Secondly, we do not have to sell them a right-of-way for \$10,000, making this property worth less. Mr. Brinson felt \$10,000 is fair for what we paid.

Attorney Brinson explained that closing on "D" and "F" is being held back due to several problems. Discussions followed.

Director Gant stated that before we buy it we should get it appraised and then look at the value. An option might be obtained subject to an appraisal of a specific amount.

Mr. Davis said we will be required by the County to have access to the property at Boggy Creek and are trying to maintain some flexibility that whatever right-of-way we gave him (the owner) could be a common entrance road to our property and to his as opposed to taking several 30' strips for two access roads.

The appraisal takes two to three weeks. Mr. Brinson said the reason we haven't closed with the bank is because we have not been able to resolve the easement. Mr. Welsh suggested an easement for the back portion could end up being an operating problem. It is worth more to us than others. He asked if the bank could possibly abort our deal. Mr. Brinson stated we could forfeit our good faith. The contract was structured so we could get a refund on our money by a certain date if we did not want it. The decision of the Board had been to purchase it.

Director Jones wondered how the bank felt if they sold a contract to the seller with a purchase option on it subject to an appraisal; they would know we have an intent to buy. Mr. Davis said the two pieces of property with access would price out much higher than without access. It must be assumed in the appraisal that access can be acquired at a price.

Director Gant felt it is in our best interests to go ahead and deal with these pieces of property and that for us to best protect public money we must pay a reasonable price for it. He believes this is the direction in which to go. He said he could help deal with the bank. Director Gant added that he had abstained from dealing with the first property but that he does not need to abstain from dealing with this one. He felt our recommendations are good and if we follow through on this, Staff should go ahead and define, assuming we bought the other two, the area we need and put the other back on the market. We are speculating on several pieces of property which we are not chartered to do.

Director Jones suggested a motion to direct Staff to negotiate a purchase agreement on this property subject to an appraisal coming in within 10% of the purchase price. Mr. Brinson suggested that if the appraisal does not work out that we be authorized to sell an easement. Mr. Welsh suggested we make a purchase agreement to the appraisal coming in at least at \$45,000. Discussion followed.

Motion by Director Jones directing staff to generate a contract for the two pieces of property in question ("H" and "J") and that an appraisal be done and the contract read in such a way that if it appraises over \$45,000 then it's a deal; further, to authorize the Chairman and Secretary to execute the contract. Seconded by Director Bobroff.

Mr. Welsh understood the discussion to mean that if the contract comes in at less than \$45,000 we either negotiate to sell the easement to them or preferably purchase that at an appraised price plus 10% maximum. That was the understanding by all.

Motion carried 5 - 0
Chairman Hord absent

E. HEAR GENERAL MANAGER, ATTORNEY, DIRECTORS

GENERAL MANAGER

Mr. Welsh informed the members that the closing today was the largest closing done by Merrill Lynch via telephonic telecommunications (without requiring everyone's physical presence) and it speaks well for them. It was an efficient closing within a limited time. It also speaks well for the skillful and outstanding job performed by Mr. Hostetler and the entire Finance Team!

F. ADJOURNMENT: Meeting adjourned at 7:00 p.m.



CHAIRMAN

ATTEST:



SECRETARY