

Cities to get signing bonus for energy contract

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An idea made moot by Coral Springs Commissioner and Resource Recovery Board (RRB) member Roy Gold has resulted in a \$12 million signing bonus for member cities in a contract that is to be signed next year between the county, the board and Wheelabrator, a company that operates the waste-to-energy facilities where solid waste is disposed for 26 cities in the county.

Wheelabrator, a wholly owned subsidiary of Waste Management, will pay partner cities a pro-rata share of the bonus if each city approves the memorandum of understanding (MoU) that has been signed between the company, the county and the RRB by Jan. 1. Coral Springs' share is \$1,028,916.85 and city officials approved the MoU at a recent meeting.

The term of the new contract is for 10 years, with an option for a 10-year extension by mutual agreement. The parties involved will sign an interlocal agreement by June 30 next year, with the contract coming into effect on Aug. 4, 2011.

The new contract will result in savings of \$44 million for the Broward waste disposal district, said Ron Greenstein, RRB executive director. "There is going to be a 36 percent reduction in waste-disposal costs," Greenstein said. "Coral Springs will be able to save over \$4 million a year."

Greenstein lauded Gold

for his efforts that resulted in the bonus. "It was his idea; it was a tough negotiation, but it paid off in the end. It was out of the box thinking [and] I applaud him for that."

"Cities have always given incentives for businesses, [but] it is the other way in this case," Greenstein said. "I've been an elected official for 20 years [and] I've not seen this happen before. I was pleasantly surprised when they agreed to give the bonus. The bonus will go to member cities that approve the MoU by Jan. 1."

Gold said the benefits of the new contract went beyond the bonus. "The tipping fee will go down from \$96 to \$57 [so] residents

will pay 30 percent less. The agreement had to be signed by 2013; it will now go into effect by August 2011. The savings for Coral Springs and other cities will thus kick in two years early."

The \$1 billion contract attracted bids from companies across the globe, Gold said. "There were about 12 to 14 companies [and] the list was later whittled down. Finally, it came down to just Wheelabrator."

"During negotiations, I looked across the table and saw four people from Waste Management," Gold said. "I told them we should get a signing bonus and that it should be

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between \$10 million and \$20 million. They clearly didn't expect it; their face turned ashen. Some of the board members also didn't know why I was asking for it."

"They said they couldn't do it. A few days later, I got a call from the Waste Management people again. We met for lunch and they reiterated that they couldn't give the bonus. I said I wouldn't vote for the contract unless they came up with an offer. Three weeks later, at the next meeting, they offered \$12 million."

Margate will get about \$400,000 as its share of the bonus, said Frank Talerico,

Margate city commissioner and the city's representative on the RRB. "They did a good job with the negotiations; I would like to thank Gold for a job well done. The money comes at the right time [since] cities need the revenue."

"Sixteen cities have already approved the MoU," Gold said. "Fort Lauderdale will get over \$2 million. Davie and Hollywood will get over \$1 million. This is the largest financial benefit that I have been able to bring back to Coral Springs; it will help the city in these difficult economic times. I am glad that other cities in Broward will also benefit."