

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: February 5, 2015

File: BIS 15-094

File: TMP-2015-00042

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE SETTLEMENT OF THE LITIGATION STYLED *CITY OF SUNRISE, ET. AL. VS. BROWARD COUNTY*; APPROVING AND AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE THE ATTACHED SETTLEMENT AGREEMENT WITH BROWARD COUNTY; AND APPROVING AND AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE THE ATTACHED SETTLEMENT PROCEEDS DISTRIBUTION AGREEMENT WITH THE SETTLING MUNICIPALITIES.

Statement of Budget Impact:

1. ☐ No Budget Impact associated with this action;
2. ☐ Sufficient budgetary resources identified/available;
3. ☐ Budgetary resources not identified/unavailable;
4. ☒ Potential Revenue is possible with this action;
5. ☒ Will not increase the cost of Housing;
6. ☐ May increase the cost of Housing; (CDAB review required)

Explanation:

The Plaintiff Municipalities were parties to the November 1986 Interlocal Agreement with the County for Solid Waste Disposal Service, as amended ("ILA"). Section 15.2 of the ILA provided for the equitable distribution of the assets and liabilities of the District to the participating governmental entities and the County upon the expiration of the ILA on July 2, 2013. The participating governmental entities and the County disagreed as to the identification and distribution of the assets and liabilities of the District. On June 28, 2013, the Plaintiff Municipalities filed a lawsuit against the County in the litigation styled *City of Sunrise et. Al. v. Broward County*, 17th Judicial Circuit Court Case No. CACE-013-015660 (the "Litigation"), which sought a declaration regarding the assets and liabilities subject to equitable distribution.

On January 17, 2014, the parties to the Litigation held a joint public meeting of elected officials pursuant to Chapter 164, Fla. Stat., and agreed to proceed with mediation. The Plaintiff Municipalities and the County participated in the mediation process and initially reached an impasse. Thereafter, representatives of the parties to the Litigation entered into negotiations regarding the terms of a possible settlement. The negotiations resulted in the enclosed drafted Settlement Agreements.

The Settlement Agreement provides that the County shall pay \$32 million, less deductions for the unincorporated area and non-settling ILA municipalities, to the ILA Communities which includes the City of Hollywood (the "Cash Amount"). The Cash Amount will be distributed to the Settling Municipalities with a pro-rata allocation of distributions and expenses based on 2012 tonnage. The City of Hollywood's 2012 tonnage was 79,751.81 tons (8.5549%) whereby the City's initial distribution of the gross proceeds less applicable attorney's fees and other related settlement costs to be borne by the City results in a net distribution to the City of approximately \$2.47 million. In addition, the County will sell the Alpha 250 site to the highest responsive and responsible bidder under a competitive process. The Net Alpha 250 sale proceeds shall be distributed pro-rata (minus County's 1.2871% share) to the Settling Municipalities based on 2012 tonnage. The County can choose to retain the Alpha 250 site by paying the Settling Municipalities the net proceeds they would have received if sold to the highest bidder unless the 5 Mayors reject the highest bid in the first sale. (The County has performed two appraisals of Alpha 250 which appraisals are \$6.25 & \$6.5 million).

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