

**MINUTES OF A RECESSED REGULAR MEETING  
AND SPECIAL MEETING CITY COMMISSION  
FORT LAUDERDALE, FLORIDA  
JULY 29, 2003**

Meeting was called to order at 6:00 p.m. by Mayor Naugle on the above date, City Commission Meeting Room.

Roll call showed:

Present: Commissioner Christine Teel  
Commissioner Dean J. Trantalis (Arrived at 6:02 p.m.)  
Commissioner Cindi Hutchinson  
Commissioner Carlton B. Moore (Arrived at 6:02 p.m.)  
Mayor Jim Naugle

Absent: None.

Also Present: City Manager  
City Attorney  
City Clerk  
Sergeant At Arms, Sergeant Abrams

NOTE: All items were presented by Mayor Naugle unless otherwise shown, and all those desiring to be heard were heard. Items discussed are identified by the agenda number for reference. Items not on the agenda carry the description "OB" (Other Business).

Mayor Naugle announced that this was a continuation of the meeting for the adoption of the tentative millage rate from July 22, 2003.

Mayor Naugle presented expressions of sympathy to the families of Meryl Feren and Nellie Bellamy Barnes.

**Tentative Annual Budget for Fiscal Year 2003/2004** (R-1)

The City Manager stated that this perhaps was the beginning of a record in terms of the extension of the Commission meeting.

Commissioner Trantalis entered the meeting at approximately 6:02 p.m.

Commissioner Moore entered the meeting at approximately 6:02 p.m.

The City Manager stated that the Commission, after providing him with input and suggestions asked that he re-review the proposed budget for next year and report back to the Commission. He stated they had also had communication with

the Budget Advisory Board who had also submitted some recommendations and suggestions as to how they might trim the budget. As part of the review process, they had also received repeated input from members of the bargaining units, especially the FOP and the IAFF. He remarked all those discussions had not yet been concluded, but perhaps there was room for movement with those two organizations.

The City Manager stated that Terry Sharp, City Finance Director, would present the recommended adjustments they were asking the Commission to consider in fulfillment of their responsibility. He would then announce the new proposed millage rate.

The City Manager stated that he hoped the outcome of tonight's proceeding would be the establishment of a millage rate above which they could not exceed in September at the public meetings, fully realizing that with the Commission's further instructions during the month of August, they could make the necessary adjustments as to what the millage rate would be. He further stated that the recommended budget which had been presented on the 15<sup>th</sup> was not something that had been taken lightly. One of the exhibits submitted to the Commission indicated reductions they had made in each department in preparation for the originally proposed budget.

Terry Sharp, City Finance Director, stated that the City Manager's recommended changes to the proposed budget were listed on page 2 of the memorandum which had been previously distributed to the City Commission.

Mr. Sharp announced that the first recommendation was to close the jail, but retain the booking operation for a savings of \$1.2 Million. The second recommendation was to retain the current frequency for mowing medians which would increase the appropriations by \$100,000. He announced that they believed they could increase the projected revenue from code fines. The fourth recommendation was to eliminate for next year's budget two new positions in the City Attorney's office which was the new Assistant City Attorney and a legal secretary which would save about \$100,000. The fifth recommendation was to reduce the cost of cell phones and other communications by one-third. The sixth recommendation was to retain the programs at Sunrise Middle and Lauderdale High School pools which would increase the appropriations of Parks and Recreation by \$50,000. Another recommendation was to reduce the subsidy for the Air & Sea Show, and added that some contractual issues were involved. They felt that \$150,000 could be saved in working with the promoter and exploring more efficient ways to provide the City services necessary for that event.

Mr. Sharp further stated that the eighth recommendation was to implement an alarm registration program and increase the response fees. He stated that there would be a registration fee of \$75 due upon installation for every security alarm

within the City. Currently, there existed an alarm registration fee for alarm companies, but not for each installation. There would be an annual renewal fee of \$25. In addition, there would be a response fee of \$50 for each call not officially needed, and within each 12 month period there would be a graduated fee such as \$75 for the 4<sup>th</sup> alarm and \$100 for the 5<sup>th</sup> alarm and so forth. In addition they recommended a penalty of \$150 for a police or fire response to an alarm that was not registered. He stated they believed this revenue was necessary because it would help pay for overtime.

Mr. Sharp remarked that recommendation No. 10 was to increase the projected revenue from FPL franchise fees. Recommendation No. 11 was to increase the projected revenue from Construction Services. It was still well below what was being brought in during the current year, and possibly they were being too conservative. He further stated that item No. 12 pertained to discussions held at last week's meeting regarding employees with take-home cars. He explained that the recommendation was outlined on page 3 of the memo distributed to the Commission which indicated that employees with a take-home vehicle who lived within Broward County, but outside of the box, would be required to pay \$50 per month for the privilege to commute in the vehicle, and those outside of the County \$100 per month. He announced that since this was obviously dealing with bargaining unit employees in many cases, they would have to negotiate it and believed it would be easy to do administratively, and would help cover the costs whereby the City was paying for fuel for the vehicles.

Mr. Sharp further explained that recommendation No. 13 was that \$730,000 was included in the budget for police computer needs, and they could borrow for that equipment thereby saving about \$400,000 and pay for it over a 3-year period. He explained that the recommendations would lower the operating millage rate so the combined rate would be 10.16% above rollback, as opposed to 12.73% included in the proposed budget. In terms of the millage rate, the revised operating rate would be 4.8288.

The City Manager stated that it was important before hearing from the public that there be a further understanding of what had been done since they had received instructions from the Commission last Tuesday. In addition to reviewing the recommended changes, they also had been in receipt of refined requests for information from the Commission. At the end of the public input, they hoped to address those issues, and get to a point where a millage rate could be recommended this evening that would allow them to make the necessary adjustments.

Valerie Wilds, Accounts Payable Supervisor, and stated she was asking permission to replace two vacancies in her department which had been frozen during the fiscal year. Since August/September of last year, her division had suffered from an unprecedented loss of expertise with various employees seeking opportunities elsewhere within the City. She remarked that the

replacement process for those two vacancies took until January and February, 2003. They then lost 2 other employees, and now did not have enough time or work force to get the job done. Due to the bad publicity the City was getting, they needed to guard against the impression that they could not pay their bills.

Tom Mangifesta, President of FOP Lodge 31, stated that in reviewing the City Manager's amended budget, he stated they only saw more cuts in personnel and services. He explained that in the Police Department, their allocation was for 514 officers, but in the proposed budget with the elimination of the mounted unit, DDA officers, and not filling the project retirement vacancies, 16 positions would be lost and the staffing level would go to 498. He further stated that the action taken tonight would chart a course for the City for years to come, and past Commissions had rolled back millage rates when assessments were over \$1 Billion which added \$9 Million to \$10 Million to the operating budget. The millage rate was rolled back and no new monies had been infused into the City budget. He further stated that the cost of doing business increased every year, and new money had to be infused or a crisis developed.

Mr. Mangifesta further stated that the taxpayer would say they did not mind having a slight increase in their taxes, as long as services were not cut. He commented on the article in *USA Today* which discussed the top 10 cities regarding economic development, and Fort Lauderdale had been ranked No. 6. He stated that there was no excuse that the millage rate should not be set slightly higher than the proposed rate as indicated by the City Manager, and it would give everyone another month to work on the finalization of the budget which would be fair to taxpayers and employees.

Darlene Pfeiffer stated she wanted to speak on behalf of some of the management employees and requested additional time. Mayor Naugle remarked that time could not be added on and asked if she could state her comments in the allotted 3 minute time period. He remarked that possibly some extra time would be allotted but he would not be able to double the amount. Ms. Pfeiffer stated that the recently adopted statement regarding the City's values suggested that City employees should have the courage to do the right thing, for the right reason, and in the right way. She stated that the right way would be to stand before everyone and speak out publicly. Respect was a shared value and was not granted through title or status, and requested that when they spoke publicly that they accord management and confidential groups of the City the same respect they demanded for themselves. Public comments made by Commissioners were heard across the City and affected how they were treated by the public, how they felt about themselves and their responsibilities, and how they approached their jobs. She stated it was difficult to respect someone in a position of power who denigrated the people providing the services and amenities for the public. Integrity was demonstrated through honesty and fairness, and from comments heard in this building, one would think that all City employees were overpaid and under worked. She remarked that was not an

honest or fair statement. She stated that the opposite was true and the public needed to know that, and certainly some employees did not give their all, but most worked hard and cared a lot. Not all their salaries and benefits were paid by taxes, and many paid through user fees, fines, and privileges purchased by local citizens and visitors. To suggest that management's benefits were disproportionate to the value received by the City and the public was dishonest and unfair. She stated that many of them worked a number of hours overtime throughout the year, and were available day and night. She reiterated that work was done because they were responsible individuals.

Ms. Pfeiffer further stated that the City valued service, and the public decided what services and amenities it wanted the City to provide either to make it a better place to live, or to attract economic activity. She remarked that if the City Manager's original plan had been accepted, the total fee and tax increase for each household would be \$122. She reiterated that raising taxes was not an easy choice to make and sympathized with them, and asked them to have the courage it took to accept such responsibility. She felt that employees should not be "saddled" with the burden of having to pay for the lost opportunity of building reserves and an economic down turn that should be shared by everyone.

Ms. Pfeiffer continued stating that there was a proposal for the City's management to be charged a minimum of \$960 for removing the expense checks, which covered costs for extra babysitting or day care when employees worked overtime and not paid, and for cell phones used when on vacation or at meetings while on the road. She added that in figuring out those costs, she was paid \$3.00 per hour for every overtime hour worked, and now it would total about \$1.25 per hour.

In conclusion, Ms. Pfeiffer remarked they were considering a menu of selections in order to help balance the budget. Last week a primary concern was whether to shut down the mounted patrol, which appeared to focus attention on the wrong priorities. She asked the Commission to consider the employees who worked for the City in making their decision.

Linda Wilson stated that every City employee had been doing more with less for a number of years, and for the long-term employees who were topped out in their positions exceeding the time for merit increases for many years, and had benefits only through adjustments done through some of the salary studies, those were the only benefits they had received. She asked the Commission to consider the cuts proposed for employees because they were substantial, and she added there would be a 10% salary cut in her position. She stated that the Mayor was correct in stating that taxes had risen in the City, but that was not because the millage rate had been increased and was due to the assessed property valuations which had increased. She stated the burden of tax was being shifted to businesses and non-homesteaded property owners. She reiterated that if you went back and reviewed the past millage rates, it was 4.4325 in 1988 and the

operating budget was \$111, 323, 794. The proposed budget for today's General Operating Funds was \$213,861,000 from the last budget. The full-time employees in 1988 were 2237, and the proposed budget covered 2095. She reiterated they were doing more with less.

Victor Volpi, Real Estate Officer for the City, stated that the City was beautiful and growing. The water quality, police, fire prevention, streets, parks and events were all above average. Property values had outdone any city in the nation. He stated that there was not a balanced budget and action needed to be taken. He reiterated that the shareholders were happy, the company was growing, and they needed to look at what was spent and what had been gained. He asked if they were happy and could they justify the beautification programs, engineering programs, parks that were purchased, and the salaries paid. He stated that pay studies were now being ignored and messages were being sent to the taxpayers that employees were paid too much to do their jobs. Money and promises were being taken back in order to balance the budget. He further added that no other Commission had made such suggestions, and up to now the Commissioners had protected the salaries and benefits of the employees. Now, this appeared to not be important. He added that if they attempted to balance the budget on the backs of a few City employees, the only thing they would be doing was sending a message to taxpayers that they were not in control of the company they were supposed to be running. He stated the system was in place, it worked and was predictable. Obviously, money was spent for other things and it was the Commission's job to determine where and how the monies were spent, and was it worth it. He explained that most companies which were growing put in more money in the employee's compensation package to attract the best. He stated that good leaders changed things as a matter of course due to the times.

Mr. Volpi stated that his father had told him that hard work and staying the course would always pay in government positions because ever since the Constitution, the systems worked and were protected by the elected officials to ensure that good people were there to help them. He further stated that what the City was recommending at this point went against success. He stated that promises should always be kept, and the taxpayers should be guaranteed that there would always be good, intelligent and experienced individuals at the City to do their jobs.

P.J. Espinal, South Middle River, stated that she had been working in this City as a volunteer since 1999, and she had various quotes which had been stated over the years to the citizens. "From a practical standpoint, collaboration is the principle mechanism for overcoming the issues the City has. City staff has found that working together puts more resources on target. To facilitate the implementation of the strategies of the City, a team of citizens from the community area and City staff were brought together to ensure that the strategies became reality. The City staff departments which had been charged with the greatest number of strategies from the citizens has been the City Manager's

Office, the Police Department, the Engineering Department, the Public Services Department, the Parks and Recreation Department, Code Enforcement, and the Office of Community and Comprehensive Planning. To ensure the implementation of our goals specific actions are required. These actions should always culminate in tangible results, be measurable and be assigned to a specific individual or group. The implementation plan for the central area and for the whole area of Fort Lauderdale provides the realization of strategies within 5 years, and at the end of that period of time to renew that process.”

Ms. Espinal stated that implementation recommendations from the City had been quoted as follows: “Staff recognizes that government is naturally resistant to change, but if the City is to make the changes that will improve the lives of the area residents, everyone would have to be involved and create a climate which makes it possible for our leaders and managers to challenge the status quo. It is the community area planning philosophy that government belongs to the residents. They pay for it with their tax dollars, they direct it with their vote, and they feel the effects of its decisions. Therefore, they deserve the best the City has to offer.”

Ms. Espinal stated that it seemed to her that the departments of the City listened better than the leadership of the City because small town politics had gotten them into the current crisis. She felt there had been decisions made regarding the development of the City in informal settings with only profit and clout being the true motives. She further stated that the City’s management said it did not know why there was a sudden shortfall, but she felt it was due to some of the projects which began prior to the last elections. She felt something bizarre had taken place in the translation of what the City had stated they wanted to do, and what had been actually done. Now, they were recommending cutting the top priorities of the communities they served, and she felt the real problems of the City dealt with management and not finances.

Ms. Espinal further stated that she believed the staff listened better than the leadership of the City was because she saw them work and meet the needs of the citizens. She suggested that the City stop the reduction of code violations and assisting developers for construction of over-sized projects.

Commissioner Trantalis left the meeting at approximately 6:35 p.m. and returned at 6:40 p.m.

Shane Gunderson, 2841 N. Ocean Boulevard and member of the Budget Advisory Board, stated that every year they went through the exercise of making recommendations regarding cutbacks. He felt they should not wait until they were in a crisis to begin cutbacks. He remarked that their discussions with the City Manager involved priorities for the City, and one item mentioned was whether \$40,000 lifeguard stands should be a high priority need. He stated that over development needed to be controlled and they had discussed aspects for better

planning with the City Manager. Last year, he stated they had asked the City Manager to cut back \$400,000 from the budget so as to prevent a tax increase, and this year the amount was \$10 Million. He also added that he did not think the Air & Sea Show was a high priority.

Commissioner Moore left the meeting at approximately 6:46 p.m.

Patricia DuMont, Economic Development Advisory Board, stated that she had copies of e-mails that had been sent to the Commission on behalf of the Board in regard to the future of the City's economic development efforts. She proceeded to acknowledge the members of the Economic Development Board.

Ms. DuMont stated there had been two special meetings held by their Board in March and April to review with staff the budget and staffing situation regarding economic development. Recommendations were made to the Commission regarding those items and their implementation which reflected input from the Economic Summit held in October, 2002. Briefly, they had recommended that four permanent positions be dedicated to economic development efforts, and that they move forward with elements of their strategic plan. Currently, there were no permanent staff working on these aspects. She stated it was her understanding that there was no funding available for such position. She further stated that this Board had expressed concern as to how this City would proceed forward with no allocation of resources to accomplish economic development activities. They felt the City would not be in a position to provide leadership in the process in order to ensure balance of economic growth, quality of life, long-term investment in the tax base, job creation and retention, and the attraction of new business. She felt it would be a tragedy for the City to default in their leadership role and to give up their ability to implement public policy that was for the best interest of the residents and their businesses to guarantee their economic vibrancy.

Ms. DuMont further asked how could economic development be accomplished if the proposed budget had no resources allocated to this, nor a permanent leadership position dedicated to maintain all the complex City functions and interfaces with the governmental and private sector partners. She further asked what value this Board would have in the future. She stated their Board strongly urged the Commission to clarify the economic development questions.

Commissioner Moore left the meeting at approximately 6:46 p.m.

Yvonne Tozzi, President Council of Civic Associations, stated that their membership consisted of 42 homeowner associations throughout the City. She stated that at their last meeting on July 8, 2003, a motion had been passed and a resolution had been adopted to continue neighborhood services, including the NCIP, NCIGP, and the self-assessment programs. She stated they were concerned about the reports regarding cutbacks of services to the communities, and the reduction of staff in various departments.



Bill Rettinger stated that he did not understand how every year during the presentation of the budget similar statements were made, but this year it was worse than ever and appeared to be more unfair to one area of the City. He stated the City could not continue to help the Beach or the Isles and forget the northeast and northwest sections of the City. He further stated that code enforcement was a necessity in those sections of the City, but yet they were recommending cutbacks in the personnel. He stated he did not understand how they wanted the taxpayers to continue to come up with more money so they could continue giving it away needlessly for events. He suggested that the City Manager take a 12.8% pay cut, along with his assistants and other managerial positions before asking other employees to do so. He felt that was unfair. He remarked the City was starting to regress where it had been 10 years ago, and he was not ready to sit back and accept that.

Bill Nielsen, Budget Advisory Board, stated that the Budget Advisory memorandum which had been distributed to the Commission had been issued without a quorum being present for the July 24<sup>th</sup> meeting. He stated some good points had been included in the memo, but in his opinion, it was cavalier to look at avoiding a tax increase and offer layoffs and voluntary pay cuts as potential measures to consider at the end. He felt they did not have the opportunity to digest all the handouts which had been distributed at that meeting. In reviewing the budget information they had received, there appeared to be a lot of "fuzzy math." He felt there was no initiative taken to do business differently. He realized these were difficult times, but surely everyone could come up with some innovative ways to arrive at solutions for this problem. He felt they needed to set a millage rate that could be lived with even if it resulted in a potential tax increase. He also felt there needed to be an outside audit to see what happened.

Commissioner Moore returned to the meeting at approximately 6:49 p.m.

Scott Holland, Poinsettia Heights, stated that recently the Commissioners' salaries had been doubled and suggested they take a cut to assist in balancing the budget. He also stated that he wanted, in writing, a statement that the Commissioners would be paying for their health benefits. He reiterated they needed to know where the money had gone, who spent it, and how it was spent. In the surveys which had been done, one main point mentioned was a lack of credibility among upper management and their lack of accountability. He felt the Commission needed to have the managers buckle down and see where all the money had gone. He also suggested a forensic audit needed to be done.

Mr. Holland stated that he was flabbergasted as a City employee in regard to this situation. He remarked that he was a lifeguard and they had suggested cheaper stands, but had been informed that they needed something better. He stated they needed to place lifeguards at the north of the beach from Birch State Park north.

Ray Dettman, 1900 S. Miami Road, stated that a majority of the City employees were very good, and the Commission and the Mayor were accessible. He felt some of the recommendations being made were extreme, and he believed the employees needed a "fair and living wage." He further stated that he was concerned about the increase in garbage rates and if the City made it unaffordable for people to live in the City, there would be more problems. He suggested that there be an increase in impact fees for new businesses in the neighborhoods.

Leola McCoy, 1750 N.W. 24 Terrace, stated that the people in the City would be the first to be affected by cuts in services. She felt there should be no increase in garbage fees, and she also felt more xeriscaping was needed throughout the City. She suggested that the City take a more thorough look at bids from contractors because after adding on all the change orders, the costs were as high as the highest bidders in some cases. She added that a bond had been floated for \$6.2 Million to fix Wingate, but yet they were paying \$1.62 on their water bills for the same project for the last 8 or 9 years. She felt that was unconscionable. She stated they needed to shut down the jail and that location would be ideal for the One Stop Shop.

Gary Ciani, 1212 S.W. 21 Court, stated that every time it rained his house got flooded due to the approved new construction because they were the lowlands and had no sewers or drainage. He remarked they had been informed that possibly in 2006 they would get some type of sewer system, but meantime a developer in the area was in the process of obtaining sewers for his development.

Anthony Saracena stated that the Commission needed to read *Megatrends*, *Megatrends 2000*, and *The Power Shift* and they would find the answer to the City's problems. He stated that when politics got sloppy and messy, nothing got done. He stated that he could show the City how to develop products to put into the depressed areas and bring in revenue and create jobs.

Sam Warren stated that he wanted to remind the City Manager that there were 3 bargaining units within the City, and none of them had been informed of any meetings or asked for their input regarding the budget problem. He stated that at last week's meeting, he had stated that communication was 99% of the battle. He stated they had some input to offer, but no one was listening. He added that health care was again rising and rumor had it that there would be another 14% increase come January. He reiterated that the employees could not afford such increases. A proposal was made last week in connection with health care that would result in a savings of over \$200,000 to the City, but no one had responded from the City as of this time. He stated they wanted out because it was obvious that this City could not manage their health care. He reiterated that the police and fire departments had left, but their hands were tied and they wanted out. He stated they were willing to buy their way out, if that was necessary.

Mr. Warren stated that the *Miami Herald* on May 21, 2003 had stated that the Consumer Price Index had risen 3.2% for this area, which was 45% higher than the national average. He stated that he did not mind an increase in taxes because it was a great place to live and work, and he received good services. He added that the closing of the jail would not solve the problem and would increase the numbers for the homeless and vagrancy. He reiterated that communication was 99% of the battle.

Bruce Lucier, Organizational Development and Training Manager, stated that he had been an employee of the City since 1985 and was proud to be an employee. He stated he worked with all the employees and noticed an increase in the pride and professionalism of the City's employees. He remarked that he was presently working with the sanitation group who stated their job was to keep the City looking nice.

Susan Peterson stated that she lived in River Oaks and explained they had started a committee of volunteers in 1987 entitled the Toxic Reduction Education Committee. She stated that recently they found ways to save money for the City. She added that little things were important, and suggested that possibly volunteers could assist in the future in beautification projects and maintenance. She also stated that she did not feel the Commissioners got paid enough for what they did and the responsibilities taken on. She remarked that the City needed their police and fire-rescue personnel. She stated the lifeguards saved lives and they did not need individuals drowning on the beaches and were good role models for the younger citizens. She added that there should also be lifeguards on the north beach. She also stated they were reaching a new era in the City, and reminded everyone that with every problem that arose, new opportunities presented themselves, and she felt they needed to find new ways to have interaction between the City employees, supervisors and volunteers. She added that she ran into communication "dead-ends" many times because the Commissioners and the Mayor did not talk directly to employees.

Commissioner Trantalis left the meeting at approximately 7:15 p.m.

Jerry Crossley, Classification and Compensation Manager, stated that he became an employee 14 years ago in the Human Resources Division. He stated that he had accepted the position due to the modest package of additional benefits provided to supervisory employees. Last summer they were reduced when they had to begin paying medical the same as the FOPA employees. At last week's meeting, their payroll deduction was again increased to mirror the FOPA's deductions. He reiterated that management employees did not receive "free" medical insurance. It now appeared that the car allowance was now under attack, along with longevity pay.

Commissioner Trantalis returned to the meeting at approximately 7:19 p.m.

Mr. Crossley explained that in September, 1977, an ordinance had been adopted by the Commission which established the management package that was to recognize and reward the employees for the extra demands placed upon them, and to provide a distinction between themselves and general employees. Without these benefits which made up for lost overtime pay, many employees would have little incentive to seek a promotion to a managerial position. He reiterated that the US Department of Labor enforced the Federal Fair Labor Standards Act which governed overtime, minimum and other employment areas. Recently, they were considering changes and clarifications to the definitions of the workers not receiving overtime because they had not been updated for many years. Proposed changes were published in March, 2003, under the legislative History of the FLSA and stated that the exemptions were premised on the belief that the workers exempted were receiving salaries well above the minimum wage, and had other compensatory privileges, such as above average fringe benefits, greater job security, and better opportunities for advancement, setting them apart from the non-exempt workers entitled to overtime. If such benefits were removed from these types of employees, then it would be contrary to the above-stated premise.

Mr. Crossley stated that a Friday memo had recently been sent to the Commission showing that among the South Florida public sector group, longevity pay was provided as a key component of a total rewards package. He added that longevity pay provided an incentive to employees to remain in public employment. He added that all employees in the first tiered plan received the same benefits. To remove such pay only from management as suggested at last week's meeting would only worsen the pay benefits compression between management and union employees. At the July 1, 2003 Commission Conference Meeting longevity pay had been discussed and was not out of control.

Bill Ciani stated that every time the City had a problem, taxes had been raised. He remarked that many of his rental properties were empty because individuals could not afford increases in rents due to the raise in taxes. He added that small businesses could not afford the increases either. He stated that there was a spiraling expense in the City and the main part was in connection with the employees. He stated that the City Manager had not done a good job in negotiations regarding salaries and benefits. He asked why the City was in the insurance business. He felt if they could not negotiate with the employees and bargaining units themselves, they needed to find someone who could. He suggested that things should be privatized.

Denise Melanson stated that she was an employee of the City for the last 3 years and 8 months and was proud of Commissioner Hutchinson's presentation given last week. She reiterated that she loved this City, but the increases in the health plan would make it unaffordable to some employees. She remarked that the FOPA, of which she was also a member, should be recognized more. She added

that the City should retain the code enforcement fines and not waive them. She also stated that the City needed to recognize their good employees who tried their hardest.

Mayor Naugle thanked everyone for their comments and e-mails. He further stated that when something was constantly repeated as not true, people relied on those statements and based their decisions based on such information, and also formed opinions on information which was not correct. He stated further that some residents had mentioned that the City had not raised taxes, and he proceeded to read some information which he had received from the Finance Department. He reiterated that the City was going to get through these problems, and everyone would share the burden. He explained that the property taxes had gone up 6.15% in 1999, 5.10% in 2000, 8.14% in 2001, and 9.94% in 2002. In 2003 the original proposal called for a 14.1%, but had been reduced to 11.1%. He remarked that more than 50% of properties in the City were not homesteaded, and they should not rely on one class of citizens.

Mayor Naugle further stated that the City wanted to pay their employees well and attract the best individuals.

Commissioner Hutchinson thanked everyone for their input, and stated that she had approached tonight's meeting with a sense of "deja vu." She stated that last year the City Manager came forward with a budget which required a tax increase, and the Commission did not approve it and suggested the millage be reduced and that they should live within the budget. She stated that she questioned herself this evening and asked if today's problems were a result of those actions. She felt they did not make any real changes in how they were doing business. In the past weeks there had been a lot of rhetoric as to what could be done to cut costs, eliminate waste, and run the City government more efficiently. Various suggestions were made regarding the millage rate, and the City Manager had responded to many suggestions by rationalizing what could or could not be done with what had to be done. She stated that tonight was the time to make a tentative decision and stop putting off what had to be done. She reiterated there were real problems within the City which would not get better without serious intervention.

Commissioner Hutchinson further stated that pensions, health insurance, expense allowances, longevity pay, staffing of departments, and revenue streams were all "hot topics" which had been debated. She explained that the information received by the Commission and the public had been contradictory. In a staff meeting just yesterday, two staff members had repeatedly contradicted each other regarding a serious issue which was the payback of the transfer of funds. She felt serious action was needed, and therefore, was suggesting that they hire an independent consultant with an auditing background to perform some agreed upon procedures. Several months ago Mayor Naugle had suggested to hire a consultant to review the "infamous Palazzo matter," and she

was going to follow that lead by suggesting that the Commission hire a consultant to report to them regarding the budget, and highlighting potential ways to restructure and reallocate expenditures to better serve the citizens of this City. She stated that she had done research on the matter and was recommending an individual whose firm had no known conflicts and were willing to stipulate that they would not seek to conduct the annual City audit. She felt this was an important distinction since they did not need any self-serving reports.

**Motion** made by Commissioner Hutchinson that the City hire Joseph A. Epstein, CPA, Berkowitz, Dick, Pollock, and Brant, to consult with the Commission on the 2003/2004 budget and various areas of concern, including but not limited to, benefits, salaries, overtime, staffing and revenue streams.

Commissioner Hutchinson further explained why they should hire yet another consultant, and the reason was that sometimes one needed to know when to change the dynamics. For her the time was tonight. Saying how much they would spend without changing what the money was spent on would do nothing but perpetuate the situation. She reiterated she was ready to make such tough decisions and that was why she had been elected, but she wanted to make the right ones. She felt to arbitrarily make cuts or authorize increases without knowing the facts would be dangerous and would do a tremendous injustice to not only the residents, but to the employees.

Motion seconded by Commissioner Teel.

Commissioner Moore also thanked everyone for their comments. He felt at the first meeting a millage rate could have been adopted and allow the management and other groups to give recommendations to trim down matters. Tonight, he felt a millage rate could be accepted so they could proceed with the two public hearings that were scheduled for September. He felt what had been done at the last meeting was inappropriate, and the discussion tonight was beneficial and reactions were heard regarding previous discussions. He also stated that they had no other opportunity but to discuss such matters in public due to the Sunshine Laws, and because of that information was being received that individuals were "running with" as to what could or could not be done. Recommendations were made by the City Manager and the Commission so feedback could be received, and during the past week such input had been given. He stated nothing was yet final and only discussions were taking place.

Commissioner Moore stated that he felt some recommendations were reactionary such as the recommendation just made. He stated he would not support giving a contract to an individual without opening it to the public and having it go through a competitive bid process even though intentions were very good. He felt the budget recommendations had merit and should be considered. He further stated that a rumor had been going around that he felt City employees were paid too much, but his comment had been that the City employees were

paid well. He further commented that some individuals felt these budget problems were due to mismanagement, and others felt it was due to the economy. He stated there were many reasons why the City was in its present position, but he felt the most important thing was the consumer's satisfaction.

Commissioner Moore stated he was concerned about two items being proposed in the budget. He stated the recommendation made regarding the closing of the Trash Transfer Station was something he wanted the public to give their input on. He reiterated that he had his own opinion on this matter, and asked the City Manager what efforts would be made if such closure took place to have a strict policy on arresting individuals with criminal charges for discarding garbage and trash because they chose not to go to a private facility or another governmental entity to dispose trash.

The City Manager explained that if the closure took place, the first thing they would have to do was to make sure that everyone using the site knew of its closure, and that other facilities would be available giving their locations and fees. Similarly, they also needed to make sure they would be diligent in picking up those who insisted on dumping trash rather than going to a proper disposal site. He remarked it would necessitate the crews being prepared to pick up such trash, and they would have to increase surveillance so they could catch such individuals performing those illegal acts. Then, if the Commission instructed, along with appropriate ordinances, the City would prosecute the violators.

Commissioner Moore further asked if surveillance was conducted, could there be a method to make these criminal charges that would be prosecuted by the City Attorney's office.

The City Attorney explained that if the ordinance provided that the dumping of the trash was an illegal act, they could then fine the person who conducted such illegal act, along with proof provided by witnesses, and notice could be provided to appear and then they could be prosecuted.

Commissioner Moore further asked if that would be a civil or criminal offense. The City Attorney explained it would be a criminal offense and would be a third degree misdemeanor punishable by up to a \$500 fine or 60 days in jail.

Commissioner Moore asked for further clarification of the recommendation that was made for no further staffing in the Legal Department. He also stated that over the years several efforts had been made but when checking on the status, he had been informed things were "stuck in Legal."

The City Attorney explained further that one of the problems was that certain programs they had hoped to enhance, and felt they should be able to continue with the same level of service as in the past, and in some instances there had been some hold-ups due to the nature of the projects, along with the number of

projects. Some of the projects mentioned were Palazzo and Konover. He explained that one of the enhancements they had hoped to provide was additional support for the Code Enforcement area, but that attorney had been removed from the budget.

Commissioner Moore stated that he wanted the City Manager and Commissioners aware that this was something they had asked for due to the number of actions required by that department. He felt the comments being received from individuals using that department had been unsatisfactory, and he urged a reconsideration of the staffing for that area.

Mayor Naugle stated that he had received less complaints since the present City Attorney had come on board regarding lack of timeliness. Commissioner Moore stated there had been less complaints, but still lack of satisfaction. He felt there were issues delayed which impacted individuals such as community development housing and rehabilitation projects for low income families that were at the bottom of the totem pole.

The City Manager stated that he wanted to applaud the City Attorney because when the Commission challenged him to look at all areas for possible reductions, they did not exclude any and being the team player that Mr. Stewart was, he had stepped up to the plate and made an offer. He felt this was illustrative of how challenging a task this budget and its problems were. He explained they had attempted not to take any steps backwards with their recommendations, and he felt whatever efforts the Commission wanted them to take and continue along the same lines would be done.

Mayor Naugle reminded the Commission that a motion was on the floor and had been seconded, and the discussion at this time was regarding that motion. He further asked for some further clarification regarding the motion. He felt this was an unusual request. He added that an auditor was employed by the City for the annual audit, but agreed these were unusual times. He remarked that this was the first time a City Manager had overspent on a budget by \$4.5 Million and this was a difficult matter which needed to be brought under control.

Commissioner Hutchinson explained that she did not specify an amount and realized they were "under the gun" regarding the timeline since the last public hearing was scheduled for September 16, 2003. She asked what was the difference when the counsel had been hired regarding Palazzo versus this recommendation. She stated she was simply bringing a name to the table. She emphasized they needed to do something now to allow the person the time to go through the various documents.

The City Attorney stated that the City had a unique charter form of government, and this motion differed significantly from the last motion regarding a second pair of eyes looking at particular documents. He further stated that if the motion was



to authorize the City Manager to hire an auditor to review the budget and then report back to the Commission, and that individual had a unique skill and due to the time frame the competitive selection process would be waived, then in that event the Commission could do whatever they decided.

Commissioner Hutchinson remarked that would then be her motion which was as follows:

**Motion** made by Commissioner Hutchinson that the Commission instruct the City Manager to hire the suggested individual to perform an audit due to their possessing unique skills, and due to the time frame the competitive selection process would be waived. A report would then be given to the Commission.

Commissioner Hutchinson reiterated that she felt the information she had received had been contradictory to itself. She remarked that over the last 10 days she had reviewed all documentation which was available, and reiterated that the deficit was a moving target. She stated she wanted to know the truth, and what were the exact numbers so the Commission could make an informed decision. She hoped that in 2004/2005 they would know their exact situation money wise. She remarked that she was not comfortable without a "second pair of eyes."

Commissioner Teel stated that she was not taking the seconding of the motion lightly because she felt it was an important process that was needed. She realized it was unusual and unexpected, and felt she was also accountable to the taxpayers. She felt that over the last few months, she had not been getting the answers she had been seeking as she should have been, especially when she had been informed of the City's position. She further stated that she felt it would be a wise investment for the City because they needed to get to the root of the cause of this problem, and doing a band-aid approach would bring them back next year with the same problems and maybe even worse. She stated this could not continue.

Commissioner Teel continued stating that they needed answers and needed them quickly. She remarked they needed an individual who had nothing to gain to do this investigation. She felt this was a wise and prudent move and was doable, and reiterated that they did not have a lot of time. She stated they could not continue doing business as usual, and could not keep themselves up "in the cloud" thinking things would be wonderful. She reiterated that she was in support of the motion and felt many of the public agreed. She further stated there was no other way to produce the accountability that was their duty.

Motion was seconded by Commissioner Teel.

Commissioner Trantalis stated that he felt it was an easy option to say that they had not found the answer among themselves, therefore, let's go to an outside party and see if they can help. He continued stating that they had not yet

established the parameters of what this individual would be asked to do, and he felt that was important to know before moving forward. He also stated that the compensation had not been discussed either in light of the fact they were “nickel” and “diming” everything in an attempt to balance the budget. He was not sure this would be the best way to spend their money. He further stated that he had seen the analysis from the City Manager and other individuals, but the bottom line was that there was a deficit. If an auditor would be hired who would end up stating the same fact, money would have been wasted on something everyone already knew.

Commissioner Trantalis reiterated that the question this evening was how much was the deficit. The second question was how would they pay for the deficit. He felt the only answers available were to raise taxes, cut employee benefits and City expenses, or a combination of all three. He reiterated that it was not “magic,” but simple common sense. Choices would have to be made, and he was not sure an outside auditor would further educate them regarding what choices to make. He did not think an outside auditor would understand their City or the people everyone saw every day, the maintenance of the parks, and police and fire-rescue. He reiterated that he was concerned about such an approach. He explained this would be taking a process out of their hands, when they should be more confident in their government who could handle such tasks.

Finally, Commissioner Trantalis reiterated that even if an auditor was hired, they would still have the obligation to set the millage rate this evening, which he felt was the entire point of tonight’s meeting. He felt hiring an outside auditor and giving him a “blank check” to do what was necessary, they still had the obligation to set the millage rate. He remarked that possibly they needed someone to show them their mistakes, but he did not feel that would be addressing tonight’s problem which was what should the millage rate be. He felt the motion was well-intended and in the long term it might be best to engage an outside auditor, but it would not provide answers regarding the millage rate this evening.

Commissioner Moore stated that he agreed with almost every comment made by Commissioner Trantalis. He stated that he had not looked at the resume that had been distributed regarding the auditor and had thrown it in the trash bin. He stated that he had done that because any individual who stated that he would do an audit of a \$300 Million budget in 30 days, he was suspicious of. He also felt it compromised how the government operated because they operated through a competitive process, and this was not a specialty issue. He felt the recommendation was well-intended, but not thoroughly thought out. He felt it would not be a valid way to operate. He proceeded to call the question regarding the motion.

Commissioner Hutchinson reiterated that “her tail was on the line,” and she wanted an independent set of eyes to look at what the deficit was. She asked

how could a millage rate be set, if they had a "moving target." She felt that was the issue at this time.

Mayor Naugle stated that in order for the City Manager to consider something like this, they needed to have a figure in mind. Commissioner Hutchinson suggested a \$50,000 figure be used. Mayor Naugle stated that the \$50,000 figure should be considered. He also stated that a description of work needed to be outlined. He stated that they had adopted a tentative millage rate, there had been two public hearings, and a budget had been adopted last year, but it had not been followed. Every accounting system he had ever seen had an over and under report given monthly, and one would know by department what was happening. He remarked that the Commission had not been aware of the problem until April, and he felt they should have known in November or December. He stated he was uncomfortable if nothing was done about these problems. He further stated that the City Charter stated that the City Manager was to provide a budget to the Commission, and then they voted on it. If what was voted on was not followed, they were on the line. He reiterated that the problem had been in going over last year's budget, and asked if that would happen again if more money was put in the account. He suggested that possibly one of the things that should be in the job description was that an accounting system be set up.

Commissioner Moore reiterated that he had called the question for the motion. He asked for the meeting to follow the rules.

The City Attorney pointed out that if the question was where did the money go, they had an outside auditor now. He thought the report was going to be given within weeks. He advised that was a financial audit which would tell one where the money went. He stated that the budget was a policy making decision. If the auditor was to look at something, he should review and evaluate whether the proposed budget accurately reflected the cost necessary to carry out the policies adopted, and the level of services adopted. He stated they should not ask the auditor to go back and review last year's budget to see where the money had gone. He stated that for practical purposes, the report had been done by an outside auditor that was required by State law.

Mayor Naugle remarked they had not yet received the management letter. He asked when they had received it last year.

Commissioner Moore asked if the Commission had selected the outside auditor.

Terry Sharp, Finance Director, stated they had followed the system last year and had received the letter at the end of March.

Commissioner Moore reiterated that a motion had been made and he had called the question various times. He advised that "Roberts Rules of Order" demanded a vote.

Roll call showed: YEAS: Commissioners Teel, Hutchinson, and Mayor Naugle.  
NAYS: Commissioners Trantalis and Moore.

The City Attorney stated that it would be nice to know what this auditor was to do in regard to the budget. He asked if the individual was to look at the budget and see if it accurately reflected the cost necessary to move forward with the policies set, or were they to do a financial audit and find out where the money went last year and report back department-by-department.

Commissioner Moore left the meeting at approximately 8:15 p.m.

Mayor Naugle stated that if the audit was done for last year and normally was delivered in March, it was now July and they still did not have it. Therefore, one of the first things the auditor could do would be to review that audit and possibly recommend some accounting procedures for the Finance Department so overspending would not occur. He also stated that the auditor should meet with the Commissioners regarding their concerns to make sure they were in a realistic situation. He remarked that this could not happen again.

Commissioner Hutchinson stated that she had a lot of questions regarding the transfer of money to various accounts and when they had to be paid back, along with the projected revenue streams that were coming in. She felt they were projected quite high since that helped to balance the budget. She also stated that she wanted them to review benefits, overtime, salaries, and staffing and wanted to meet with them also.

Mr. Sharp reiterated that the Commissioners had received the financial statement for the last fiscal year in June, and the management letter had been completed last week and they should receive it no later than next week.

Commissioner Moore returned to the meeting at approximately 8:18 p.m.

Commissioner Hutchinson remarked that she could not cut someone's job until the true numbers were known, nor could she support an increase in taxes until she knew what was going on regarding the budget. She added that she was not going to stop complaining until she reached a comfort level in this matter.

Mayor Naugle asked if any of the Commissioners had items which had not been mentioned that they wanted the auditor to review. He also stated that the cost should be kept down to the amount of the lifeguard stands.

Commissioner Teel stated that they had not worried about spending the money for the lifeguard stands, but were questioning spending \$50,000 that could save them millions, along with individual's jobs. She remarked that also the horses might be saved. She further stated that if she had the popularity that the City's horses had, she would be thrilled to death.

Commissioner Teel stated she had hoped that in the next day or so they could pass on their concerns and suggestions to the City Attorney so that he could compose a list for the auditor. She agreed that he also needed to review last year's budget because it didn't work or they would not be in this "crisis." She stated that the auditor would show what could come out of this and what could be produced in a certain amount of time. She also hoped that he would review the insurance plan, and possibly make some suggestions regarding the operating procedures and good accounting principles for the City to follow. She felt that information was imperative.

Mayor Naugle remarked the City Attorney was getting a tall order and he felt there should be some discussion as to whether he could come to terms with this. He felt the City Attorney should also review the auditor's qualifications and make sure there were no conflicts. He stated that a special meeting could be called if necessary.

Commissioner Moore stated that he disagreed with this for several reasons. He asked what was paid to the auditing firm that worked for the City and had been selected through the process. Mr. Sharp advised they paid the firm \$160,000 this year. Commissioner Moore asked how long they worked on the audit. Mr. Sharp replied about 3-4 months. He stated that when they said they were \$4 Million over budget, he asked if this year was over.

The City Manager replied the year was not over. Commissioner Moore reiterated the year was not over and recommendations had been made to adjust the budget so it could be balanced before the conclusion of the year. The City Manager concurred and explained it was against the law for them to practice deficit spending, and could not end the year without a balanced budget. Commissioner Moore asked if the City Manager was going to follow the law and make sure the budget was balanced before October 1, 2003. The City Manager replied it would be done before September 30, 2003. Commissioner Moore asked if all the recommendations and cutbacks suggested would make for a balanced budget by that deadline. The City Manager confirmed.

Commissioner Moore stated that he believed the motion acted on was a "knee-jerk" reaction due to the fact it did not address this year's budget. He felt what was suggested was very inappropriate. He stated if the Commission desired another auditing firm to review the audit of the firm which was engaged, that could be done, but to name a selection and have it done in the manner suggested was inappropriate.

Mayor Naugle stated the Commission would now proceed to discuss the matter of the millage rate. He continued stating that the latest proposal of the City Manager dated July 28, 2003 showed a revised millage rate above the rollback rate of 10.16%. The City Manager confirmed that was his recommendation. Mayor Naugle hoped that they could include some of the recommendations which had been made by the Budget Advisory Board so that it would be reduced further.

Mayor Naugle remarked that he had been disappointed that some of the suggestions he had made at the last meeting were not included in the recommendation because they could have possibly reduced the millage rate.

Commissioner Moore asked if they were to agree to the proposed millage rate at the September meetings could it be reduced. Mayor Naugle confirmed. Commissioner Moore asked if there was anything in tonight's motion to accept the proposed millage rate that would keep them from reducing it if necessary at the September meetings. Mayor Naugle replied there was not anything to prevent them from doing so. Commissioner Moore asked if they could increase the rate at the September meetings. Mayor Naugle announced the rate could not be increased.

**Motion** made by Commissioner Moore and seconded by Commissioner Hutchinson to have the Commission approve the proposed millage rate.

Commissioner Hutchinson asked if the public was re-noticed could the millage rate be increased on September 3, 2003. The City Manager stated that there would be a cost for doing that notification.

Commissioner Trantalis asked for some further clarification regarding the possible increase for the millage rate. The City Attorney stated the notice had to be done through the US Mail to each property owner within the City.

Commissioner Trantalis stated that the public did not receive all the back-up information that was received by the Commission, and a number of recommendations made by the City Manager's office had been changed due to some of the comments made by the Commissioners and the Budget Advisory Board last week. He felt that some changes were also made due to a re-analysis of the situation. He stated that he was concerned that some of the changes were made not on any strategic planning decision or in regard to the implementation of any structural changes that were more important for future planning, but a "knee-jerk" reaction in an attempt to make the numbers match. He felt that was not the way to run a business.

Commissioner Trantalis stated that last week a proposal was made to close the City jail, but retain the booking operation. He stated that would "shore-up" a lot of

the deficit, but he had asked the police if that had ever been part of the strategic planning decision. He asked if the impacts of that closure had been investigated thoroughly. He felt that had not been done. He believed it would be a good idea to close the jail if it made sense in terms of properly implementing the change as part of the overall police enforcement procedure. He remarked that had not been validly demonstrated to the Commission. He stated he was "skittish" about making such decisions.

Commissioner Moore asked how many cities out of the 30 in the County had a jail. Bruce Roberts, Chief of Police, replied there were none. Commissioner Moore asked where the other arrests went. Chief Roberts stated they went to the Sheriff's Department and explained that he did not know if it cost the City any money. Commissioner Moore felt it was a service that the County would render to the taxpayers. He stated they needed to deal with facts. He further stated that by adopting the proposed millage rate, they could then deliberate with the Chief of Police, Commissioners, and department heads regarding the recommendations which had been made before the September meetings in order to decide whether to roll down the millage rate. He felt if they locked themselves in with something less than that, he was very concerned because everyone's questions should be answered so that when they were ready to adopt the budget, they would have gathered facts before making a decision. He felt they should continue with the motion to set the millage rate, and then they could proceed with their deliberations.

Chief Roberts stated that he would appreciate the chance to expound on this matter at a future date because there were many ramifications attached to the booking and detention at the jail, along with the ability to keep the prisoners at the Sheriff's jail. He stated more explanations were needed.

Mayor Naugle stated that he would agree that it was a "knee-jerk" reaction if this had been the first time the matter had been brought up, but police management and the City Manager in the past years had come before the Commission and had questioned whether the jail was necessary or not.

Commissioner Trantalis stated this was his first budget hearing and the first time he had heard it proposed was when Commissioner Hutchinson had made the proposal. He reiterated it was not part of the City Manager's proposal, but was an opportunity to find a line item in which to cut down the expenses of the City and he did not know where it came from. He stated that possibly it had been discussed in the past, but never had been part of a strategic plan. He felt the only opportunity he had in regard to hearing about strategic planning decisions was when they discussed possibly building a new police station. He felt he had the right to ask these questions.

The City Manager stated that he recognized Commissioner Trantalis had not been present previously when this issue had been raised. He stated that it had

not been cut then because the Commission upon hearing the recommendation had decided it would be better to keep the jail. It had been a policy decision by the Commission.

Commissioner Trantalis asked if it had been a policy decision based upon the function of the police department, or because they felt there was sufficient money to keep it intact and did not want to address the matter. The City Manager stated that in terms of priorities of the Commission that it had been more important to provide a place for those violating municipal ordinances so they could be incarcerated and kept off the streets.

Mayor Naugle remarked they had decided to raise taxes 9% instead.

Commissioner Trantalis stated that a recommendation had been made to eliminate a new Assistant City Attorney and a legal secretary, who were to work with code enforcement. The City Attorney stated that the proposal was to enhance the service and it was dealt with now. He further stated there was additional work that could be done and that had been the purpose of the work for that attorney. Commissioner Trantalis further asked if the purpose of hiring that attorney was to give the City the opportunity to extract compliance with zoning codes from property owners which would provide additional funds for the City that would in turn help to pay for those above-mentioned positions. The City Attorney confirmed and stated that he would not use the word "extract," and explained that the individual would have been responsible for encouraging compliance. Commissioner Trantalis reiterated that this could have been an opportunity for the City to obtain additional funds, and not have just been a cost. The City Attorney remarked that by the end of the fiscal year, they could possibly have broken even.

Commissioner Hutchinson left the meeting at approximately 8:39 p.m. and returned at 8:40 p.m.

Commissioner Trantalis stated that it appeared the Air & Sea Show was a moving target, and the numbers were difficult to assess because they were based on services. He remarked that this had been a signature event for the City, and he felt it allowed them to show off the City. He felt this was another "knee-jerk" reaction item.

Ernest Burkeen, Director Parks and Recreation, stated that some contractual issues were in place that they were bounded by which limited liability. He added that contract was in force until 2005.

The City Manager stated that meetings had taken place and Mr. Markoff was aware of the Commission's concerns. The current contract had certain triggers by which Mr. Markoff would be liable for additional costs. If more items were needed in connection with public safety in the opinion of the City Manager, then



additional outside security was used, but there were means available to help control costs. He stated that the \$150,000 costs were real, but could be reduced by reducing the number of personnel used. He added that another large cost associated with this event was for clean-up.

Commissioner Moore left the meeting at approximately 8:41 p.m. and returned at 8:43 p.m.

Commissioner Trantalis asked if the mounted police had been included in the budget adjustment. The City Manager stated that the mounted police and their reduction still remained in the budget. He remarked that if the Commission chose to set the millage rate and wanted him to revisit this matter, it could be done.

Commissioner Trantalis further stated that in the revised budget there had been no inclusion of funds for the CIP. The City Manager explained that previous discussions involved whether or not they were going to increase the funding for the CIP from the General Fund. Mr. Sharp explained there was no change in the recommendation for the General Fund contribution to the CIP. He further stated that the NCIP and BCIP were fully funded.

Commissioner Trantalis asked about the CRA Directors and if there were any changes. The City Manager stated that this had been a recommendation made by the Mayor, but no recommended change had been made as a consensus of the Commission. Mayor Naugle explained it involved the consolidation of the CRAs and the suggestions made in the Latimer report regarding Assistant City Managers.

Commissioner Trantalis asked further if the two code officers were still going to be implemented. The City Manager stated those two officers were funded by the CRA, and the same rationale was applied as to the two police officers funded by the DDA, and the recommendation remained unchanged. He added they were funded from an outside source and were not intact.

Commissioner Trantalis asked for some further clarification regarding a pilot program in lieu of taxes. He explained that since a large percentage of property was owned by non-profit organizations in the City, there was a suggestion made that they make a payment in lieu of taxes. He asked if this program existed.

Mr. Sharp explained that the City charged a payment in lieu of taxes to the enterprise operations that were operated by the City. He stated that he had been advised by the City Treasurer that the City could request a voluntary payment from such entities, but could not require them to pay such amount. Commissioner Trantalis asked if such a program was presently in place. Mr. Sharp replied there was no such program. Commissioner Trantalis suggested that such a program be put in place.

Mayor Naugle stated that the matter could be researched.

Commissioner Hutchinson stated that they needed to set the millage rate and move on. She stated that she was not uncomfortable accepting the City Manager's recommendation because after the "independent eyes" reviewed the situation, and if the problems were worse than anticipated, she did not want to look to the employees to be laid off to remedy things. She further stated that she was concerned about the letter from Pat DuMont and the fact that the department was not going to be funded. She stated she wanted to see a way to solve the problem and not cut jobs in the Economic Development Department.

The City Manager stating that in putting together this budget hard decisions had to be made. He stated that the long awaited historic preservation person had not been included in the budget. Commissioner Hutchinson remarked she was upset about that, but not going to discuss it at this point. The City Manager remarked there were a lot of individuals he wanted to retain, but the current budget did not call for that particular position to be included in the Economic Development Department. Commissioner Hutchinson remarked that she wanted to find a way to work that position into the budget.

Commissioner Hutchinson asked if a cost analysis had been done as it related to what other cities did in regard to the trash transfer station. She remarked she did not know if she was willing to have it closed, but higher rates could be set.

Greg Kisela, Assistant City Manager, stated that he did not think they had done a specific study as had other municipalities. He explained there were 3 choices available at this point if it was closed, and based on the surveys made the costs for an average size load would be between \$35 and \$40 a vehicle load, and some loads were done by weight.

Commissioner Hutchinson asked if it was possible for this facility to fund itself. Mr. Kisela explained that with the current operation running 7 days a week, they would have to charge approximately \$50 per load. If the hours were reduced, they could possibly get the charge down to \$35 which was the going rate for the private sectors. Two companies which did not work on Sundays charged \$35. He added that there were ways to change the days and hours of operation, and still be competitive with the private sector.

Mayor Naugle asked if it was necessary to have 2 CRA Directors. Commissioner Hutchinson felt that it was not necessary for two Directors.

Commissioner Moore stated that he felt there was going to be a reduction in construction and felt the impacts would be felt in Construction Services. He remarked that he was opposed to the City's efforts in having an Economic Development Department and felt a pool of money should possibly be set up so others could contribute because they already had the Broward Workshop,

Chamber of Commerce, DDA, Mid-town Business Association, Negro Chamber of Commerce, and the Hispanic Association supposedly doing economic development for the City and County. He suggested that a portion of the budget go into a pool where all such entities contributed and there be a measurement. He stated he did not have any problems with Michael Matthais or his qualifications, but he was concerned who would foot the bill. He felt this was a role that should not involve the government, other than to help contribute money into a pool for its function. In dealing with staffing for such a position, there appeared no way to measure the success of that person.

Commissioner Moore stated he was also concerned about the Trash Transfer Station, and felt there would be a negative impact if the fees were increased. He stated there were private entities available for use. He explained that this station had been opened due to his suggestion because they had an increase in dumping around the northwest quadrant of the City. It made more sense at that time to allow it to be a free operation and it ran so for 5 years, but due to deficits it had been recommended later on to charge a \$10 fee. He felt the rates should not be increased, but that the station should be closed, and allow it to be a site that could generate something wholesome for the community. He also suggested that the employees at that site could be shifted elsewhere. He stated that he wanted to hear from the public regarding this matter.

Commissioner Moore further stated that he was concerned about the Hall of Fame and the monies they owed to the City. He asked what the projected loss was at this time.

Stu Marvin, Parks and Recreation, stated that they were in the position where they had not identified certain revenues owed to the City despite numerous attempts by the City to obtain the funds. He added that the Hall of Fame had not responded to Allyson Love's request for documentation, nor have they responded to letters sent by various other individuals.

Commissioner Moore reiterated this building was a City publicly taxed building constructed for their use. Mr. Marvin confirmed. Commissioner Moore asked how long it would take to evict the Hall of Fame entity.

The City Manager stated that he had received a call today from Sam Freas who wanted to set up a meeting with the City. He stated there were some differences of opinion, but he had informed Mr. Freas that a meeting would be arranged so they could discuss his interpretation of the contract and the City's interpretation. If there could be no closure, then the City Attorney would evaluate the contract as to whether or not an eviction could take place. Commissioner Moore suggested they be evicted since they had not permitted an audit to be done, and had not been true and forthright with the City.

Commissioner Moore further stated that when reviewing contracts and revenue sources, the City needed to be more competitive. He stated he had received a number of letters from individuals regarding a person on the beach with a product that should have involved a competitive bid. He stated that a year ago they had the opportunity to put out bids for the beach concession and had decided not to. He felt they were giving away the beach to a non-profit entity without looking at what revenues might be generated. Yet, they were looking at garbage and sewer increases for the residents.

Commissioner Moore stated it was time to also give notice to the promoter of the Air & Sea Show that the City needed to re-evaluate the contract, and it should be done at this time. Commissioner Moore further stated that he wanted the Commission and City Manager to look at some of the capital improvement projects that were on the table and already under construction to see if there could be a way to finance them. If the Commission agreed to the proposed millage rate being offered, and if they carried the debt for 5-10 years on a building, a reserve could be created. He reiterated that to have a vision for the City, revenue was needed along with plans and funds. Over the years due to policies created, the millage rate had been rolled back, but now they needed to find a way to begin to carry out the debt and put monies in reserve. He felt this could be done without the impact of layoffs and furloughs or increases to benefit costs.

Commissioner Teel thanked Commissioner Moore for recognizing the fact that the Air & Sea Show was a drain on the City's finances. She remarked that she had an analysis of that event and in looking at the figures, she saw the net expenses for the City had increased for each year by 154%. Payments by the promoter had increased by 27%. She agreed that it was a great event, but however, did not feel that it was appropriate that the taxpayers were subsidizing this. She felt the amount suggested by the City Manager of \$150,000 was enough, and the event should be self-sustaining. The promoter was there to make a profit and the City should not be subsidizing it. Commissioner Teel suggested that a meeting be arranged with the promoter regarding the costs or cancel the contract.

Commissioner Teel further stated that a projection was made by the City Manager that \$150,000 be included in the budget from code compliance, but the Commissioners were the problem when voting regarding fines. She remarked that fines were levied against the law breakers and slum landlords, but they came in with great stories and had the fines reduced. She felt they needed to police themselves on this issue because they needed to be more serious regarding this matter. She realized there were exceptions sometimes.

Commissioner Teel asked how long had the City been waiting for the estimate from the Hall of Fame.

Mr. Marvin stated that the first letter had been sent about two years ago requesting audited financial statements that were required by the contract. The parking lot was taken back by the Commission in January, 2002, and they were to return the parking lot reserve fund in 30 days, but they had not identified or returned it as of this date. The other issue on the table was the agreement between the Hall of Fame and the City regarding the lease of the parking lot for the International Boat Show. An invoice had been submitted to them by the City in October, but they had not yet responded to that request either.

Commissioner Teel stated they were getting revenue but the City had not been given any information regarding this. Mr. Marvin explained they had one year left on an agreement with Kaye Pearson and the Boat Show when the Commission had rescinded the contract, and they had negotiated a share of that and they had been invoiced. They had not yet responded to that invoice.

Commissioner Teel asked how many individuals renting would be given permission to continue to stay on properties for two years without paying. She stated this was an example of "pathetic management."

Commissioner Moore asked for further clarification regarding the reserve funds. Mr. Marvin explained that 10% of the gross revenue from the parking lot operation was to go into a reserve fund each year. The lot had been operated for 10 years, and the reserve fund was to be returned to the City upon termination of the agreement. The Hall of Fame had been notified several times to identify and reserve the funds, but they had not yet responded. Commissioner Moore stated the City had been running this since January, 2002. Mr. Marvin confirmed. Commissioner Moore asked what revenue had been generated from the lot. Mr. Marvin stated they estimated that about \$60,000 revenue a year from that lot, which did not include any agreements with the Boat Show that could possibly add another 20% to the revenue. He felt if the lot was operated correctly, they could generate about \$70,000 per year. Commissioner Moore asked if the reserve funds were in an interest bearing account. Mr. Marvin stated there was no language in the document requiring it to be placed in an interest bearing account. It was a maintenance fund for them to keep the lot in an operable condition. Commissioner Moore reiterated that the eviction notice should be served tomorrow.

Commissioner Teel stated that regarding the Trash Transfer Station, they were providing a service that was always in the red. She felt if the rate was increased, it would not be taken out of a company's profits but would be passed on to the consumer. She stated she would support an increase to make the facility self-sustaining. If it was closed, she felt enforcement would have to take place to prevent individuals from dumping at the site. She stated that could not be permitted.

Commissioner Teel reiterated that every City employee was precious and they all deserved everyone's thanks. She remarked that she had received many e-mails from citizens who appreciated their hard work.

Commissioner Moore stated he agreed with the request from the Finance Department for personnel, and asked the City Manager to evaluate the comments that had been made this evening. If there was merit, it should be considered. Commissioner Hutchinson added especially as it related to economic development.

Mr. Sharp further clarified that the motion regarding the millage rate was for the adoption of a 4.8288 combined with the debt service rates which were not changed would bring the rate to 10.16% overall increase over the rollback rate. The previous proposal was 4.9523 with a combined rate of 5.3205, totaling a 12.73% increase over rollback.

**Motion** made by Commissioner Moore and seconded by Commissioner Hutchinson to adopt the budget at the 5.3205 figure with the opportunity to roll it back, and be given time to review the information without pressure.

Mayor Naugle remarked that the City Manager's recommendations this evening were a beginning, but he did not want to adopt the higher rate because property taxes were the biggest expenditure in some household budgets. He stated he could not support this.

Roll call showed: YEAS: Commissioners Moore. NAYS: Commissioners Teel, Trantalis, Hutchinson and Mayor Naugle.

**Motion** made by Commissioner Moore and seconded by Commissioner Hutchinson to approve the City Manager's recommendation for 4.8288 rate.

Roll call showed: YEAS: Commissioners Teel, Moore, Hutchinson, and Mayor Naugle. NAYS: Commissioner Trantalis.

Commissioner Moore introduced the following resolution:

RESOLUTION NO. 03-130

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA, ACCEPTING THE CITY MANAGER'S BUDGET MESSAGE, ESTIMATES AND RECOMMENDATIONS FOR FISCAL YEAR 2003-2004 AND AUTHORIZING THE CITY MANAGER TO COMPUTE PROPOSED MILLAGE RATES AND TO ADVISE THE BROWARD COUNTY PROPERTY APPRAISER OF SUCH PROPOSED MILLAGE RATES.

Which resolution was read by title only. Roll call showed: YEAS: Commissioners Teel, Moore, Hutchinson, and Mayor Naugle. NAYS: Commissioner Trantalis.

There being no further business to come before the Commission, the meeting was adjourned at 9:27 p.m.

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JIM NAUGLE  
MAYOR

ATTEST:

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LUCY KISELA  
CITY CLERK