

COMMISSION CONFERENCE**May 18, 2004**

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Present: Mayor Naugle
Commissioners Hutchinson, Teel, Moore and Vice Mayor Trantalis

Also Present: Acting City Manager
City Attorney
City Clerk
Sergeant At Arms – Sergeant Judy Waldman

I-A – City Manager Search and Selection

Mayor Naugle asked if the Commission wanted a report from the consultant. There was a consensus that a report was not necessary.

Commissioner Hutchinson stated this had been an interesting process and as she watched the papers beat the City up, now was the time to put a positive spin on what had been accomplished. She stated there were several things she wanted to say that she felt needed to be said.

Commissioner Hutchinson stated that since Floyd Johnson had left, Alan Silva had served as the City's Acting City Manager, and together they had uncovered numerous problems and moved forward to solve many of the City's financial problems. Decisively, they moved together and controlled overtime which was spiraling out of control. The budget was balanced, and the annual audit had been completed, and the City received a management letter in a timely fashion. She reiterated that had been a big accomplishment. She further stated that the health insurance was healthy and they had begun a movement to hold managers accountable which had not been done in the past. Everything mentioned was exactly what they had asked Mr. Silva to do.

Today, in her opinion, they were ready to take the next step, which she felt was the most important decision they could make as Commissioners and that was the hiring of a new City Manager. In her view, the City had been upside down, and she heard the same complaints daily from the rank and file employees, and also from the citizens, which was that they had no voice and they were not being shown any respect. She stated the message from her was clear and that was that they needed a unique individual who could bring a breath of fresh air and a new way of doing business to the City. She reiterated that the way they had done business in the past did not work.

Commissioner Hutchinson stated there was only one choice in her opinion. She stated this person had exhibited leadership in his evaluation of the City and their problems. She explained that he had taken the initiative to watch the Commission meetings via computer, thoroughly researched the City and individually to become familiar Building Department and attempt to pull a homeowner's permit to build a deck. She explained this candidate wanted to get a feel as to how they did business in the City and how the public was treated. She continued, stating that he had been treated like the citizens she heard from on a daily basis and that was that no one was helpful. He was treated discourteously. She stated the City needed to change and get right side up. She reiterated the old type of management had not worked and had fostered a system that had created ill will and had pitted group against group, and employee against employee.

She felt there was only one choice in this case, and there were no second or third choices. She added that she was not interested in ranking the individuals.

Commissioner Hutchinson stated that her choice was Mr. Gretsas. She felt he had high energy, enthusiasm, was an out-of-the-box thinker, a risk taker, and excited about the challenges that he was to face in this City. She stated that was what she had been looking for in this process. She stated it was probably inappropriate for her to say this at this time because further discussion was to be had, but if prudent she wanted to make a motion at this time.

Motion made by Commissioner Hutchinson to select George Gretsas as the City of Fort Lauderdale's new City Manager.

Commissioner Hutchinson stated she realized they did not vote until the regular meeting, but assumed that a resolution would be brought forward. She stated she was sick and tired of reading in the newspapers how bad this City was, and she felt they had accomplished a lot in the last 6-8 months. She stated it had been hard and they had asked Alan Silva to deal with their financial issues, which he had done. She stated it was now time to build a team and she was personally ready to do that. She stated that she also wanted the Commission to discuss appointing a Commissioner to assist the City Attorney in regard to contract negotiations.

Commissioner Teel seconded the motion.

Commissioner Moore stated that everyone had different views about a candidate, but to make a motion and put someone forward for discussion was not appropriate at this time. He stated the person making the motion could do so, along with the person who seconded the motion, but he hoped everyone else would have the same opportunity to voice their opinions regarding the candidates and the process. He felt the second should be removed and the motion made after everyone made their comments.

Vice Mayor Trantalis stated that in choosing the City Clerk, they had found themselves in the situation that ranking had been a good choice because the first person chosen had decided they did not want to live in this City. All candidates had been good, but taking one specific person as the choice could require the Commission to have to go through the process over again. Therefore, a ranking process would automatically line up the individuals according to rank. He reminded the Commission that after two weeks, out of 7 candidates, only 3 remained. He felt the ranking process worked well in the past.

Mayor Naugle asked if there was any interest among the Commissioners in ranking the candidates.

Commissioner Moore stated the first thing that needed to be done was to discuss the process that was to be utilized in making the selection. In listening to Commissioner Hutchinson's comments, he felt she was going to state her opinion but not make a motion. He felt they were going backwards in the process because he did not think a motion was appropriate at this time prior to having a discussion regarding each Commissioner's selection. He urged the maker of the motion to reconsider the motion and allow the freedom of discussion to take place.

Commissioner Hutchinson stated they did have the freedom of discussion. Commissioner Moore stated they did not if a motion had been made and reiterated that it was inappropriate at this time. Commissioner Hutchinson stated she had voiced her opinion. Mayor Naugle stated that a substitute motion could be made.

Commissioner Moore emphasized that whoever was the first individual to begin talking could have done whatever they chose, and he felt it was more important for them to discuss how the conversation should proceed. Mayor Naugle stated that instead of stating they were going backwards, one could state they were moving forward.

Commissioner Hutchinson reiterated that she was not interested in ranking and their job was to have a lot of face time with the candidates, along with a lot of telephone time. She stated the objective for her was to choose a leader, and not to rank who she would take first, second or third. She stated she was not interested in moving in that direction.

Mayor Naugle stated that he wanted to hear everyone else's comments regarding the candidates. Commissioner Moore stated that could not be done due to the motion on the floor. Vice Mayor Trantalis stated a discussion could still move forward regarding the candidates. Commissioner Moore stressed that they had to keep their discussion limited to the motion that was on the floor. Mayor Naugle stated that anyone could speak about why they were for or against the person being considered.

Commissioner Teel stated that she found the process very frustrating because of the lack of background material provided in regard to some of the candidates. She announced that she had done a lot of research on her own through the Internet. She felt the opportunity they had to meet the applicants was a very enlightening time. She stated she had seconded the motion because she felt that Mr. Gretsas was a person who had "fire in his belly." She continued, stating that he was super interested and had a great attitude. She felt he was the type of person who set out to do a job and do it well. She stated she was not saying the other candidates were not good candidates, but she had just gotten an extra special feeling about Mr. Gretsas. She added that she wanted to keep her second in place and reiterated that he was her choice for the job. She stated she did not necessarily want to use a ranking process either.

Vice Mayor Trantalis stated he also had a great experience in talking and working with each of the candidates. He was sorry that Mr. Hoover had declined to continue participating in the process because he felt he was an excellent candidate. He stated that each candidate had a strong suit and had brought something to the process that would allow the City to move forward. He thought the process had been a "gut-wrenching" one. He felt they had been going along as a City year after year and not reflecting on who they were and how they were operating. He felt the budget crisis as it materialized last year forced them to reflect on such things and he felt it would be a positive experience.

Vice Mayor Trantalis reiterated that he could live with any of the candidates; he felt the question was which one could best live with them. He stated it was a matter of personalities and approach that each individual took towards their job. He felt everyone could witness style and how they viewed the City Manager position. He reiterated that some of them were more micro-managing than others, and others were more delegating. Everyone had different styles and had different experiences. He felt the Commissioners who had been around longer took more of a proprietary interest in the City and were

more entrenched in its operation. He stated that in speaking to the motion, he had ranked the candidates in his mind as to who could best serve the City, and who would be able to work with all the personalities on the Commission. He stated that despite the negativity he had heard regarding some of the candidates, he felt getting to know them belied what was shown on paper. On that basis, he stated by digging further into the paperwork and listening to laudatory statements about Mr. Gretsas, he asked MGT why he had been ranked below average and given a 33.5% in their testing, if in fact, others were perceiving a different character and grade level through the process. He asked how they were to make an intelligent decision based on the submitted criteria.

Mark Kurfmann, MGT, stated that was not their testing.

Vice Mayor Trantalis asked who of staff had proposed that they spend so much time and money relying upon these tests to discern the outcome. He stated those results could be totally misleading.

Commissioner Hutchinson stated there was an attempt made not to use those testing procedures, but there was not a consensus of the Commission to allow that to happen. She remarked that it was an evaluation process and not a test. It was her understanding that it was to be fictitious questions about a fictitious city, but every question asked had been geared around the City of Fort Lauderdale. She stated that when the candidates had spoken about the evaluations, they had been appalled at the process. She reiterated that a leaderless discussion should not form around a reorganization plan, deficit in budgets, and specific references to a "white paper."

Vice Mayor Trantalis asked if they were giving any credibility to that part of the process. Commissioner Hutchinson stated that personally she did not approve of the process. She stated that she had not read the results.

Mayor Naugle stated that it could be a positive thing and if someone wanted the City to continue in its present direction, they could follow the higher scores, but if they wanted a different direction, then they could refer to the lower scores. He further stated that it was his understanding that the test was based on 1960's management theory which organizations no longer use. He felt they were useful and believed one could just reverse the scores.

Vice Mayor Trantalis stated that he preferred they use a ranking process. He wanted to finish hearing everyone's comments before he made his recommendation.

Commissioner Moore stated that he wished today's discussion had not begun the way it had only because it made one vote against someone, rather than showing support for all the candidates. He stated further that he did not want to be forced into voting against a particular individual.

Commissioner Moore thanked MGT for their work in this search, along with the Advisory Committee for all their hard work and efforts. He applauded the public and professional input that was given. He also thanked the City's Human Relations staff for coming up with an insightful process that may not have had unanimous support in regard to the methodology, but he felt this was a proven way of finding qualified candidates for important positions. He stated that he had heard comments from all the candidates in regard to their concern about an assessment center. One in particular was very

concerned that the documents would be printed. He added that people looked at things in different ways, and one of the candidates felt this document would show his weaknesses and may be it would help him to improve. Another person looked at it as showing his weaknesses which could disallow him his present employment. He stated that he hoped that all of the candidates which had gone through this obnoxious assessment would take this information given to them to make them better in their present or future positions. He felt this was a valuable method of the candidates viewing their strengths and weaknesses.

Commissioner Moore further stated that if it was true one candidate was supposed to have made a statement that the Commission was punching holes in a boat in an attempt to let water out, then he was glad that person had withdrawn from the process. He felt that person should evaluate himself and how he projects himself professionally. He stated he was happy with several of the candidates who had continued through the process. He stated that he was very disappointed that Mr. Hoover had withdrawn his name because he had high regard for him. He stated that in his business capacity, he had the opportunity to hire individuals and often times utilized information which put them in a testing environment because when one was attempting to get something, one put their best foot forward. He explained that each candidate in their interviews had attempted to explain why they would be the best "captain for this ship." He reiterated that they would not readily make known their weaknesses. He felt this assessment report was just a "snapshot of time" to get a sense of what that individual might do in certain circumstances. Since it was an evaluation process, one could see how quickly an individual might make a decision in regard to a certain action or what information was called for in order to make an intelligent decision. He felt that was critical in making a selection for this position.

Commissioner Moore continued stating that the candidate he felt was the weakest and the one he felt was the strongest had come up in the assessment center the same way he dealt with it from his interview process. He felt the assessment center rankings were similar to the ones he had made and what he felt this City needed at this point in time. Each time he met with the candidates, he took a 5-minute break in-between and told himself that he might not get what he wanted, but it was important the City get what they needed. He attempted to put his personal feelings aside and deal with what was needed by the City. He thought they needed someone with leadership skills who could build up the work force morale, and who also had a financial background and was used to working with the bargaining unions. He stated that the consultants understood this as issues of concern to the policymakers. He reiterated that he had been impressed with the process and he was sure they could choose a new City Manager today.

Mayor Naugle stated that they had received over 200 applications. He stated that the individual who had dropped out of the race and had made the comment referred to by Commissioner Moore had also stated that he felt the testing idea was very juvenile and was not in support of it.

Commissioner Moore left the meeting at approximately 1:57 p.m. and returned at 1:58 p.m.

Mayor Naugle continued, stating that he would be able to work with any of the three remaining in the process. He stated he had a preference, but believed any of the 3 could perform the job well. He reiterated that he too had chosen Mr. Gretsas as his preferred

candidate and felt he had the greatest ability to change this organization. He felt he should be given a chance to do so. He further stated that he wanted to congratulate Alan Silva on the fine job he had been doing. He stated that he had been hopeful they could have adopted his reorganization plan to make the incoming City Manager's job easier, but this way the new individual would be able to review the plan and maybe adopt it as his own. He stated he was very comfortable in choosing Mr. Gretsas and making him an offer of employment.

Commissioner Moore stated that this candidate was the only one who had worked under a strong mayor form of government which was different from the other candidates. He stated this City did not have that type of government, and he found that to be his weakest candidate because he was concerned that the style he experienced with Mr. Silva has been one who had given a lot of input to the process. He always felt he was not a manager that followed the desires of the majority. He stated that he was fearful of that in regard to this particular candidate.

Commissioner Moore stated if there was a consensus of the majority to hire Mr. Gretsas, then he would urge the Commission to offer the job by a unanimous vote. He believed it would be important to say to this individual that he would have the full support of the entire Commission. Therefore, the individual might not have any second thoughts in accepting this position and a contractual arrangement worked out making him feel he was wanted.

Commissioner Hutchinson stated that Mr. Cole was from a similar organization as Mr. Gretsas. Vice Mayor Trantalis stated that Mr. Hoover was just the opposite. He stated that he would support the motion which had been made.

Roll call showed: YEAS: Vice Mayor Trantalis, Commissioners Moore, Hutchinson, Teel, and Mayor Naugle. NAYS: None.

Mayor Naugle announced the next step was to negotiate an employment contract with Mr. Gretsas. In the past, he stated that the Mayor and City Attorney had done that, and asked if that was the desire of this Commission.

Commissioner Teel stated she was in agreement and felt that would be appropriate.

Commissioner Hutchinson stated that the agreement should be brought back before the Commission, and if anyone had any input it could be passed on to the City Attorney.

Action: George Gretsas selected as the new City Manager and a contract of employment would be offered and taken to the City Commission for approval.

I-B – April 2004 Monthly Financial Report

The Acting City Manager stated that this was the general format used in the past, and staff had added one item that addressed scheduling of furlough hours and to the extent they were on target with it.

The Acting City Manager stated there were 3 departments which would face challenges for meeting this year's budget. He stated those departments were Fire-Rescue, Police and Finance. He stated they had the highest percentage of over expenditures for this

time of the year. He explained that some was due to pensions and other issues. He stated he was mentioning this because there was an item, M-13, on tonight's agenda that was requesting \$14,000 for implosion training costs to come from the Fire Rescue Department's budget. He would prefer it to come from the Contingency Fund because their budget was tight.

Commissioner Hutchinson stated it was her understanding that the Fire Rescue Department was required to do a lot of training in order to qualify for federal grant monies. Therefore, she wanted to support taking the monies from the Contingency Fund, but she also wanted to add that in order for them to get federal monies such training had to be done during the course of the year. She felt it was important and appreciated the Acting City Manager standing up and taking such a position.

Commissioner Moore left the meeting at approximately 2:04 p.m.

The Acting City Manager stated there were areas of concern regarding revenue shortfalls and under-estimates regarding revenues, and therefore, as part of the budget revision tonight agenda item M-11 would take those items into consideration. He stated the one area he was concerned about which had not been taken into consideration was the \$2 million they expected from the alarm registration fee. To date they had collected about \$270,000, and he did not expect to collect the \$2 million. Commissioner Hutchinson stated people are boycotting it. He continued, stating that the matter would not be discussed this evening because they need another month of experience before he felt coming forward with the level of expectations.

The Acting City Manager stated that in regard to the General Fund Overtime, it continues to do well. He stated the City had spent \$1.7 million as of April 30, 2004, and last year at the same time had spent \$4.7 million. Overtime expenses had been reduced by 65%. Administration Services reduced their overtime by 94%, Parks and Recreation by 85%, Fire-Rescue by 66%, the Police Department by 62%, and Public Services by 21%.

Commissioner Moore returned to the meeting at approximately 2:08 p.m.

The Acting City Manager stated that regarding furlough savings their target was \$2.4 million, and they had achieved 40% so far this year. He explained that about \$180,000 of savings for furloughs would not be achieved. He stated the departments lagging behind in furlough savings were Fire-Rescue, Parks and Recreation, and Community Economic Development.

The Acting City Manager stated that he was going to recommend this evening that the City take about \$184,000 out of the Contingency Fund to take them through the budget revision. Even with that, the Commission had drawn on contingencies by only \$327,000 so far this year. Last year at this time, the fund had been drawn down by \$1.3 million. He explained they had shown an extreme amount of fiscal prudence this year. He stated they had reduced use of the Contingency Fund by 74%.

Vice Mayor Trantalis stated that since they were spending at a greater pace than the pro rata share for the year, how would they make up the shortfall or would it be made up by less spending during certain times of the year.

Mayor Naugle stated that the reason was that pension monies had been paid out all at once at the beginning of the year. Therefore, they would start out at a higher percentage and then catch up during the year.

The Acting City Manager stated that from the pension point of view, they took quarterly from the General Employees, but they paid once a year up front for Fire and Police. Therefore, Fire and Police would always get a heavier hit at the beginning of the year. Mayor Naugle clarified it had been \$12 million in the first month, but it would be zero for the remaining of the year.

Vice Mayor Trantalis asked if they would be able to catch up during the normal operation of the City, based on past practices. The Acting City Manager confirmed, but stated that he was concerned about the alarm registration fee. He reminded everyone the \$2 million would not be realized yet it had been built into the Police budget. Vice Mayor Trantalis stated that during previous discussions regarding the Contingency Fund, the Acting City Manager stressed that was a "forbidden fund" and had caused the City's problems in the past. He stated they were now finding excuses to dip into the Contingency Fund. He further stated he was seeing a slow creep towards using that fund, and philosophically it was different from what had been stated originally. He stated the Amnesty Program helped to fill the coffers and there had been discussion that the City had cheated themselves, but at the same time they had significantly replenished the Contingency Fund. He stated if they were going to begin to tap into the Contingency Fund, he had many reasons to do so.

The Acting City Manager stated that the Contingency Fund should be used for unanticipated and extraordinary expenses. His concern in the past had been not only towards such fund, but also dipping into the working capital. He did not want to use it until the latter part of the fiscal year, but the indication in this case was that such fund was needed for two line items. One was for the \$5,000 tuition awards, and \$175,000 for legal services which were activities above and beyond what had been previously anticipated and had to be appropriated. He stated that to the extent they should cut expenditures elsewhere, he could do that, but his concern was that the expenditure side was down to the "bare bones," and would be stretched very thin especially in the larger departments such as fire, police, public services, and parks and recreation due to fuel costs. He did not want to reduce those departments' expenses any further. He understood the Commission's concern regarding the \$185,000, but the only thing was to cut expenses elsewhere in the budget and at this point in time he did not think that would be possible.

Vice Mayor Trantalis stated that in the past, the Contingency Fund had always been dipped into for extraordinary expenses. It was his belief that had been done in the past partly because there had been unanticipated expenses, including the firing of the City Manager which caused an extraordinary expense. He stated they had been told that every time they dipped in such funds, they would be going down the same path of fiscal ruin as in the past. He felt they were not being consistent.

Commissioner Moore stated that the fact they were talking about contingencies as if they were monies not to be used was inappropriate from the beginning. He explained they were for contingency issues in addressing the taxpayer needs. He specified that was why they had not allocated such funds for a particular use. He stated he did not fear utilizing such funds for services that were necessary. He felt that such monies should

have been used towards the engineering staff to meet public demands and provide services at a certain level. He stated that even with the amnesty monies, they had reduced the penalties for a good cause, and the majority of the Commission had felt that was appropriate. He stated that when such monies came in, he felt they should have been put in the Contingency Fund and used for appropriate uses, to make the City stronger, but that was not done once again. He remarked that they had an operation that was killing them last year, and a lot of the overtime in the Police Department had been due to the operation of the jail. For several years they saw the wound was being cut deeper and deeper, but yet nothing was done to stop the bleeding.

Commissioner Moore continued, stating that the Commission had seen opportunities or concerns to be addressed with contingency dollars, and again they had not been budgeted. He did not feel it was inappropriate to use the monies for such purposes. He felt what was inappropriate was for them not to give themselves an adequate budget with which to operate the City, and that was why they had to depend on the Contingency Fund so much in the past. Appropriate funds had not been allocated to allow the departments to operate based on the level of service that the public wanted to receive and what the City was offering to them. He stated they had forced themselves into the corner because they had not taken the action of either greater taxes or greater fees or other innovative methods to generate revenue for services being offered to the public. He stated further the only contingency they had was the Contingency Fund, and that was why it had been used in that fashion. He believed that could have been done at the beginning of this year, especially if there was to be a higher standard of use for such funds as the Engineering Department. He felt it was inappropriate not to use those funds to address such problems. He hoped they would not continue on such a path.

Commissioner Moore stated that the item this evening was due to the fact they had not adequately created a budget to offer such services. He stated that even with the cutbacks, furloughs and reduction in overtime, the department could not function on the monies allocated to it. He stated it was not due to mismanagement nor was it due to individuals not holding the line, but it was due to an insufficient budget. He stated they would be faced with this again and again, if they did not address the fact of what was required to operate the City and have it function at a level of service that was wanted by the taxpayers, and what the policymakers wanted to do for the residents.

Commissioner Moore continued stating that he was more concerned about the percentage of dollars spent from this year's budget in comparison to what was remaining for the rest of the year. He saw them being in a deficit and they were balanced now because they were not at the end of the year. He asked if there was a plan to take corrective action.

The Acting City Manager stated they should be able to meet the budget except for the \$1 million to \$1 ½ million problem with regard to fire alarms, and that would have to be addressed.

Commissioner Moore stated that was what had happened with last year's budget and the one before that because they had projected revenues in order to adopt the budget. He stated they had not adopted a realistic budget. He remarked that was why the Contingency Fund was being used because they were basing a budget on assumptions that might or might not be reached. He stated that last year the Property Appraiser had taken away \$1 million. He reiterated there had been a value adjustment, which fell under

the Property Appraiser and it should have been done by a certain period of time. He hoped they would begin now with resolutions to the County Commission, Value Adjustment Board, and the Acting Property Appraiser that the City wanted them to work within the thresholds of the State Statute, because otherwise it hurt the taxpayers when things were not done in a timely manner, while making the operation of the City dysfunctional. He felt that was a recommendation that should be made now.

Commissioner Moore further stated that, in saying the Police Department budget was going to have a \$1.2 million shortfall based on utilizing the alarm service fee as a methodology to address it, how much money had been received in the Amnesty Program above what was projected for the PSAs. The Acting City Manager stated about \$800,000, which was placed in the Stabilization Fund. Commissioner Moore asked if it would not be stabilizing the City to appropriately fund the Police Department so it could function for the entire year. The Acting City Manager stated that he wanted to make sure that the expense side was adequately squeezed before adding revenue.

Commissioner Moore stated they needed to address the issue now and make sure there would be a stabilized operation until the conclusion of this fiscal year. He felt that was the most important thing at this time. He was concerned that they, as policymakers, were not directing the City Manager to appropriate those additional funds to the Police Department. He stated since they had not used it towards the Engineering Department which was already in meltdown, he did not want to have another division in the same position. He preferred to have the allocation of funding done now.

Mayor Naugle disagreed that what had happened in the Engineering Department had anything to do with dollars, he felt it involved individuals more than a lack of funds. He stated that every year properties turned over and liens were paid off, and the City budgeted a certain amount from that every year. He explained that the Amnesty Program gave a boost of one-time revenue collected this year that would not be seen in the future. To view those monies and say they should be used for current expenses showed a lack of understanding of the budget. Furthermore, he stated the reason they were over expenditures in this year's budget was due to the one-time expense in the fire and police pension payments to the tune of \$12 million. He stated that would balance out by the end of the year because it was not a recurring expense and had been paid at the beginning of the year. He stated that he viewed contingencies as funds that could be carried to a future year to provide additional services.

Commissioner Teel stated that she recalled not so much that the Acting City Manager stated they could not spend those funds, but what they could be spent on and how they should be spent. She stated the Contingency Fund was a "safety net fund," and in the past had been used for strange things such as raises for the City Manager and City Clerk. She felt that had been inappropriate. She asked what would happen if a hurricane hit if they started using those funds to help departments that were on the lean side. She felt they had been careful with the spending of the Contingency Fund this year. She added that not only had they used such funds in the past, but they had dipped into the reserve funds as well. She felt that the Acting City Manager had guided them in the right way and everyone agreed that a change was needed. She felt some progress had been made.

Commissioner Hutchinson stated she did not know how to choose what department should get the money, and in looking at last year's budget, they had an \$8 million

assumption in salary savings that they knew would never be reached. She was led to believe that they would be able to cross departmental lines with the Engineering Department. She stated the only fund that had money was WaterWorks 2011 and they were to cross over and utilize those skills, but that had not happened. She stated the skills that had moved over were to pop back and forth and assist, and it was not happening. She felt they were fooling themselves and if she could change her vote in regard to the alarm fee, she would do so. She stated they had taxed residents to pay for an alarm fee, they were now boycotting. She stated they would be lucky if they collected \$1 million. She stated she did not know if she had voted in favor of the fee to keep "feet on the street" or to ensure an overtime budget. She stated there had been a lot of projections in revenue from the last budget that were not going to be met. She stated they started with a faulty budget from the past, and they were now trying to work through it. She wanted to see some of the things they had been led to believe would happen, such as the crossing of departmental lines. She was disheartened that they were losing the best of the best. She did not want to pit group against group.

Mayor Naugle stated that whenever one budgeted for things, some accounts went over and some under. He stated that in discussing the fact that the City had not reached their projections, sales tax was up over \$1 million from what had been budgeted and the franchise fee and utility taxes were \$900,000 over budget. He stated there were \$500,000 in revenue from permits that were over budget and \$2 million less in utility tax.

Commissioner Hutchinson left the meeting at approximately 2:40 p.m.

Mayor Naugle further stated that was the purpose of having a Contingency Fund to help balance things out.

Commissioner Moore stated that one needed to look at all the revenue received, but the City was still at a deficit and monies were still categorized as contingencies or reserves. He disagreed about what would happen if there was a hurricane. He stated they should use the Reserve Fund for such emergencies. The Contingency Fund was to be used when revenues did not come in for a particular projection prioritized by the Commission, which, in the past, had been public safety. He stated the public and the Commission had stated that public safety was important, and if there was a need that was the Police Department's budget. He would prefer to spend money on parks and recreation because he felt they would need less police if they took care of half of the individuals who had nothing to do. He reiterated that it would not gouge the Contingency Fund, but would be utilizing monies in an appropriate manner to govern the City based on their priorities.

Commissioner Hutchinson returned to the meeting at approximately 2:42 p.m.

Commissioner Moore stated there needed to be a focus on the police. He stated that they had been told that cross sharing would happen with employees, and it was up to the policymakers and management to determine that would happen. He reiterated that was not being implemented. He stated if that was a way to mitigate the problem, then they needed to do it.

Commissioner Hutchinson stated that she had brought up the matter in December, 2003. She asked why that had not taken place. Commissioner Moore stated it was not about what they discussed, but the implementation of what was discussed. He felt they made a correction in the matter by the vote taken earlier today. He believed they needed

to say that there were certain things they're attention would be put on until such individuals were assigned to the positions. He felt the reorganization plan and outsourcing were not where time should be spent right now. Time should be spent on how to get the engineers from WaterWorks utilized in a manner that would be cost service until they could deal with the budget issues. He stated they needed to see how to meet the gap with the Police Department also.

Mayor Naugle stated that he did not recall the specific promise being mentioned, and a memorandum could be written clarifying the issue.

The City Attorney stated if the WaterWorks' engineers were working on engineering functions other than WaterWorks, it would have to be charged to the General Fund. He stated they could not use those 2011 funds for engineers working on other functions or there would be a violation of the bond.

Commissioner Moore reiterated that they could take a percentage of the overage from the Amnesty Program and put it into the General Fund and use it for engineering so the other projects could begin moving forward. He stated that had been discussed and it was not happening.

Vice Mayor Trantalis stated the problem he had with that was that there was a deficit creep occurring, and if they got caught short there was no "safety net" available. He was very concerned they were at 58% into the year and had spent 61% of the budget. He stated they needed to protect the citizens and that had not been done enough.

Commissioner Moore shared such concerns regarding the issues of crime, but they could not address that issue. He stated they had already made the mistake of not appropriately funding the department, and that was the reason for the cutbacks. He stated that he wanted to make the present "feet on the street" function well at this time, and he did not feel it would make a difference if at the end of the year they had no money in the Contingency Fund, but had a lot of problems that would cost more money because they had to address them in the next budget year. He felt if they began to use some of the contingencies, then so be it. He suggested that possibly a percentage of the amnesty funds should be put in the Contingency Fund.

Commissioner Hutchinson stated that when they had discussed the Construction Management issue, they had discussed using some of the amnesty funds to get this person on board so projects could be built appropriately and money would not be wasted. She reiterated they had not voted on the issue, but they had discussed it. She stated that as they build projects, they need such a person on board.

Commissioner Moore further stated that no one wanted to hear how much was in the Contingency Fund, but they wanted to see a functional government. He suggested that this issue possibly be placed on the Commission's next agenda for further discussion and to see how to prioritize the matter. He stated that engineering and police appeared to be the two gaping holes in the City at this time, and he hoped they would address these matters. He stated reorganization and outsourcing was worthy of discussion, but now they needed to see how to get through this fiscal year.

Mayor Naugle stated that healthy competition could help, and bringing someone on board might not be the answer.

Cecelia Hollar, Acting Public Works Director, stated that in regard to the cross training program, two things had occurred since that discussion. Some of the engineers had left City employ, and the other issue was that monies to do the projects were not available. She stated that was part of their goal to put together the working program for the Engineering Department they wanted to bring forward in June, and the Commission could direct them how to begin working on such projects.

Vice Mayor Trantalis left the meeting at approximately 2:51 p.m.

Commissioner Hutchinson stated they had discussed the possibility of using a professional firm to hire the necessary engineers, and she asked if that was still a consideration. Ms. Hollar stated they had already met with Personnel and Purchasing divisions to start the process. She stated that they had also researched the job descriptions that would be used.

Assistant City Manager Bud Bentley asked for clarification that in using the word, hire, the Commission meant a recruitment firm. Commissioner Hutchinson confirmed.

Commissioner Moore stated further that he wanted to dwell on this matter because the reorganization discussion ran some of the individuals out of the City. The opportunity they had to use some of the monies to offset the cross training and the discussions held in regard to the matter made some professional individuals want to leave so that their professional acumen would be more appreciated. He felt that caused the City a great loss. He reiterated that they needed to let people know such vacancies were going to be filled and a recruitment firm would be used. He stated it was not sensible to keep going down the same track. He stated they needed to decide how to best use the short-term monies to shore things up.

Mayor Naugle stated that if the reorganization discussions caused individuals to leave, then maybe that was better for the City.

Vice Mayor Trantalis returned to the meeting at approximately 2:56 p.m.

Mayor Naugle stated that possibly the new City Manager would be able to implement things better than how they had been done in the past.

The Acting City Manager stated that the budget was going to be extremely tight and that was one of the reasons when recommending using the Contingency Fund, it had been with a lot of thought. If the revenues would not come in as anticipated, they would have to rely on non-use of contingencies in order to balance the budget. He stated that in regard to use of the amnesty proceeds, in the past they had used non-recurring revenues to balance the budget, and he did not want to go down that path again.

Commissioner Hutchinson felt there was a consensus that they did not want to use one-time revenues to pay bills because that had caused the problems in the past. But at the same time, she did not want departments gutted. She felt certain departments were vital to the existence of the City.

The Acting City Manager stated that his other concern was that 58% of the fiscal year had gone by and 61% of the budget had been spent. He stated they had to realize that

of that amount of money, \$3.5 million was for fire and police pensions that were paid in advance. The other thing was that \$1.2 million would come in from furloughs between now and the end of the fiscal year. He stated they still needed to be prudent and control expenses as much as possible. The other thing was that they talked a good game about holding department heads responsible, but yet they wanted to give them more money. He stated his idea was that they had committed themselves to the current budget, and they had to be responsible, otherwise it would be a mockery to say there was accountability.

Commissioner Moore stated that everyone agreed there were certain fixed expenses, and to close with the Acting City Manager's statements was inappropriate.

Mayor Naugle agreed with the Acting City Manager completely. Commissioner Moore stated the point he was trying to make was that they were not giving the departments the monies necessary to realistically run their operations. He stated that periodically throughout the year, they had to "tweak" the budget and see what was realistic and what was not.

Action: None taken.

I-C -- Sistrunk Historical Festival

Not discussed.

I-D -- Air and Sea Show

Mayor Naugle stated that they were going to be given a recommendation from the Assistant City Manager on June 2, 2004 regarding this matter. He reiterated this report was just an update.

Commissioner Moore left the meeting at approximately 3:01 p.m.

The Acting City Manager stated they wanted to report on the expenses of the Air and Sea Show, realizing that they were not yet finalized. He explained that this show overlapped two pay periods, and the second one would not end until after this meeting. He also stated that every week there was a different overtime rate for each person due to how it was calculated. Therefore, an accurate up-to-date figure could not be supplied until the next Commission meeting, but they did have a preliminary expenditure, showing they had complied with coming under the \$81,000 they had anticipated spending. He reiterated they believed the costs would total about \$62,000.

Phil Thornburg, Parks and Recreation, stated that with the help of other departments this preliminary report had been put together for today's meeting. He stated it may fluctuate some once the actuals were submitted, but he believed the figures would be close to what was being presented today. He stated that in March, they had estimated the costs at \$81,000 for the show as out-of-pocket expenses for the City, but right now they were estimating the costs to have been about \$62,000.

Vice Mayor Trantalis asked if the \$62,000 was based on what had so far been calculated, and could there be additional expenses. Mr. Thornburg replied that was the expected total expenses. He stated that figure included materials and individuals.

Commissioner Teel asked for further clarification regarding the \$162,706. Mr. Thornburg explained that in-kind services were all the departments and individuals that were actually on duty for the show, including pre-set activities. He stated during the week before the event the individuals were working at their regular rate and not being paid overtime. During the weekend any individuals that worked the show and worked the beach anyway, they were considered in-kind services and were non-overtime costs.

Commissioner Moore returned to the meeting at approximately 3:03 p.m.

Commissioner Teel asked if some other activity was not getting done during the time they spent on the show that would normally have been done. Mr. Thornburg replied that the week prior to the show they did use individuals from throughout the City to set it up. Commissioner Teel felt that was another expense being borne by the taxpayers because they were not getting the services those individuals were normally rendering. She felt that things could be more clearly defined.

The Acting City Manager stated that the lion's share of the in-kind force was not what happened the actual day of the Air and Sea Show for individuals normally working, but would be the straight-time costs, plus some of the overtime, involved with the preparation in advance of the show. He stated it would also include the tremendous amount of staff time and command time put in by the Police and Fire Departments. He reiterated that the amount of coordination put forth by the public safety people was enormous.

Commissioner Hutchinson stated that over the past week she had met with everyone, including the promoter and the business community. She stated there was a movement for the business community to assist. She stated further there was no doubt in her mind that they wanted to be a partner in the Air and Sea Show. She reiterated that everyone had benefited from it in the past, but the businesses on the beach truly benefit from the show, and now they are "stepping up to the plate" to assist in what they wanted to do which was to keep the show. She was concerned that they needed to have a number. She felt things could not be hidden in in-kind services. She did not feel they had a true figure. She knew that everyone did a great job for the show this time, but there were not enough people. She stated they were fooling themselves to think they could put this show on for \$62,000. She reiterated that the traffic was incredible and it took two hours to get over the bridge. She stressed that appropriate individuals needed to be at the necessary locations, and the people wanting to help fund this event needed to be given a number. She felt this was "smoke and mirrors" because if people were being pulled from other areas where they worked daily, that should not be done. She wanted to be told what staff was being used from where and what was the cost. She stated people wanted to help ever since the ridiculous letter came out, stating the City hated the show and did not want it to come back.

Mayor Naugle stated that for the record the estimated preliminary expenditure of direct expenses were \$328,000 for this year. He added there had been some parking revenues, promotional contribution, and the promoter had contributed over \$200,000. He stated the \$62,000 to \$81,000 figure was the deficit that was not covered, along with in-kind support.

Commissioner Hutchinson stated it was her understanding that next year the Galleria parking would not be utilized, and therefore, there would be more revenue for the City. She reiterated that the business community needed an accurate number.

Mr. Thornburg stated that there were two issues involved. He explained they could separate the in-kind services, but if there were increased services that needed to be done, especially regarding traffic, then that would be another issue.

Commissioner Hutchinson reiterated that would go to the bottom line number of what the show would cost the City.

Mayor Naugle stated that the Acting City Manager would bring back to the next Commission meeting a recommendation for a contract so the show could go on. He stated that the Commission had made it clear that they wanted the contract for the show to break even next year.

Commissioner Hutchinson reiterated they needed to look at more than a one-year contract, and that this was an opportunity for them to build a partnership with the promoter, and the business community. She felt they needed a 5-year contract and reiterated they needed to work proactively in regard and not reactively. She stated the business community wanted an assurance that if they were going to spend money on a yearly basis, then they would get the show for the next 5 years. She felt it had to be looked at comprehensively and not year-by-year.

Linda Gill, representing business leaders to save the Air and Sea Show, stated they had the Greater Fort Lauderdale Chamber of Commerce which had a resolution prepared, along with the Beach Redevelopment Board who had passed a motion yesterday to save the show. The Greater Fort Lauderdale Lodging and Hospitality Association, and the Broward Alliance were also involved to do what they could to save the show. She stated they understood the budget crisis, but they felt this show was very important to the area. She reiterated that the media coverage alone was in the millions, and the national and international publicity received from the show was incredible. She stated they had fought so long and hard to change their image from the spring break one, and now there was an event that was a national salute to the military. She emphasized that they would do whatever they could to cover the shortfall, but reiterated that a number was needed.

Ms. Gill stated they wanted to work with any group in an attempt to obtain such a figure, and one that would cover all expenditures. She further requested that the letter which had been sent on March 3, 2004 to Mickey Markoff be rescinded. She proceeded to read as follows:

“This agreement must be mutually agreed upon and signed by both parties prior to May 20, 2004. If this agreement is not in place, the City will exercise its option and cancel the 2005 show.”

Ms. Gill reiterated that date was within the next two days and stated this was not feasible. She stated that all the major sponsors of the show needed to have an answer finalized. She further stated that as business leaders and citizens of the community, they wanted to make sure that this show remained in Fort Lauderdale and they were willing to cover the shortfall, but it could not be left open-ended. She stated they needed to know

how much money had to be raised and what the expenses would be. She continued stating that it had been in the media that the show did not give anything towards City services. She stated that in the past they had paid City services \$1.59 million, and remarked the economic impact on the City for those days was about \$8 to \$10 million. She stated there were benefits for the schools, the community, the various charities. She stated they wanted the City to rescind the letter and work in good faith with Mr. Markoff or Mr. Williams and they would help in whatever way possible. She emphasized they wanted the show to remain for many years to come.

Ina Lee, Chair of the Beach Redevelopment Advisory Board, stated that the Board yesterday had passed a resolution asking for the rescission of that letter and full support of the Air and Sea Show as crucial to the ongoing perception of the redevelopment of the Fort Lauderdale Beach. She announced that the Board was a very diverse group at this time, but they wanted the show to help attract individuals to the upscale destination they were attempting to build.

Mayor Naugle stated that they could not rescind the letter because it was a contractual position they had been placed in due to the existing contract. By rescinding the letter, they would be obligated to make up a deficit next year. He asked the City Attorney if the deadline could be extended until later in June if the Commission supported such a recommendation.

The City Attorney explained that their deadline was July 1, 2004, and the purpose of the letter was to hear back from the promoter and negotiate a contract whereby they could decide to proceed forward or not on July 1, 2004.

Mayor Naugle confirmed that their deadline was July 1, 2004. Ms. Gill reiterated that the letter mentioned the deadline as May 20, 2004. Mayor Naugle stated they were obligated to let the promoter know if they could not make up the deficit for next year's show, and the Commission had stated they would not do so. Therefore, that was why the letter was necessary.

The City Attorney further explained that the letter was necessary in order to give the City a month to put together an agreement in order to meet the July 1, 2004 deadline. He announced that they would have something before the Commission by the second meeting in June. He stated they could negotiate an extension of that time, if the promoter was willing to do so. He advised they had not heard from the promoter regarding the letter, and negotiations of the new contract had not yet begun. Until the promoter stated that the July 1, 2004 deadline could be extended, they would have to make a decision with the information they presently had.

Vice Mayor Trantalis stated that he had received a response from the promoter regarding the letter, and he had expressed that response at the Commission's last meeting. He reiterated that it had been total outrage and insult to what he thought had been a partnership in an attempt to put this show on. He asked why could the City not pick up the phone and say let's have a meeting and begin to iron things out. He stated if the May deadline was the City's deadline, then he felt another letter should be sent so they would not find themselves violating their own deadline. He stated further a letter should be issued indicating that they were opening the door to further negotiations, and they wanted to move forward expeditiously in good faith and come up with something before the July 1, 2004 deadline. He felt that was what should be done.

The City Attorney stated that in addition to the letter, they had also sent a proposed contract to the promoter with the amendments for his comment in order to begin such negotiations. He reiterated that nothing had yet been received back from the promoter. Vice Mayor Trantalis stated they could pick up the phone. He further asked if someone from the organization was present at today's meeting. Ms. Gill stated that Mr. Williams was present.

Ms. Gill further stated that regarding the proposed contract, it had been open-ended. She stated it had said that whatever the City's expenses were, they were to pick up. She stated that no one running a business can do that. She explained this was the first time they had been able to get a grasp on the business expenses. She reiterated that they could not commit to raising the funds, if they did not know the amount.

Mayor Naugle stated that they were not going to negotiate a contract during this meeting. He stated further that staff would be instructed to return with an agreement.

Ms. Gil continued, stating that she wanted them to understand why they had not sat down to negotiate an agreement as a community. She stated they were attempting to get a handle on expenses and reiterated that over the last 10 years they had skyrocketed.

Commissioner Teel asked if staff knew how much longer it would take to get a handle on the remaining expenses and in-kind services.

Mr. Thornburg stated that they would have to meet with the other departments, but he hoped within the next week all figures would be available.

Commissioner Moore stated they needed to deal first with the philosophy of what they were going to do as a governing body with this event. He recommended that since one of the City's distinguished business leaders was stating that the business community wanted to come to the table, as well as the fact that the Air and Sea Show representatives had stated over and over again that they wanted to continue this event in the City of Fort Lauderdale, the Commission's issue should be the philosophy of whether or not they wanted to utilize the necessary dollars to put on this event. He did not think that anyone felt it would be negative to put on this event, but one negative was the fact that there was an open contract as to what the expenses would be. He further stated they had just discussed filling the gap with contributions from the business community. He reminded the Commission that at their last meeting he had raised a proposal of a revenue generator that would allow them to address this problem. He asked that the Commission obtain from Mr. Williams today a verbal agreement that a tri-party agreement be considered involving the business community, the City, and the promoter. He stated they needed to find a methodology of what the costs would be, as well as a revenue generator that would cover the cost for the promoter and the City.

Commissioner Moore further stated that he had heard the comments as to how to deal with in-kind services, and if the philosophy of the Commission was that they would continue this event, then they would use employees that were moved from one site to another in order to accomplish what was needed. He stated that possibly the in-kind services or non-profit entities could cover some of the parks and their programs. He first wanted them to agree to the tri-party agreement because by having such a relationship,

he felt they could come up with something by the second meeting in June that would meet the July 1st deadline. He felt it would give everyone time to arrive at a concept as to how to obtain an actual figure and see where the revenue would be generated from. He stated that based on their priorities for the budget, the question was did he want to spend money on the show or have staff to deliver services to the community. He stated that was why he had come up with the concept of having a methodology of them generating money and keeping it free, but he wanted to keep it free of taxpayer money also.

Commissioner Moore proceeded to ask Mr. Williams that before the conclusion of the Commission's second meeting in June could they all work towards a tri-party relationship. Mr. Williams confirmed and stated they were interested in looking at any options or avenues to keep the show in this City. Commissioner Moore proceeded to ask Ms. Gill if she was going to be the representative for the business community, and would she be willing to enter into a tri-party agreement in order to keep the event in the City of Fort Lauderdale. Ms. Gill confirmed.

Commissioner Moore asked the Commission if they had the philosophy that they wanted to retain the Air and Sea Show in this City, and they would enter into some sort of negotiations so they could find a revenue source which would generate the money needed to do so.

Mayor Naugle stated they needed a revenue source or a reduction in expenditures. There was a consensus of the Commission to do so. Commissioner Moore suggested that one person from each entity agree to meet within the next 72 hours to begin such deliberations. It was decided that Commissioner Hutchinson would represent the Commission at such meeting.

The Acting City Manager asked who was the entity that would eventually write the check. Commissioner Moore stressed that the first thing to do was to agree to enter into dialogue. Ms. Gill announced that she was representing the Greater Fort Lauderdale Chamber of Commerce, the Broward Alliance, and all the business communities on the beach. She advised they had been in partnership with the City for a very long time. She stated they will make a commitment and enter into a partnership with the City.

Mayor Naugle stated that the City Attorney would review any agreements, and if he felt that a tri-party agreement would be appropriate or an agreement between the promoter and the City, along with Memorandum of Agreement from other groups that were to be supportive, then he would bring forth such documentation.

The City Attorney stated that one of the problems was that there was a risk in the show. He felt they had received unequivocal direction from this Commission that the risk was not to be placed on the City of Fort Lauderdale. The show was to be revenue neutral. He stated they had prepared a contract and had sent it to the promoter, but Ms. Gill complained that a risk was involved and the developer was not going to take the risk. He reiterated that the business community did not want the risk, but it had to go somewhere. He further stated that the Commission had stated they did not want the risk, and therefore, that was the contract that had been prepared.

Commissioner Moore stated they were now saying they did not want to utilize tax dollars to do it, but if they were going to find a way to generate the necessary revenue, then they would promote the event. Therefore, time was needed for deliberation.

Mayor Naugle stated that at the same time the City had to have a commitment to show restraint because in the past costs had not been controlled, and no one should be expected to sign a blank check. He reiterated there needed to be some sort of agreement for the City to control costs.

The City Attorney stated the City retained the right to determine staffing levels.

Commissioner Moore stated he also wanted to be part of the negotiating group. Mayor Naugle stated that only one person was to represent the Commission. Commissioner Moore asked why only one person, and noted that the meeting could be posted. Commissioner Teel stated if there was going to be two representatives, then there would be three because she wanted to also be part of the group. She felt one person was sufficient, but if they wanted a crowd she would join them.

Mayor Naugle stated that the meeting would be posted, and then any Commissioner who wanted to attend could do so. He announced further that the other person at the table on behalf of the City would be the office of the City Manager.

Ms. Gill asked if that would be in good faith, and further asked if they were trying to work with the community. Commissioner Hutchinson reiterated that she wanted to do so. Ms. Gill stated then that the entire Commission should attend. Mayor Naugle stated they would have the meeting to discuss the parameters and to obtain a better understanding of the positions of the different organizations. Ms. Gill reiterated that the City was the only one who could control their expenses.

Mr. Thornburg stated staff could supply an estimate regarding staffing levels, but if alert levels coming down from the federal government changed, then different demands would be placed on staff. Commissioner Teel reiterated that the City has 10 years of experience in that regard, and she felt a ball park figure could be supplied.

Commissioner Hutchinson stated that the 2002 show should have been the most expensive in regard to security alerts, and with respect to guarding something in the Port, the City did not have jurisdiction over that area. She stated that her issue was why was the City incurring expenses regarding anything to do with the Port, when they did not have jurisdiction in that area. She reiterated that it was simple, the business community wanted to help pay the cost, and they just needed to know that it was not an open-ended checkbook. She felt this proposed meeting should be approached in a positive manner and good things would come out of it.

Ms. Gill reiterated that with all the individuals attending this meeting, it would have to be a public meeting.

Vice Mayor Trantalis stated that Ms. Gill had pointed out the issue of the artificial deadline, and he believed the Commission should rescind that deadline and leave it open and move forward.

Mr. Bentley stated staff wanted the opportunity to talk with the promoter and get an initial agreement in order to extend the July 1st deadline. Ms. Gill reiterated that the deadline in the letter was May 20, 2004. Mr. Bentley reiterated that the deadline was the June 2nd Commission meeting. He stated that the letter referenced a May 20th deadline or target date to have a contract to be presented to the Commission at their June 2nd meeting. He stated that staff understood Commission's direction and stated they would meet with the promoter and change things. He further stated that the crucial thing was to keep the Commission's options open until July 1st.

Ms. Gill offered the letter to the Commission for their review and reiterated that it stated as follows:

"This agreement must be mutually agreed upon and signed by both parties prior to May 20, 2004. Again, if an agreement is not in place, the City will exercise its option and cancel the 2005 show."

Vice Mayor Trantalis stated he wanted that rescinded.

The City Attorney reiterated that they needed to talk to the promoter and get an extension until the July 1st deadline.

Mayor Naugle stated that it had been mutually agreed that if the City did not give the promoter notice by May 20th, then the City would be obligated to pay all the expenses for the 2005 show. Vice Mayor Trantalis stated he did not think that was correct. The City Attorney stated the City has until July 1, 2004 to cancel next year's show. He stated the purpose of the letter was to allow staff to bring to the Commission a contract in June, as opposed to the second meeting in June because they would then have no time in which to make any changes before the July 1, 2004 deadline. He stated the only way to do that was to light a fire under the promoter to say here's a contract, send your stuff back, and here's the deadline in order to get this done and allow the City to exercise their options. He suggested they simply leave things the way they were and work with the promoter.

Commissioner Hutchinson stated that in order to reduce the number of people attending this meeting, she would offer to step down because she knew what they were attempting to accomplish and she would support this, but to not have a huge public meeting she would sit on the sidelines. Ms. Gill stated there were still two other Commissioners attending, and the business community wanted to work with Commissioner Hutchinson because she had been very supportive in the past. Mayor Naugle urged Commissioner Hutchinson to stay on and attend the meeting and continue to work with the group.

Vice Mayor Trantalis stated he did not want to lose track of this May 20th date because it was very unequivocal as to what it represented, and under no circumstances did he want the City to appear as though they were exercising an option to cancel the show if they did not hear back from the promoter within two days. He felt that was contrary to the position of this Commission.

Motion made by Vice Mayor Trantalis and seconded by Commissioner Hutchinson that a letter be sent to waive the May 20th deadline that the City imposed on themselves with the intention of still working with the July 1st deadline and attempt to negotiate a contract.

The Acting City Manager stated that they needed time to analyze the contract and bring it back before the Commission. He suggested that be done at the Commission's second meeting in June, instead of July 1st.

Vice Mayor Trantalis asked if the Acting City Manager had been participating in the negotiation of this contract. The Acting City Manager replied he had not. Vice Mayor Trantalis stated it was his impression that there had been a lot of "paper passing." He stated that normally when he wrote a contract, he got the parties together so they could agree upon terms and then he would prepare the contract so it reflected the meeting of the minds. He stated it appeared as though they were talking around each other and the City was sending what they wanted, the promoter was sending what he wanted, and there was no meeting of the minds. He felt the best thing to do was to meet with open doors and iron out the terms of the contract. He felt that was why the promoter had not yet responded because the City stated everything they wanted giving no room for negotiation.

Commissioner Hutchinson reminded everyone that now the meeting would be open to the TV cameras. She did not think that was the proper way to handle this.

Vice Mayor Trantalis emphasized there had not been a meeting to exchange ideas and iron out an agreement. He hoped that such a process would be employed because that was the only way to get things to happen. He preferred that to have been done before the May 20th deadline, but if that did not occur by that date, then they could not allow this event to be canceled as the letter indicated.

The City Attorney stated that the letter just stated that if there was no contract by July 1, 2004, the City was considering exercising their option.

Ms. Gill provided the letter to the City Attorney for his review. Vice Mayor Trantalis reiterated that the letter did not state what the City Attorney was saying.

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

Action: Consensus to proceed with the show and negotiate a contract.

EXECUTIVE CLOSED DOOR SESSION 3:43 P.M.

MEETING RECONVENED AT 5:03 P.M.

II-A – Areas for Privatization

Commissioner Hutchinson stated if they were going to outsource, they needed to look at things comprehensively and not pit one against another. She wanted the new City Manager to have the ability to provide input. She reiterated that none of this was to happen until 2005, and thus, there was opportunity to have such discussion with the new manager. She stated they had addressed the Stadium, and if the fire hydrant maintenance needed to be contracted out, and the service was budgeted in the water sewer fund, then it should not require a vote of the Commission to do that.

Vice Mayor Trantalis left the meeting at approximately 5:04 p.m. and returned at 5:05 p.m.

Commissioner Hutchinson continued stating that Broward County had addressed dispatch in the past for fire and things did not work out. She asked why should they go back to a system that did not work. She was not comfortable with the remaining things on the list.

Commissioner Teel stated that it was her understanding that the prior dispatch operation was different from this one. Commissioner Hutchinson stated that she had spoken with Sheriff Ken Jenne yesterday and he was not interested in this. Commissioner Teel stated she would not support the old system, but it was her understanding that this was something different and new. Commissioner Hutchinson stated it was her preference that they wait and do nothing at this time.

The Acting City Manager stated that the concept was that there were people in the Fire Department now that were separated by a glass wall. One side was dispatch being handled by the Sheriff's Office, and the other side was dispatch being handled by the City. The same transfer would happen and the only difference was that instead of it being City employees, they would be employees from the Sheriff's Office. He stated the location would be the same and the individuals would be sitting in front of the same consoles, but they were to be upgraded. He asked what was the difference between the old procedure used 4-5 years ago when the County Fire Department handled dispatch, and the present system with the Sheriff's Office.

Chief Fire-Rescue Otis Latin stated that the big difference was that the employees would be the same, but it would be their dispatch center, and they would not be transferring calls from west Broward to their location because it would be on their computers at their center. He explained that the problem in the past when Broward Fire Department handled dispatch was that when they received calls, they had to send them across to their dispatch center and there was lag time. He stated the technologies at that time were not good, but in this operation it would work as it is now. The only difference was that the employees would be from the Sheriff's Office.

Commissioner Moore stated that due to this possibly saving them \$1 million, it was worthy of consideration. He stated if they were going to do this, then they should hold this concept until the new administration could explore the matter. He stated the deadline could still be met.

Mayor Naugle stated that when they adopted the recommended budget, they would be making assumptions on various things and they needed a certain amount of time for implementation. He asked the Acting City Manager if there would be ample room to come back with a recommendation after the new manager was installed.

The Acting City Manager stated that he was concerned because he did not know when that person would arrive in order to make such a determination. He stated if the new manager starts within the month, then there should be no problem. Mayor Naugle felt that possibly the new manager could be on board within a month.

Commissioner Moore stated that if they discovered that was not the case, then the Commission could take action on the matter, but it does not have to be done today.

Action: None taken.

II-B – Recommended Closeout of Recreation and Design Corporation, Inc. (RDC) Projects

Commissioner Moore did not agree with the proposed recommendation. He wanted the money from the company, and he stated he was not talking about staff. He further stated that based on the comments in the review of the 3 task orders, the Civics People Park, Lauderdale Manor's situation, the relationship with spouses in regard to the construction deals, he felt they should go back to the table and say it would be more appropriate than the responsibility of how this was paid out and arrive at a settlement that would be worthy of more discussion. He felt this report was sad for OK-recreational design and they would want the opportunity to correct the perception that any other municipality which received this internal audit on how they acted would want to make the necessary corrections. He reiterated it was not about City staff. He stated the way they acted on the issues were glaring and there were too many findings that this was done inappropriately.

Commissioner Moore stated for all those reasons, he felt they needed to hold tight and hoped they would not follow the recommendation of the memo at this time because further deliberations were needed. He stated when he first read this report, there were many questions that came to mind, and more steps that could be taken. He once again stated this was no reflection on staff because he understood the pressure they were under. He felt there were certain practices that this company had not followed that were questioned in the audit. If they could not produce the documentation and receipts, then the City needed to obtain their money.

Commissioner Hutchinson stated that the backup in regard to Lauderdale Manors stated they were holding \$275,000, and they were recommending they release everything except for \$23,000. She stated there was no retainage with Civics People Park.

City Engineer Hector Castro stated that Civic Peoples Park was closed out and had been done closed out before the initial audit. He clarified that regarding Lauderdale Manors, they were holding \$275,000, and such hold had been placed, after the results of the audit for Welcome Park. He stated their recommendation was to release that hold. He clarified the auditor's recommendation was to release \$23,000. He stated the City had received good value for the park. He added they had not stated that there was anything wrong with the audits per se, and some points had been made due to ambiguities in the contract. He added that the audit had come up with some very good recommendations which they would implement if they ever did such a construction type of contract again. He remarked that if RDC chose to sue the City, the City would be in a difficult position.

Commissioner Moore felt RDC would not want to discuss their practices in court. He stated they were 41% above what had been proposed for the City park. He felt they should not enter into the agreement being proposed by staff at this time. He felt further negotiations were needed for a better settlement.

Mayor Naugle cautioned the Commission and stated that in a lawsuit, RDC would take the study for which the City paid, that indicated the City received good value, and use it to prove their case.

Commissioner Moore reiterated there was a contract not to exceed a certain amount of money. He stated just because the City received value, they should not have to turn it over to them.

Mr. Castro clarified that the 41% was the difference between the guaranteed maximum price paid and the value of the park. He stated the taxpayers received good value for the monies paid.

Commissioner Moore agreed but stated that was why the bidding process was used and contracts entered into, so there would be a maximum amount spent because they wanted good value. He did not want to tell the taxpayers that because they received a greater value for their money, they would have to turn it over to the contractor. He felt it was clear that the way the contract was written was for the City to gain value, and not to give it away.

Mayor Naugle asked what was the original price for Joseph Carter Park. Mr. Castro stated it was over \$4 million, and it ended up costing over \$7 million because there had been significant changes in the scope of the product.

The Acting City Manager stated that Commissioner Moore was saying the City had a contract with them and even to the extent that the contract had not been monitored, it did not relieve the vendor of their responsibility to maintain books according to the contract. Regardless of what the City did, the vendor had the contractual obligation to provide such information. If not, that is the contractor's problem and he would not get paid for the work unless there was a reason according to contract law that they were bound to do so.

Commissioner Moore clarified that nothing in contract law stated that because one received good value, it should be turned over to the contractor.

Mayor Naugle asked if the Acting City Manager agreed with the recommendation being made.

The City Attorney agreed with the recommendation. He stated that under perfect circumstances Commissioner Moore was correct, a contract was signed and they should live by the terms of such contract. He explained their relationship with this vendor went over about 5 years and through a number of contracts before the few that were in dispute at this time. During that period of time, all contracts had been cost plus with a guaranteed maximum, and to his knowledge they had not exceeded the guaranteed maximum. Due to staffing problems and the inability to review the information being received to authorize payments, they had treated these contracts as though they had been fixed fee contracts because that was the easiest thing to do. He stated the history of 4 years or more of staff treating the contracts as fixed fee, even though technically they were cost plus, he felt that would come back and haunt the City in any litigation. He noted that the City got value for what had been spent, the contracts had not exceeded the guaranteed maximum price, and RDC followed the directions of the staff that were monitoring the contracts. He stated it would be nice to get the money, but the likelihood was pretty slim.

Commissioner Hutchinson stated they needed to learn from their mistakes and move on.

Mayor Naugle reiterated they would use the City's study against them in a court of law.

Vice Mayor Trantalis clarified that they had not exceeded the boundaries of the contract. The City Attorney stated they had not exceeded the guaranteed maximum price. He explained the City's study showed the engineering value was more.

Commissioner Moore stated they had entered into a contract stating they had up to \$900,000 to build this, and any savings would come back to the City so the monies could be used elsewhere. Due to the fact that staff had not dealt with the issue of the fee, they billed the City for the \$900,000 but did not show any receipts for that work. They actually only spent \$768,000. He stated they were attempting to get value for this type of development. He stated it was all about the City having control over the money saved and that did not happen. He reiterated it was not to give them carte blanche. He did not think the judge would give them carte blanche, and he hoped the judiciary system would work based upon the written contract which stated the City was to get the savings and not the vendor.

Commissioner Hutchinson reiterated that the City's past practices would come back to bite them in the end and possibly have to pay RDC more. She did not want to take such a chance. She did not want to ever see something like this again.

Action: Recommendation approved.

II-C – 637 SW 15th Avenue

Commissioner Hutchinson stated that this had been a long overdue process and this was just a discussion. She asked if staff was going to come back for a formal vote.

Acting Director of Community and Economic Development Faye Outlaw stated they would return after July 7, 2004.

Vice Mayor Trantalis asked if they were still paying the difference. Ms. Outlaw stated they would, but not at this time. Vice Mayor Trantalis asked about the offer where HUD was to take the property back and cancel the debt. Ms. Outlaw replied that HUD would accept the offer if they put it back into use with 32 units, but they ran into problems with the ULDR and it could not be done. She stated the other offer was to work out a deal for the Housing Authority to purchase it for \$821,000, they would get the money back, and then they would put up a combination of affordable housing and housing for HIV individuals. She advised that the Housing Authority had not acted on that request. She stated that HUD repeatedly refused the deal to get out of this altogether without a repayment.

Vice Mayor Trantalis asked where the monies were going to come from. Commissioner Hutchinson stated they were going to sell it. She explained it had been appraised at \$460,000 and she felt it was a marketable piece of property.

Tom Andrews, Vice-President Riverside Park Residents Association, stated if there was any temptation to throw good money after bad, it might be because people would be served, but in this case they would not be served in the "chicken coops"; they would be better served by the Housing Authority throughout the community and not housed in a particular building. The other temptation would be if there was any salvageability of the

building itself. He stated that if brand new plans were brought to the City, they would be rejected on a number of grounds without even considering the deterioration that had been sustained.

Vice Mayor Trantalis once again asked where the City was going to get the \$360,000. Ms. Outlaw felt they would be able to negotiate an amortization schedule with HUD for a 5-7 year term. Commissioner Hutchinson reiterated that they did not know if it would total \$360,000. Vice Mayor Trantalis realized the numbers were rough estimates. Ms. Outlaw clarified that HUD would allow them to make payments instead of a lump sum payment. She reiterated that the funds would have to come from the General Fund.

Commissioner Moore stated they did not know who would bid on it and possibly those individuals would come up with a concept that could be presented to HUD. Commissioner Hutchinson stated that as they paid back the monies, it was money they could continue using and receiving. It was as though they were paying themselves back. She stated the appraisal was \$460,000, and possibly it could be sold for \$660,000, and then their repayment would be less. She stated the money would be circulated back to them for use in housing.

Commissioner Moore reiterated they were going to spend about \$100,000 for its demolition which was necessary for the community.

Action: Recommendation accepted.

III-B – Board Appointments

Aviation Advisory Board

Action: Deferred

Board of Adjustment Advisory Board

Commissioner Hutchinson stated that she wanted to reappoint Gus Carbonell, Fred Stresau, Birch Willey, and Jon Albee.

Action: Formal action to be taken at the Regular Meeting.

Budget Advisory Board

Action: Deferred

Community Appearance Board

Action: Deferred.

Community Services Board

Commissioner Teel stated that she wanted to appoint Dr. Getz to the Community Services Board.

Mayor Naugle stated that he wanted to reappoint John Hurley to the Community Services Board who had missed 3 meetings.

Action: Formal action to be taken at the Regular Meeting.

Economic Development Advisory Board

Action: Deferred.

Education Advisory Board

Commissioner Teel reappointed Betty Shelley and Chris Carney to the Education Advisory Board. She also stated she wanted to appoint Alice Hendrickson to the Education Advisory Board.

Action: Formal action to be taken at Regular Meeting.

Historic Preservation Board

Mayor Naugle stated that he wanted to reappoint Clay Hinton Wieland, Margi Glavovic Nothard and William L. Saunders

Action: Formal action to be taken at Regular Meeting.

Insurance Advisory Board

Action: Deferred.

Marine Advisory Board

Commissioner Teel stated she wanted to reappoint David McNulty to the Marine Advisory Board.

Action: Formal action to be taken at Regular Meeting.

Northwest-Progresso-Flagler Heights Redevelopment Advisory Board

Action: Deferred.

Nuisance Abatement Advisory Board

Action: Deferred.

Planning and Zoning Board

Commissioner Teel stated she wanted to appoint Randy Powers to the Planning and Zoning Board.

Action: Formal Action to be taken at Regular Meeting.

Unsafe Structures and Housing Appeals Board

Action: Deferred.

Code Advisory Committee

Action: Deferred.

Utility Advisory Committee

Action: Deferred.

IV – Commission ReportsBridge Rehabilitation

Commissioner Teel stated that the City was presently rehabilitating their bridges. With respect to the bridge at The Landings, north of Commercial Boulevard, on Bayview Drive, they had decreased the opening by 1' in the process. She stated that a group of homeowners had approached her with seawall problems, and stated they only had one contractor from Plantation that could get their barges through. She asked if that could be a problem with the other bridges that were to be renovated. She suggested that possibly this item be sent to the Marine Advisory Board for their review.

Mayor Naugle stated that it would be good for the Marine Advisory Board to review the matter. He felt the City would measure the width before and after, see how many barges would be affected, and then possibly the City could find other contractors. If there was a problem, possibly the contractors could obtain smaller barges because the more competition, the better the prices.

Commissioner Hutchinson stated that some of the bridges were badly in need of repair and she did not want to slow things down.

City Engineer Hector Castro stated that the work for priority bridges had already been bid. He had checked with the engineer and he did not believe there would be any problems with the other bridges that were currently under contract. He explained they had the foresight to ask the property owners about the size of the beam on their boats because they knew they would have to capsculate the columns. He further explained they had reduced this bridge from 18.1' to 17.1'. He stated no one had a beam greater than 9' or 10'. They had not thought about the barges, but would do so from now on.

Mr. Castro stated there was one company that had a barge that fit, and there was another company in the process of manufacturing one. He explained there were a lot of seawalls in the City on non-navigable waterways. He apologized for the oversight. He stated they would go before the Marine Advisory Board with their subsequent contracts.

Action: Item to go before the Marine Advisory Board.

City Manager

Commissioner Moore stated that the Commission had made the selection of the new City Manager, and he hoped the contract would be negotiated as soon as possible. He stated there had been some discussion regarding the beginning date, salary, and length of contract. He urged that those items be emphasized. He suggested that possibly a 2-3 year contract be given so the person would feel he had a decent amount of time of surviving.

Mayor Naugle reiterated that everyone supply their input to the City Attorney regarding this matter.

Commissioner Moore wanted the Commission to consider a second choice, in case for some reason a contract could not be negotiated with the selected individual. There would be someone on the sidelines. He felt that would be prudent for them to take such a course of action.

Mayor Naugle asked if there was support for such a recommendation from the Commission. There was no support shown.

Vice Mayor Trantalis felt that would be awkward at this point in time. He felt they should have used the process that had been used the last time. Commissioner Moore reiterated that they should do this in case there would be a break down in negotiations.

Mayor Naugle suggested that the other two candidates could be asked that in case there was a break down in negotiations with the individual selected, would they be interested in staying in the running.

Commissioner Moore stated that a second selection should be made so the individuals involved would not begin looking for other employment, and would be aware that within the next 30 days they might be reconsidered for the position.

Code Advisory Report

Commissioner Hutchinson stated that the Legal Department was to supply the code advisory report, along with recommendations. The City Attorney explained those would be presented at the Commission's next meeting.

Commissioner Hutchinson stated that the resolution extending the life of the Committee for another 6 months should have been from April 18th, but it read March. She suggested that the date be changed. She reiterated that the six months should begin in April.

There being no further business to come before the Commission, the meeting was adjourned at 5:40 p.m.