

**COMMISSION CONFERENCE****July 20, 2004**

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

Also Present: Acting City Manager  
City Attorney  
City Clerk  
Sergeant At Arms – Sergeant Mike Martin

**I-A – City v. Coolidge-South Markets Equities, L.P.**

Mayor Naugle announced that this item would not be voted on until this evening at 6:00 p.m. He advised that a discussion was scheduled for this item and public input would be received before the vote would be taken.

Jim Blosser, on behalf of the Stranahan House, stated that he had worked with the Stranahan House for over 24 years with the beginning of its restoration in 1981. He stated it was a dream to preserve this house in recognition of the heritage of this community, along with the preservation of the surrounding property which was the epicenter of their history. He stated that many supporters of this property who had worked diligently over the years to preserve such heritage were present at today's meeting.

Mr. Blosser continued, stating that this property had been purchased in 1893 by Frank Stranahan, consisting of 10 acres, in order to operate the first ferry crossing on the New River. He stated it was an encampment where individuals spent the night, and the trading post for the Seminoles coming out of the Everglades. He stated this was their "Plymouth Rock." He reiterated this was where one nation met another nation on the shores of the New River. He explained that Mrs. Stranahan was the City's first school teacher who taught Seminoles at this site. He stated they did not have a freedom trail or great monuments to the City's founders, but they did have this one precious piece of acreage. He stated it began with 10 acres and was the heart and soul of the history of this community. He felt it was reasonable to try to preserve one acre as recognition of the heritage of this community. He felt it would be a sad day when they turned their backs on those who shared and gave so much to help build the community to what it is today.

Mr. Blosser further stated that the first commercial development was the Trading Post and was located near Las Olas. He reiterated that area was now a thriving commercial community to the tribute of the great efforts of the founders. He stated that this should not be a public/private confrontation, nor should private interests prevail over public interests, but it should rise above that. He reiterated they wanted to preserve this site as a recognition to their Forefathers. He stated they were talking about one acre of land, 206' x 206' and reiterated it was more than just the house, but also the site where the Indians had camped out for days while doing business with the "White Man." He stated that this was a testimonial and tribute to the Native Americans, and to allow such a massive structure to proceed would be rejecting the City's heritage and an insult to the City's founders.

Mr. Blosser continued stating that the Stranahan House had worked diligently committing many resources over the years to preserve this history. He stated there was now a settlement on the table, and they had committed \$250,000 to reimburse the City for their out-of-pocket expenses, in addition to the \$250,000 they had already shared to date. As a recognition that \$500,000 from the developer was certainly a meaningful contribution to build the park, they felt that a better job could be done with the development, and therefore, another \$100,000 was being pledged to the community as a match grant to help raise additional monies to build a truly meaningful heritage park at the river and Stranahan House in downtown Fort Lauderdale as a testimony to their heritage and forefathers.

Steve Glassman, President of Central Beach Alliance, stated that he was not going to debate anything stated by Mr. Blosser regarding the importance of the Stranahan House to the City's historic fabric, and in fact, he stated that many people who opposed this settlement had always supported the meaning of the Stranahan House to the historic fabric of the City, but they felt that was not the issue. He reiterated that the beach had no place being in this game, and to hold the beach hostage and make it the "sacrificial lamb" to get out of this lawsuit was totally unacceptable to the people on the beach. He explained that this land was purchased with general obligation funds and parking system funds, and it was always designated in the ULI studies as an area of open space and parking. He stated that the ULI studies had always mentioned that perhaps a minimal parking structure with ground level retail and restaurants would be most appropriate for this site. He asked how many studies and reports did this City have to commission to be put on the shelf and ignored.

Mr. Glassman continued stating that this area was zoned commercial and hotel, and not condominium. He explained that every report and study had stated not to put a condominium on A1A, because that was where the tourist industry needed to grow. He continued that neighborhood compatibility was an issue that had been at the forefront of many projects that came before this Commission and rejected in the last 16 months. He stated that this had been the issue in the Central Beach. He explained that this parcel in question faced Alhambra, and on the other side was Seville. He stated that this stretch of the beach was populated by 2-3 story small property owners, and they were facing a shadow over their properties for most of the day. He further stated that many of these property owners also relied on the parking of this parcel for the tenants they had on a long-term lease, and asked what would happen to those people.

Mr. Glassman stated that basically, they felt that public land could not be handed over to a private developer. He stated further that this Commission stated that position when debating the Palazzo/Las Olas project. Time and again, they kept hearing that public land should not be used for private development. He stated that going one step further, he did not think the City Charter allowed the City to give away public land to a private developer to settle a lawsuit. At the least, he asked about the Sunshine Law and the right for other developers to bid on City-owned public land. He stated all that was going out the window. He stated that many people who were against this settlement feel awful about being pitted against the supporters of the Stranahan House and the land around it. He remarked that many people voted for the referendum for the park, but the park voted for was no longer that park. He stated this was important to keep in mind. He further remarked they were losing about half of it for a retail and restaurant establishment, and gaining possibly ½ acre. He stated the developer was not losing his property rights downtown, and in adding up the value of the land they were probably up to about \$80

million. He stated the parcel at the Hyde Park Market site had been purchased for \$2.4 million. He added that many people were scratching their heads and wondering what was going on, and hoping they would not support this settlement.

Ina Lee, Chair of the Beach Redevelopment Advisory Board, stated that the first this Board heard of this issue was right before their meeting yesterday, due to what had been in the newspaper. She added they were not, therefore, able to discuss or vote on this matter, but there was a consensus of the Board to have this matter deferred so a special meeting could be called to discuss it. She stated that the parcel on the beach had major impact.

The City Attorney stated that their recommendation was based on negotiations they had for the last 4-5 years, along with the litigation that had taken place.

Mayor Naugle stated that this item was scheduled for a vote at tonight's meeting.

Vice Mayor Trantalis stated that this was a terrible situation, and they should not be pitting one community against another. He stated that several years ago he had been in favor of retaining the Hyde Park property for a park and having it work in conjunction with the Stranahan House. He did not think that everyone understood that this was not to destroy the Stranahan House, move it, or eliminate it from the City's limits. He continued, stating they do not want to tear apart the City's heritage by dismembering the building, and he felt remarkable work had been done to restore it to make it a great tourist attraction. He stated they were attempting to preserve the view of the Stranahan House. Currently, there is money committed to maintaining the Stranahan House on the Riverwalk. He continued that the City Commission had already authorized its commitment to continuing the Riverwalk along the path, including the Stranahan House, and as it led to Las Olas, it would be part of the Riverwalk project. He stated the Stranahan House would remain intact.

Vice Mayor Trantalis stated the question was whose view were they wanting to protect, their view to the Stranahan House or Stranahan House's view to the world. Obviously, it is their view to the Stranahan House. He stated that when this issue arose 4 years ago, there was a totally different view of what that area should look like, and he believed conditions had changed. He stated further that the downtown had taken on a new aspect, and they need to remember there is a park two blocks away. He stated they also needed to remember that they had committed themselves as a Commission to continue the progress of denser development downtown. He did not feel he had to prove his credentials as to his sentiments in terms of historic preservation and open space because he was the first person who wanted it before anything else. He stated further if they were sacrificing open space and the quality of life - moving the problem from one end of the City to another, they had not accomplished anything. He stated it was terrible that at this juncture they had put themselves in a position of pitting one part of a community against another.

Vice Mayor Trantalis stated that he agreed with Ina Lee when she stated they needed to defer this matter. He explained the reason they needed to defer this was that back in December, they had received a letter from the developer wanting to settle this case. The offer was to build a building and pay the attorney's fees. The Commission refused that offer, but no counter-offer was made. It was his understanding that the Mayor and the City Attorney had continued with negotiations, but the Commission's fault was that they

did not give instructions to the Mayor or the City Attorney or parameters of what they thought would be appropriate for a settlement. He stated they negotiated on their own, and this was the result. He stated it was shame on the Commission that they did not work together in trying to define what was acceptable and unacceptable. He stated that in the process of negotiations many things had been placed on the table. He reiterated that as far as he was concerned, open space owned by the public on the beach should never have been on the table. He reiterated that it was not a "bargaining chip" and was never to be offered or negotiated away. He further stated that the people at the bargaining table did not know that. He stated the first he had heard of this was in a closed door session a few months ago in which they had been presented with the opportunity to vote for or against the settlement. He felt they were putting themselves in a bad position because if this Commission voted against this proposal, where would that leave them. He questioned would they go back to the negotiating table and every time a new approach for a settlement was discussed, a public hearing would have to be held. He felt that was not the way to negotiate. He felt the matter should have been kept private, and reiterated that the point of a closed door session was to keep the doors closed. He stated it then ended up in the newspaper and whoever leaked this, shame on them for doing so. He explained they were not attempting to obscure the information to the public, but when negotiations were taking place regarding sensitive issues and no authority given to have certain items placed on the table, this is what happened.

Vice Mayor Trantalis further stated that he was sorry they were at this point. He reiterated that everyone was here for the best interest of the City, but a developer had pushed them to this position because the Commission was not organized. He stated that together they should have made a decision as to what was and was not on the table. He stated further that as far as he was concerned, that was where they needed to go. He felt in terms of sitting down at the table, they needed to work together and arrive at a strategy and not let it be opened for public debate every time an offer came onto the table. He did not know why the first offer in December had not been responded to, but he felt they did a disservice to themselves and to the City to have allowed this process to have become unraveled as it has. He wanted the item from tonight's agenda to be removed and the matter continued so they could reconsider their approach to settling the case.

Mayor Naugle stated if that was done, he felt it could kill the deal and they would go back to litigation. He continued that he had been given an indication from the developer that because of other factors involved in the negotiations, he needed an answer one way or the other. He reiterated if someone was against this, it is a delay tactic.

Vice Mayor Trantalis reiterated that he had received information that a joint motion for continuance had been filed. He stated it had not yet been granted, but if done, a November date for a hearing was being requested instead of the August date.

The City Attorney stated that the agreement to defer the August hearing date had been in place between the parties for quite some time. He explained it was not simply the matter of going to trial in August, but of not wasting outside counsel's time to get prepared for trial. He stated if they went to trial in November, preparation would begin in September. He explained they would be preparing several months in advance of the trial for it, and the Commission would not meet again until September.

Vice Mayor Trantalis asked if they still had the August deadline. The City Attorney explained it was not a joint motion which had been entered, but a motion by the City because the developer refused to enter into a joint motion with them. Vice Mayor Trantalis asked if the developer was prepared to agree to a Motion for Continuance.

Courtney Crush, representing the applicant, stated that they had been discussing that with the City and she believed that motions had been drafted, but she wanted a few minutes to consult with her client and check.

The City Attorney reiterated that he believed they had until November, and they had agreed not to object. He stated that the Motion was pending and Judge Andrews was on vacation and would not be back until around the 31<sup>st</sup>. He stated it would be on his desk when he got back and stated they expected it to be perfunctory and would be signed.

Vice Mayor Trantalis stated that in going back to when the Fort Lauderdale Beach Hotel was being voted on, he knew how upset some of the advisory boards had gotten, especially Historic Preservation, when they had been overlooked. In this case, he stated the Beach Redevelopment Advisory Board had spent so much effort in fashioning the City in an organized way, many hours of work had been done, ULI studies done, and yet they had not been consulted. He added that the project itself violated the guidelines and standards set by such reports. He stated if they were willing to sacrifice so much, he felt that the Commission should draft an approach which had never been done. He stated if the negotiators were aware of the parameters in terms of what would be acceptable to the majority of the Commission, he felt they would not be where they were today, and there would not be so much heartache as they now felt. He felt they should regroup and better approach negotiating settlements because he did not think this one was working.

Commissioner Hutchinson wanted the public to understand what type of decision they were being asked to make with zero information. She wanted to read her statement:

“She was responsible as a citizen in this City, and ultimately as a City Commissioner to all 152 residents. If I’m going to be asked to make decisions regarding this HUGE real estate deal, I need a lot more information to be able to base my decisions on facts. The citizens of this City are counting on me to make responsible decisions on their behalf, and right now I don’t believe we are being led to do this. In my mind this isn’t as simple as swapping land. In 2000, voters authorized spending \$8 million to acquire Hyde Park. A question in my mind, did those voters intend for the prior Commission or this current Commission to swap approximately a \$20 million piece of property that we paid anywhere from \$40 - \$46 per square foot for on the beach which was a part of this deal would accommodate a 24-story project, approximately \$6 million in residential units in the downtown for future building, and that’s if they sell them not build them, and also a retail project on Hyde Park Market. I don’t think we knew going into it as voters that was ultimately what we were accepting. To base my decisions on facts if you want me to do this Alhambra deal, I’d like the following information, and she wanted the public to understand that they were not given it, as well as the public might want to know.

“The financial exposure if we go to Court. I haven’t been given those in the last closed door sessions that we’ve been. The value of this deal, this swap, and the financial exposure if the developer built the current project at Hyde Park Market. I’d like

to have had a full appraisal on the Alhambra property and the Hyde Park site. Environmental and the Hyde Park to include surveys, easements and encroachments, especially on the area that we would "get" as a City. A geotechnical survey which shows soil samples, as well as any environmental damage on it, and how about a current market analysis on the value of the 312-315 units we are allowing them to keep that supposedly would pay for the attorney fees, and what limitations would we have placed on the units based on the location, a time frame for use, and the transferability. Last, would be giving implicit approval on these site plans.

"I'm not comfortable with this. I think we offered another part of property in the City. I'm not confident that was portrayed back to the developer. I'm not saying it was or it wasn't, but it's on my conversations that it wasn't as a part of the negotiation, and I think it's time to go back to the table. I think there's a workable solution to this, and everybody could be a win-win. But if you want me to base my decision tonight on what you've given me, absolutely not, there'd be no decision from this Commissioner."

Mayor Naugle asked if there was a consensus to have a scheduled vote this evening.

Commissioner Hutchinson reiterated not without the information she had requested.

Mayor Naugle stated it did not appear there was a consensus.

Commissioner Teel stated it was always better to have more information. She stated that her big concern was if it would sink the deal, and possibly the deal could be massaged more. She stated that some changes had been made during the closed door session as far as building length. She remarked there had been some "give and take," and possibly more changes could be made. She stated if it was the will of the Commissioners to make such a decision, she would go along with it but with great trepidation. She reiterated that she would not be leading the cause because she felt sometimes by pushing and pushing, they could end up in more litigation. She stated the citizens wanted the referendum and the property saved. She stated discussions had occurred, stating that the citizens did not know what they were voting for, and some people thought they were going to demolish the house. She stated further that she looked at the petition and the referendum item, and she believed it had been clearly stated. She stated if people didn't read it closely, then maybe it was not an informed vote. She felt the voters deserved more credit than what people were giving them.

Commissioner Teel stated that she had received some of the information Commissioner Hutchinson was requesting, but she did not have the appraisals and other important information. She stated the risk was there for losing the deal.

Commissioner Moore stated that they needed to give an answer tonight. He felt the information requested by Commissioner Hutchinson was valid, if they were going to consider doing the swap. He felt they could tell the community this evening whether the swap was something the majority of the Commission was willing to consider. He stated if they were to discuss this evening that the swap was on the table for consideration, then all the due diligence being requested would make sense, but if there was not a consensus of the Commission to have the swap on the table, then they could look at a settlement. He stated they needed to decide if this beach site was to be considered in the settlement. He reiterated that might be offered this evening. He stated if the majority of the Commission desired additional information, then that was all right with him, but he

preferred to tell everyone his feelings this evening in regard to this particular swap, and whether the considerations for the values and other issues listed were worth of discussion in his opinion. He stated that there might be a consensus of the Commission that this was not to be the deal, but there could be continued possibilities of settlement. He stated that he truly believed this matter should be settled. He stated he was not sure if it should be settled in this manner, but he believed it should be settled.

Ms. Crush stated that they had agreed to continue this matter to November assuming Judge Andrews would grant the Order. She stated that they had done that in order to have some further negotiations. She asked if this item was to be deferred, they would ask that it be put on the agenda for the Special Meeting scheduled for July 26, 2004, so this Commission could rapidly assess whether the questions raised were acceptable or not. She stated that the Alhambra site was time sensitive, and this deal needed to be resolved sooner, rather than later and they request that if there was to be a deferral that it be until July 26, 2004.

Mayor Naugle asked if the item was deferred could the information requested by Commissioner Hutchinson be supplied within that time period, and if not, could the item wait until September. Ms. Crush stated they did not know the answer to that question because they did not know how it would affect the Alhambra site development. She stated she was not saying no, and they could try, but stated it was their preference for the July 26, 2004 meeting.

Mayor Naugle asked the Commission if they wanted to vote on this item tonight.

Commissioner Teel stated she felt that next week would be a good opportunity to discuss the item, if the materials requested could be provided. Ms. Crush stated that they would try and provide the information by that date.

The City Attorney stated that the environmental study on Hyde Park and the geotechnical survey could not be provided within the week.

Commissioner Hutchinson stated if the property was ultimately conveyed to the City, likewise when they purchased Southside, they had done environmental studies to know what they were getting into. She asked why wouldn't they do that in this case and didn't the City want to know what they were buying. She asked if the developer didn't want to know the situation at the Alhambra lot. She reiterated that all information should have been provided to her before today's meeting.

The City Attorney stated that he assumed such information was made available to the Commission prior to the determination when the Commission had authorized eminent domain to acquire the property forcibly. He stated they were not simply negotiating the purchase of a piece such as Southside. He stated further that the decision to file an eminent domain action was there. He continued stating that the eminent domain portion of their case had been dropped, and they were left with the damages portion.

Commissioner Moore stated that he felt it was important for the information requested to be gathered only if there was a consensus for the swap. He felt if that was the case this evening, then both parties would provide whatever was necessary. He stated if there was still going to be a question of whether or not this was going to be something that was done, he did not think that anyone would state they wanted to hold their card. He



stated if he was the property owner, he would hold his card. He felt it should be put on the table this evening. He stated that would not state that it was a "done deal," but stated whether they were willing to consider it, and it would be done publicly and not behind closed doors. The pros and cons would be discussed, along with the "ifs, ands, and buts".

Commissioner Hutchinson reiterated that without the information she requested, she could not give a sound decision and would be wasting her time voting. She emphasized that she was not going to support this because she did not have all information needed. She stated the public needed to understand that she was going into a land swap deal blind. She reiterated that she did not know what she was giving away, and she did not know what the deal was costing. She stated when she was held financially responsible for the decisions she was making in the City, she would not do this. She stated that unless she knew what this would cost the City, she would not support this matter because she did not have all the necessary information.

Commissioner Teel asked how long it would take to get the additional studies.

Cecelia Hollar, Acting Public Services Director, stated it would take approximately 2-3 weeks because it had taken that long to get the consultant on board to do the analysis. She stated that in regard to both sites, she felt it would take about 30 days and that was with the funding resources available. She reiterated that it had cost them about \$150,000.

Mayor Naugle stated that possibly they should vote on this tonight since \$150,000 was involved because if there was not a consensus, then why spend the money to reaffirm the vote taken previously by the Commission.

**Action:** To be discussed on July 20, 2004, at 6:00 p.m.

### **OB – Closed Door Sessions – General Discussion**

Vice Mayor Trantalis stated it was his understanding that closed door sessions were conducted for the purpose of maintaining the confidentiality of the context of those sessions. He asked how this item had leaked out.

Mayor Naugle stated that he believed it had gotten out with its placement on the agenda by the City Attorney. Commissioner Hutchinson disagreed and stated there was an article prior to the backup information being distributed.

Vice Mayor Trantalis asked how such an item got on the agenda because it had been his understanding that items were placed on the agenda after the City Commission agreed for something to move forward as an agenda item. He stated that in the last session, there had not been a majority, and he felt it was taken out from their responsibility and placed on the agenda to ultimately circumvent the City Commission. He stated he needed to know if such confidential and closed door sessions were truly confidential, or did he have an opportunity in regard to some other issue in the future to just pull the item from such sessions and have it placed on the agenda.

The City Attorney explained that this had not just been placed on the agenda, but had been put on the agenda after 3 closed door sessions with the City Commission. He

explained they had reviewed the "deal points" of the settlement, additional information had been requested by Commissioner Hutchinson which had been provided, and she had then stated that she could not vote on the item at that closed door session, but if certain information was provided, she would vote on July 20, 2004. At some point in time there had to be vote, and it had to be a public one. He stated that the people who were interested parties had to have the opportunity to attend. He stated there was a deadline with the developer.

Vice Mayor Trantalis clarified that if the majority of the Commission had not agreed to the proposal of the opposing party, then such decision was taken away from them and put out to the public for comment. The City Attorney disagreed. Commissioner Hutchinson stated it appeared there should have been another closed door, and then it could have brought forward for a vote this evening. Vice Mayor Trantalis stated he found this to be so contrary to his understanding of what settlement negotiations were to consist of, and as an attorney he felt that things said in such sessions, points of view, and items proposed for settlement, were not to be held against the party. He stated that the rules of the game appear to have been violated because they were opening up the entire matter to public discourse. He reiterated there was a lot of misinformation out there. He stated that the newspaper ad regarding the Stranahan House was loaded with misinformation. He stated he felt bad if the public thought that was what they were going to vote on.

Vice Mayor Trantalis further stated that he felt it was a terrible thing to have anything leave this room when everyone was thinking that they were still negotiating a settlement. It seemed to him and he hoped that in the future if there was a majority who were unwilling to accept an offer by another party, then the item should not be taken from them and put to the public. He felt that was what had been done in this case. He stated if that was not the rule, then they needed to establish rules. He did not think this was right, and felt that was not how people wanted to govern the City with such rules. He felt they all needed to work together and not against one another in negotiations. He stated that it appeared the developers were attempting to pit them against each other and manipulate one against another. He stated that they had almost succeeded in this case.

Mayor Naugle stated he did not think any confidence was betrayed. He stated if he explained how that was not the case, then he would have to divulge what happened in the closed door sessions. He further explained that when they held a closed door session in regard to litigation matters, everything said was recorded by a Court Reporter. Then, when the litigation was concluded, it would become part of the public record and everyone would know after the matter was concluded what had been said. He reiterated that during the matter, no Commissioner should violate the trust of his or her colleague and divulge what happened during those sessions. He stated that the City Attorney acted by placing this on the agenda because he had felt he had been given such direction. By doing that, this matter then became public.

Vice Mayor Trantalis reiterated that there had not been a majority in favor of the proposal, and that was why he did not understand how this had been placed on the agenda for a vote and motion.

Mayor Naugle stated he would discuss this matter in a closed door session so he could then point out what had happened.

Vice Mayor Trantalis stated if that was the appropriate form, then that would be okay, but to be honest he felt it had violated the procedures he was familiar with, and he would also need to know if at any time an issue arose and he did not agree with the majority that such item could be placed on the agenda.

Mayor Naugle asked the City Attorney why he had placed this matter on the agenda. Commissioner Hutchinson asked how that could be done without disclosing what had been stated behind closed doors.

The City Attorney stated that based on the conversations held during the closed door sessions, it was apparent to him after each Commissioner had made their comments that there was only one item left to be provided to the Commission. He reiterated that Vice Mayor Trantalis's position had never changed and never would have no matter how many closed door sessions were held. Vice Mayor Trantalis stated that was not the point. The City Attorney stated there had been 3 closed door sessions, and it had appeared to him that sufficient information was available for each Commissioner to make up their mind. He stated they were being pressured from the developer to "paint or get off the ladder," and he made the decision based upon information he had received from each Commissioner, and the information stated was critical to the decision provided.

Vice Mayor Trantalis asked who was running the City. He stated he did not understand that. He reiterated that if the City Attorney felt enough information had been provided, but then did not like the answers from the Commissioners, he would then move forward and place the item on the agenda.

The City Attorney stated that his preference of the Commissioner's answer was irrelevant because he was here to serve the Commission. He stated that the Commission did not always reach a consensus, and a decision had to be made one way or the other. Vice Mayor Trantalis reiterated that such a decision had been made. He stated they had made the other, and not the one way. The City Attorney stated that no decision had been made on the other, and he was under the impression that the direction he had was for a vote to be taken on July 20, 2004.

Commissioner Moore asked why they were going back to closed doors. He reiterated that either the Commission was going to consider this or not. He stated it was out of the box and whether there was misinformation or lack of information, they needed to deal with this issue.

**MEETING RECESSED AT 2:20 P.M.**

**MEETING RECONVENED AT 2:28 P.M.**

**I-B – Budget Message – Fiscal Year 2004/2005**

The Acting City Manager stated that the budget message had been out for the better part of 3 days so he would be brief in his presentation.

Overview of the Budget

The Acting City Manager stated the budget called for an all fund appropriation increase of 10%, including all Enterprise Funds and the General Fund. He explained that the General Fund increase was 15%. He stated that the Operating Budget would increase 12%, and in regard to the millage rate taking into consideration both the operating and the debt service amount it would increase from 5.197 to 5.7951 or an increase of 11.5%. He explained that the revenue received from the millage would be \$111 Million next year which was an increase of 23% over the \$90 Million for this year. He stated that the indication in the newspaper had been that the tax levy would increase 33%. He stated that the actual amount for an increase of homesteaded property would be 13%.

Vice Mayor Trantalis asked what the increase would amount to in dollars. The Acting City Manager stated that his tax bill would increase by \$125, plus \$56 for the fire assessment fee.

#### Rationale for the Budget

The Acting City Manager stated that the rationale for the budget was to provide for the long-term financial stability, to provide for non-discretionary expenses, continuation of current City services, and the flexibility for the Commission to make policy decisions regarding increases in services or other discretionary spending.

The Acting City Manager further stated that when individuals made a comparison to the current tax rate or roll back rate, one of the important things to understand was that the current rate lacked an internal balance and internal consistency. He explained it was based on the fact that last year they had provided \$2.6 Million of one-time revenue or over estimates of revenue, and that had to be made up this year. He stated that over a period of 3 years, there had been \$4.3 Million worth of losses of valuation adjustments. He advised that more detail was provided on page A-1 of the information distributed. He stated it showed where the transfers had been made that were one-shot deals, and what the adjustments were for each year.

The Acting City Manager stated that in regard to the insurance deficit, he stated that he had highlighted how much it had grown on an annual basis and how it was not being financed on a real time basis. He explained that the current rate, along with the rates for the past few years, had been based on a draw down of reserves. Therefore, they had 3/10 of 1% of a reserve balance left. He stated they had projected that they would be entering the year with about \$86,000 in reserves. He further stated that there were \$4 Million capital outlay deferrals last year or postponements which were for 1 year.

Commissioner Hutchinson asked if they were required to fund the \$20.6 Million for insurance. The Acting City Manager confirmed and stated it was funded over a period of time, and added they were self-insured. Vice Mayor Trantalis asked if it was a moving number. The Acting City Manager explained that was the number as of the end of fiscal year 2003. He stated it would have been \$3 Million higher had they not taken action at the last meeting when transfers were done to the tune of \$4 Million into the fund. Vice Mayor Trantalis asked if they suffered no additional hit based on actuarial predictions, then they could work towards reduced the number, but they were still vulnerable. The Acting City Manager explained that the number would not go away, but would go higher. He further stated that in the past, they had indicated they would deal with this over a 3-year period of time. He explained this was not the first year they had confronted this because it had arisen in the audits of 2002 and 2003. He added that it had even been

brought up in earlier audits. He reiterated that this was not something that had been unknown, but he did not think they wanted to confront the fact that it was this large, and therefore, had to be confronted. He further stated that there was a General Fund deficit and were \$10 Million in the hole.

The Acting City Manager stated they were looking at an imbalance at the current rate of about \$48.5 Million. He explained if the tax rates over the past years not been rolled back, and they had been maintained at an adequate level of about \$9 Million per year, then he would had been requesting a decrease in taxes rather than an increase.

### Philosophy

The Acting City Manager stated that the forgotten philosophy they had taken was that they needed financial stability in order to create a sustainable budget over a long term, both from the point of view of expenditures and revenues. He explained that for the past 9 months, they had been dealing with the expenditure side of the house and there had been many adjustments and readjustments, but the fact of the matter was that they did not have any latitude on the revenue enhancement side. He further stated they also needed to look at sustainability from the point of view of revenues. He stated they had to be realistic in their estimates, both for revenues and expenditures. He reiterated that they had to capture a millage rate that would capture growth, and they had to understand that this was not a problem they could outgrow. He proceeded to refer to page A-3 and stated that he had indicated tax dollars from growth to show it did not provide the panacea that many people thought. He explained that if there was a crane in the CRA, then it would not help the General Fund because those increments went to the CRA. He explained further that a conscious political decision had been made to do that. For all intents and purposes, he stated that growth did not provide a tax dollar to hire or fire police. He stated that the same applied to the Beach CRA.

The Acting City Manager explained that in looking at the new growth which was outside of the CRA, they were looking at a situation where last year there was \$1.6 Million, and this year it was between \$1.5 Million and \$1.9 Million depending on what was established for the millage rate. He stated that in talking about capturing growth, they had to talk about capturing the growth of appreciation as well. He stated there was a limited amount of effort which could be made in regard to work force reductions. He continued stating that the work force this year had been "cut to the bone." He stated many people were concerned about the PSAs and the vacancies in the Police Department, along with vacancies in the Engineering Department and how they could not move forward on many projects. He stated many cuts had been made so they could fit within the budget.

The Acting City Manager reiterated that they also had to avoid unrealistic expectations for the future and of what they had. He stated the employees had to understand that the rich benefits of the past might not continue, and that the levels of wage increases may no longer be consistent in the future. He stated that the taxpayers also had to understand that they needed to have a tax rate equal to the amount of services received.

The Acting City Manager explained that today he would be proposing an ordinance which would formalize such fiscal policies and gives the guidelines of what we should and should not be doing on the fiscal point of view which provides in an ordinance an indication of what type of funds were needed, what the target levels should be, and how

they should be financed and accessed, and how a super majority would be needed in cases of a Stabilization Fund, along with an Emergency Reserve Fund. He stated that in talking to some groups, a predominant item which arose was that they were willing to finance a reserve, but one that would not be easily accessible so they could not repeat what had happened in the past.

Commissioner Moore stated they needed to deal with the value adjustments. He stated that presently they were given after the budget was proposed, and legally it was incorrect for it to be done in that way. He stated they needed to ask either the property appraiser or the County to give them the money if an adjustment was made after-the-fact. He stated they had until November to do that, but they had made adjustments when the City was into April, May and July of their budget year. He reiterated that had to stop, and he did not know how to make that happen. He explained they were breaking a State Statute. He stated this had been brought to the League's attention, and they were going to address this through the Florida and Broward League as a legislative matter because it was unfair to impact municipal governments by tampering with their budget. He stated that last year the amount had been over \$1 Million. The Acting City Manager remarked that this year it was \$2 Million. Commissioner Moore stated that was why they hit the reserves. He stated that another entity could not be permitted to do their job wrong, and impact the taxpayers and the City do nothing. He reiterated that this needed to be addressed.

Vice Mayor Trantalis asked if the adjustments could not be anticipated and budgeted for, and if they over budgeted then it would be to the City's advantage. He stated that he hoped in the future the County's approach could be changed. He felt they should be smarter about this, and put some sort of leeway into the budget to cover this.

The Acting City Manager explained that due to this situation last year, the Finance Office had been very prudent and assumed that they would get 95% of the collection of taxes, which was the maximum allowable by law. He further stated that they were finding that 80% of the taxpayers took advantage of the 4% discount. He explained it was not really a leeway because the money was discounted for all intents and purposes.

Commissioner Hutchinson left the meeting at approximately 2:45 p.m.

The Acting City Manager continued stating that one had to remember that they also had the valuation that was withdrawn and some people did not pay their taxes on time. He stated that in the final analysis, they had projected to the max, but that was not enough. He stated further that the projections, both last year and this year, mitigated the reduction.

Vice Mayor Trantalis suggested they increase the amount they planned for reserves to give themselves a cushion. Mayor Naugle stated they should have to follow the law. Commissioner Moore stated if they did that, then they were talking about increasing taxes for the individuals because a governmental entity was not functioning properly. He stated further that he understood the proposal, but he was concerned of the fact that they were going to tell the taxpayers that their taxes were being increased because there was a governmental entity not functioning properly. He felt they needed to insure that the process was followed to the letter of the law. He continued stating that if they had to run their government with a balanced budget by law, then they had to deal with the adjustments by law within the time period given. If they could not do that, then the City

should not have the problem of balancing their budget due to the other entity not following the process.

Vice Mayor Trantalis reiterated that they did not have control over the situation.

Mayor Naugle stated they should hold them accountable, but this year it would have to be budgeted in.

Commissioner Hutchinson returned to the meeting at approximately 2:47 p.m.

Mayor Naugle stated that when the economy was down, they would lose more because people could show their income was down, and that was one of the three approaches for evaluation. He stated this year there would probably be less of a reduction because the economy was doing well.

Commissioner Moore agreed it was based on those things, but stated that it was also based on them doing their job in a timely manner. He felt that was the key.

The Commission agreed that the City Attorney should look into this matter.

Commissioner Teel stated that all the cities were facing the same thing and pressure should be put upon them.

Commissioner Moore asked if this item had been raised at the meeting when they discussed the legislative issues. The City Attorney stated he did not know if that was done or not. He added they would check into the matter. He stated they had looked into the issue last year, as well. He stated the problem was that the City's budget had to be adopted in September, and they had until November, and there was nothing that could be done with the City's budget after September.

Mayor Naugle stated if they were aware early on, then they could cut back. The City Attorney stated the issue had arisen because the Value Adjustment Board was made up of 3 members of the County, and 2 members of the School Board, and then they funded the Special Masters. He explained that they did not hear all the cases. He stated the problem with filing litigation was that the Court was not likely to intervene because to intervene was to then harm a person not at the table, which was the taxpayer, who was challenging the assessment on their property through the process. Commissioner Moore stated they needed to look at the date that the person could get the adjustment.

The Acting City Manager stated that one of the interesting things which arose at the Alliance meeting last night was the fact that people did not know their assessments until they received the trim notice, which was about the middle or end of August. He explained it was from that point in time that they would stop the process.

The Acting City Manager explained that as part of their program regarding financial stability, one of the things they were asking for was to take the initial steps to adequately finance a reserve level. He explained they were looking at an additional \$1 Million in order to have a \$3 Million working capital. He stated they were putting \$1 Million into a reserve account for stabilization which would be for fluctuations, such as debt service, pensions or insurance. He stated that reserves were for "hurricane and rainy day" funds.

The Acting City Manager explained further that their reserve level at the end of fiscal year 2003 was 3/10 of 1%. He stated if this budget were to be adopted, it would increase to 2.6%, and the target level they discussed as about 12% which could be reached in the plan articulated by 2008. He further stated that on page A-4, it listed the reserves of other communities, and reminded everyone that we had 3/10 of 1%. He stated that some communities maintained everything in the General Fund, but this City established an Enterprise Fund for various activities. He explained they were attempting to evaluate all the funds and see what was the percentage. He stated that the fact of the matter was they could not use sanitation reserve monies which were a covenant to a grant for things such as salaries. He explained that was the purpose of a segregated account.

Vice Mayor Trantalis reiterated that Fort Lauderdale could not be compared to the City of Miami.

Terry Sharp, Director Finance, stated they did not have the breakdown of the Enterprise Funds. Mayor Naugle remarked that they did not have a water and sewer system and relied on the County for such services. Vice Mayor Trantalis emphasized that no city in this State had \$136 Million in a reserve account that could be tapped into in their General Fund. Mayor Naugle stated the City had between \$70 Million and \$80 Million in their account.

Commissioner Teel stated that strings were attached to the monies as to what they could be used for, and she felt these figures were misleading especially if they included Enterprise Funds.

Mr. Sharp explained that in preparing this he had referred to the Fiscal Year 2003 financial statements for the cities, and had picked up their unreserved, undesignated General Fund balance at the end of that year. Commissioner Teel added that they could have had additional monies in reserves in other accounts. Mr. Sharp further stated that the cities had collapsed what had been Enterprise Funds which helped their financial situation in the short run for their General Funds. He stated that the newspapers still stated that they had budget problems.

Commissioner Hutchinson stated they needed to focus on the fact that there was not enough in the City's reserve account versus other cities.

The Acting City Manager stated the next item was to provide for non-discretionary expenses. He stated they needed to meet their insurance fund requirements, both from the point of view of a deficit and in going forward to actualize on a full actuarial basis of what they paid for worker's compensation which would require \$3.2 Million next year. He stated the insurance problem was not a problem of health self-insurance because that was under control. The problem was on the liability side of the ledger. He explained the employees would be financing their portion of the deficit over the next 4 years. He stated the reserves were building up, and the self-insurance health fund showed a net balance to the tune of \$3 Million. For the first time on an operating fund basis with the transfers made as of the last Commission meeting, they would have a positive balance on the liability side for this year.

The Acting City Manager explained that pension payments had to be made which were required by Union contract and that amount was \$5 Million. He stated that he had broken down the salary accounts for the last 4 years, and in the last year they had been able to



control the increase in the base of the salaries. He stated it had gone down 4% this year, but would go back up 4% next year due to the additional staff being planned, along with an increase in merit pays. He stated the figure for 2003 was higher than what they would be paying in base salaries for 2005. He stated this was under control.

The Acting City Manager further stated that longevity had also gone down. Originally, it had been \$3.8 Million and was down to \$3.7 Million with continued decreases. He added that overtime has been reduced dramatically. In the year 2002, overtime was \$7.8 Million and this year it was \$3.4 Million. He reiterated overtime had been reduced by 65% during the last year. Other items they did not have control over were termination pays due to retirement and pensions. He explained that the City's pension contribution in 2000 was \$7.5 Million, and next year it would be \$25.6 Million for an increase of 239% over a 5-year period. He stated at that time the tax rate increased 1% a year.

The Acting City Manager continued stating that in regard to personnel-related insurance, there were increases due to health and worker's compensation. Other costs were allowances and upgrading pays. He added that the total cost for personnel would be \$171 Million for next year. He stated that under the proposed millage rate, they would collect in taxes \$104 Million.

Commissioner Moore left the meeting at approximately 3:04 p.m.

The Acting City Manager stated this area was non-discretionary and was something that had been hemorrhaging in the past. He stated they had to consider either capping the current defined benefit plan or moving from defined benefit to defined contribution. He stated that termination pays were \$1.5 Million. He explained there were 105 individuals in the DROP Program for next year and their termination pays had been calculated into the budget. He stated merit increases would total \$1.1 Million.

#### Continuation of Services

The Acting City Manager stated that last year the CIP and ACIP were \$2 Million. He stated that major repairs and rehabilitation needed to be done. About 3 years ago, the Commission had approved an accelerated CIP because the problems were so overpowering that they had to be dealt with on an emergency basis, and provide debt service to get things done as quickly as possible. He stated if they were discussing deferrals, it would be that \$2 Million had been deferred from last year, plus \$2 Million for this year.

The Acting City Manager stated that for the first time this year, they were going to look at the CIP in conjunction with the budget because it was important to review the CIP, along with the operating portion, in order to make sure the engineering staff were available for the projects. He further stated that the CIP and ACIP needed to be in balance.

The Acting City Manager continued stating that capital outlays were at \$3 Million which was for them to continue their commitment on the vehicles for the Police Department, and provides for continued technology. He stated that PSAs were funded by the success of the Amnesty Program, but now the amount needed would be \$1.2 Million. He explained that had been a one-shot deal and now it had to be included in the budget.

The Acting City Manager further stated that Fire-Rescue Dispatch was one of the items they had thought in December were going to be assumed by the Sheriff's Department. He stated that in May this item had been listed for outsourcing. He stated they had not yet finalized any type of agreement, and he was not aware if this had been included in their budget. Mayor Naugle asked when was the last time they had discussions with the Sheriff's Department.

Otis Latin, Chief Fire-Rescue, stated that they needed to have another meeting on this matter. He advised they were working on an Interlocal Agreement which would have to be presented to both the County and City Commissioners for approval. Initially, the Sheriff's Department advised they were going to move forward on this, but one of the things that delayed the process was when this Commission decided to wait and see what the new concept would be from the new City Manager. He advised they were going to continue to pursue the matter, but there were no guarantees.

The Acting City Manager stated that one of the first things Mr. Gretsas would be focusing on would be the question of what part of the outsourcing and privatization package would move forward. At the last meeting, it was decided they would not deal with the sanitation portion and some other areas until Mr. Gretsas had come on board.

Commissioner Moore returned to the meeting at approximately 3:11 p.m.

The Acting City Manager continued stating that between now and when the budget would be approved in September, they could obtain input from Mr. Gretsas and continue negotiations with the PSO.

Commissioner Moore clarified that the in-house cost would be \$800,000. Chief Latin stated there was no charge and the service was being provided to other cities. Commissioner Moore added it was their responsibility to deal with public safety, and if they could find a methodology of doing this as others had done with the County, then this amount could possibly be placed elsewhere in the budget or not make the appropriation.

Chief Latin stated they were moving along on this and did have a draft contract.

Mayor Naugle asked the City Clerk to check the Commission minutes as to when they had decided not to save the \$800,000.

The Acting City Manager reiterated that this amount was included in the budget.

#### Flexibility – Service Enhancements

The Acting City Manager stated that other priorities had been articulated which had been included in the budget message. He stated those priorities had come from meetings held and memorandums prepared where there had been consensus for various items. He advised that some feedback from the community had been in regard to the December cutbacks such as restoring Engine and Rescue #13 on the Galt. He stated another items involved affordable housing. He continued stating that these totaled about \$3.4 Million. He stated that in regard to public safety certain items were identified as additional for the base budget which were to be included for the Commission's consideration.

The Acting City Manager stated that the annexed areas were to be revenue positive in the future, but for the first year in the wrap-up costs they would have to include \$1 Million before any tax funds began coming in. He stated that voting would occur on August 31, 2004, by the North Andrews Garden area which was the largest one they would be dealing with.

Mayor Naugle asked what the costs would be for Rock Island. The Acting City Manager stated that it would not be that much and possibly about \$200,000. He added that Twin Lakes would also be involved. He stated this amount would be for about 21 police officers and positions.

The Acting City Manager stated that another of the Commission's priorities were 16 positions which had been authorized for the Fire Department.

#### Enhanced Management

The Acting City Manager stated that enhanced management would total about \$1 Million and he had discussed this matter with Mr. Gretsas, which would include items in the City Manager's office, in-depth organizational studies, and management analysis for the next round of zero-based budgeting. He stated this would also include the City Engineer position from the Water/Sewer Funding that it currently had to the General Fund. He stated the operational efficiencies would total about \$400,000 mainly for increasing park support, and grant commitments.

Vice Mayor Trantalis stated that in the list of the Commission's priorities, some items might be addressed in tonight's meeting, such as the proposed settlement of the Lauderdale Beach Hotel which might allow the City to take \$300,000 plus toward historic preservation. He reiterated that this was a flexible number.

The Acting City Manager stated that it was flexible but they needed to remember that the \$300,000 was a one-time revenue, and sooner or later it would have to be included in the budget. He added that he did not know if the Commission had another use for that \$300,000 and did not know if any strings were attached to it, or if the Commission wanted to finance personnel or create a trust fund with it.

#### Resource Adjustments

The Acting City Manager reiterated that the current millage rate was 5.197, and the proposed rate was 5.7951. The impact on the average homeowner was a \$124 increase. He stated that the County Appraiser had also supplied two other average market values. One was for condominiums at \$301 for non-homesteaded properties, and the other was for non-homesteaded single-family homes at \$433.

The Acting City Manager stated he was proposing a fire assessment fee at 100% which would translate into an additional \$56 per residential unit, and therefore, the total amount paid for suppression fire protection would be \$119. He stated this called for assessing all other publicly owned properties. He advised that letters had been sent out already. He advised that his proposal also called for assessing non-profits at a 50% level in order to strike a balance between providing services to the community and the services received by the community.

### Impacts on New Growth

The Acting City Manager stated that in regard to impacts on new growth, the Appraiser indicated there was \$357 Million of new growth. He stated new growth would be when they received their COs. He stated they had captured \$357,000 Million this year. He stated that meant under the rate he was proposing they would receive \$2 Million additional in taxes. He stated further that the idea they would outgrow the problem by dealing only with new growth was not dealing with reality. The current level was \$1.8 Million, and the rollback rate would be \$1.6 Million for new growth.

The Acting City Manager explained if they wanted to capture the appreciation of market value, then they would have \$1.9 Billion more of growth. At the current rate being suggested, they would obtain \$11 Million, and at the rollback rate they would receive zero. By definition, he explained that the rollback rate was the rate needed to get the same money as being received this year, plus an incremental amount of growth.

Vice Mayor Trantalis clarified that if they did not increase the tax rate, they would still get \$10 Million, plus \$1.8 Million. The Acting City Manager confirmed and stated it would be about \$12 Million. He explained that if they were charging a higher rate, then the higher rate would apply to the base, and not just to the growth. He reiterated that they needed \$20 Million.

### Other Items Requiring Commission Approval

The Acting City Manager stated they needed to approve the water and sewer rate increases of 6% which was in connection with the WaterWorks 2011 project. He stated that \$3.33 would be added to the average household, and storm water would be increased by 6% which totaled about \$.15 per month. Sanitation would not increase and would stay the same. He stated that fees for occupational licenses had not been increased since 1999, and to increase it to the full amount needed they would have to do a study. In lieu of such study, State law permitted a marginal increase of 5% per year. He stated that at the next meeting, he was going to suggest in an ordinance that they increase such rates.

The Acting City Manager stated further that an item not requiring Commission action but they needed to be made aware of was to increase the parks and recreation fees by 10% to 15%. He stated this came out of the zero-based budgeting approach where they reviewed the costs of each item, and how much of those costs were being recouped, along with the last date when such rates had been adjusted. He stated there were hundreds of rates out there and some had been adjusted, and some had not. He stated that the bottom line was that they were recouping anywhere between 25% and 30%. He explained this would bring them up to 33% of cost recovery. He reiterated that it was a marginal amount, but one that meant about \$450,000 in the budget.

### City Commission Actions

The Acting City Manager stated that today or in the near future, they had to set a public hearing dates for September 8, 2004 and September 21, 2004, and establish a millage rate that would be advertised and would be the highest rate that could be levied for 2005. The suggested millage rate was 5.7951. He stated this rate could be adjusted.

### Conclusion

The Acting City Manager stated they had gone through many efforts together during the past 9 months, such as shrinking the employee base, the FTE levels which were 4% less than last year, a budget reduction exercise in December which reallocated \$12 Million and reduced expenses by \$8 Million on the salary side that rolled into a \$15 Million reduction for this year. He added that they had provided privatization and outsourcing opportunities and options at the Commission's request. He stated they had taken a hard look at a new approach to collective bargaining, and were looking at it on a more sustainable basis dealing with longer term issues such as pensions, overtime, and other items. He added they had privatized the Stadium with the Baltimore Orioles and closed the Trash Transfer Station, along with the closing of the jail adding a savings of about \$2.9 Million.

The Acting City Manager explained that in essence, he had provided a plan for financial stability, the continuation of services, and flexibility. He stated they should not make any cuts before they understood the implications of such cuts. In the final analysis, decisions postponed on the financial stability side were compounded in the future. He stated that he attempted to create a framework so they would not have to relive this year next year or the years after that.

Commissioner Moore asked what increase of the budget would be required so there would not have to be a 100% fire assessment increase. He asked if such information could be provided before tonight's meeting.

The Acting City Manager stated it was about \$8.3 Million which would be 4/10 of a mill, but he would supply an exact figure.

Commissioner Hutchinson left the meeting at approximately 3:34 p.m.

**Action:** Vote to be taken at the Regular Meeting

### **I-C – Proposed Convention Center Shuttle Service – Interlocal Agreement with Broward County**

Peter Partington, Acting City Engineer, stated that this was a complicated subject. He announced that Paul Carpenter with the TMA, Lorraine Smith with Broward County, and Michael Madfis representing TMA on another item, were present at today's meeting.

Mr. Partington stated that the basis of the proposal was that the County transfers money from a grant to the City, who in turn would sign an agreement to hire a service provider to supply a shuttle route on 17<sup>th</sup> Street. He explained that the financial deal would be for 5 years, but there would be a critical point of 2 years consisting of CMAQ (Congestion Mitigation Air Quality Funds) funding guarantee. At the end of that two years, such money would stop but grant money would flow from the Federal Government to the County and City, but it would not necessarily be sufficient to grant the financial success

of this service. The continued financial success of the service would depend upon how well it does from the farebox, including contributions from the hotels and other soft sorts of income.

Commissioner Hutchinson returned to the meeting at approximately 3:42 p.m.

Mr. Partington continued to explain that if after 2 years the soft funding was not there or in sufficient quantity, then according to the agreement the City could end up owning the 8 trolley vehicles being proposed for the service. What could not be guaranteed was that if the service was discontinued, if they could dispose of such vehicles at a loss to the City. He explained that options were available, such as using them for another transit provider in accordance with Federal guidelines, and they would not have to reimburse the Federal Government. He stated they could be sold, but again there would be no guarantee that costs would be recovered or the appreciated costs that would be owed to the Federal Government at that time. He reiterated that the first two years appeared safe and secure, but they were sounding a warning after those 2 years.

Mr. Partington stated if they decided to do this, along with the continuing work with the TMA services and the Commission's desire for additional transit in the Downtown, this would call for a full-time person to be hired to work on this matter. He explained that the memorandum which had been distributed had been prepared by the Acting City Traffic Engineer who recently had resigned, and therefore, would not be available for the project. If this service was to be implemented, then they were asking to hire a Transit Planner Administrator as soon as possible to operate this program. He advised that \$50,000 was proposed in the Manager's budget for a Transit Planner on the assumption that the other \$50,000 would come from grants. He stated that they had not yet identified the \$50,000 match.

Mr. Partington stated that today they were asking for a discussion regarding the principal for operating the service, and for entering into any interlocal agreement between the City and County which would transfer the money to the City on an ongoing basis. He explained such agreement was on tonight's agenda. He reiterated that this was a complex arrangement, but he had attempted to highlight its strengths and weaknesses.

Commissioner Teel asked if this was similar to the water buses in their using CMAQ funds, and stated it was her understanding that the County owned those buses. Mr. Partington stated that could be the case, but it would not be the case in this deal. He reiterated that the City would own the vehicles. Commissioner Teel asked if a like arrangement would be possible with the County. Mr. Partington stated that he believed that Dennis Girisgen and the City Attorney's Office had made such a proposal, but the County refused it.

Commissioner Moore stated that he felt it was to the City's advantage to become the owners even if the program was not successful because it would give them the opportunity to see if the Downtown transit concept could work. Commissioner Moore added they were also getting the \$5 from the rooms.

Vice Mayor Trantalis stated that when this was originally proposed, it was his understanding that it was to serve the Convention Center as a business connector, and therefore, any attempt to bring it into other areas would be inappropriate and not in the purview of the grant. He asked where was the commitment from the Convention and

Visitor's Bureau who collected the bed tax money, and why were they not interested in continuing the service since it was being started for their benefit.

Mr. Partington stated that the CMAQ monies were not by any means all of the subsidy or grant that the City would get, but it guaranteed the first 2 years. When the service started, the monies would begin to flow from the Federal grant, which was different from the CMAQ, and it would continue all the way through. He advised that CMAQ funds totaled \$250,000 per year for 2 years, but \$400,000 was guaranteed for each year of the service.

Mr. Partington stated that the transit consultant, Barry Goodman, had obtained or Federally earmarked \$1.5 Million which would be available for the City for use of transit services for the future. He explained that extending the service would cost more than projected under the current proposal. He continued stating that one possibility was that if this service started and was successful, they could build upon it.

Lorraine Smith, Assistant Director with Broward County Mass Transit, stated that with the \$2.4 Million that was in a grant they were going to pass through there was money available to support the Commission's position regarding the Transit Planner. She explained there were 5 years of money available at the tune of at least \$50,000 per year. In addition, she stated there capital costs to support the services that would be implemented with the operation of the service which was the actual Convention Connection they planned to do, along with facilities such as shelters and improvements along the planned routes. She further stated that in regard to the anticipated revenues, she was not that familiar with those figures, but it would be a marketing effort that would be provided with the hotel and Convention Center.

Paul Carpenter, Executive Director of the Fort Lauderdale Transportation Management Association, stated it was not a bed tax that was collected by the Convention and Visitors Bureau. He stated that the larger City-wide conventions that came to town had arrangements made regarding transportation with the various hotels. He explained that the hotels would charge a \$5 or \$6 surcharge on each room per night that were part of the City-wide convention, and then the meeting planners would contract out the transportation services. None of the funds went to the Bureau.

Vice Mayor Trantalis asked if there was a tax that was channeled through the Convention and Visitors Bureau. Mr. Carpenter explained that a bed tax was collected.

Commissioner Moore stated they had two years to begin this, and they might be able to build a relationship with the Convention and Visitors Bureau to deal with such a void. He felt this would be a good start.

Vice Mayor Trantalis reiterated that he had mentioned this because they had recently been taught not to put themselves in a situation that would cost the City money. He asked if they should not have some sort of participation by the Convention Center in case funding sources could not be found after the first two years. Therefore, the City would not have the responsibility to make up the difference. Commissioner Moore stated that was an avenue that could be explored, along with others. He agreed that should be a resource to consider.

Commissioner Moore stated the first thing was that they needed to decide if they wanted to agree that this would be guaranteed for 2 years, and then they would deal with other optional sources to fill the void when necessary. He reiterated that the worse scenario was to discontinue the service. He stated the best thing that could happen would be that they would have two years of experience in attempting to build a transportation system.

Vice Mayor Trantalis asked if the service was discontinued after two years would they owe the Federal Government any money. Mr. Partington stated it was possible because at that point they would own the vehicles, and if they could be put into another transit service that was not a Federal provider, than the City would not owe any money. However, if such vehicles were to be sold on the open market, they did not know if they would equal the depreciation being applied over the 7 years. Mr. Partington reiterated that other options were available.

Mr. Carpenter added that there were other mitigating factors involved, such as having a letter from the bus manufacturer stating that they would buy back 4 of those vehicles. He added that it was also his understanding that they were not able to come back to the City or County Commissions for operating funds.

Ms. Smith stated that the provider they were negotiating with to provide the service had a solid relationship with the Convention Center, who would assist them in marketing such a service. She advised that was a plus that was not available previously. She added there were many things available to make such a service successful. She stated they were looking for this service to be successful and not be terminated after 2 years. She further explained that they had asked the provider to help them understand how to reduce the liability to the City, and the letter mentioned had been provided to them.

Mr. Carpenter stated that the CMAQ funds could be used for over 3 years for the operation, but they had been included in the first 2 years. He stated that if they met the budget projections regarding revenue, then they would be accumulating a reserve that would be spent over a 5-year budget. He stated that the contractor would advertise the vehicles over 5 years, and the different in the 7-year amortization they would owe the FTA and the buy-back from the operator, there would be some savings.

Mr. Partington further stated that in reading the budget, the \$120,000 was probably for the TMA, and they were not anticipating getting any of that funding to support the transit person that was needed for this service.

Commissioner Moore stated that in reading the information, it stated the monies were for administration purposes and it did not say for the TMA. He stated that the only way he would support this matter is that it would not be the TMA. He reiterated that he had always stated that the TMA had not performed, and this did not give him any reason to think that the administration of such a program should be given to the TMA. He preferred that it be a person that they hire to implement the program. He stressed that the TMA had not done anything to give him a comfort level to have them operate this program.

Mayor Naugle stated that he believed the Acting City Manager's recommendation was that they hire a staff person to monitor the TMA and how they would operate the deal.

Commissioner Moore stated he did not see the reason for that. He explained the TMA was the middle man, and if there was a staff person available to administer the program



there was no need for such a person. He stated they had never stepped up to the plate over the 5 years of criticism he had made in order to make him feel comfortable that they were worthy of anything. He felt this would be beneficial to the City, the DDA, and the loop system for the Convention Center, but he did not feel there should be a caveat with an administration who had done nothing. He stated the only value the City got out of this program was Barry Goodman and the City was paying for it, along with the DDA. He stated they needed to hire a person that would be reporting to this Commission for the operation of this system.

Mayor Naugle stated that the advantage of the TMA was that they were able to bring in the other parties. He suggested that Commissioner Moore be the Commission's representative on the TMA to monitor the program. Commissioner Moore refused. He stressed that the TMA had not offered anything to his satisfaction that would make him enter into a 5-year obligation with them.

Mayor Naugle asked the Commission if they agreed for the TMA to operate the program, and the City to hire a person to monitor them, or should the City divorce themselves from the TMA and operate the entire operation in-house.

Commissioner Teel stated that she felt the responsibility would be more than one person could handle. Mr. Partington stated that staff was not recommending taking over the TMA functions, and the proposal was to have an in-house person monitor the TMA.

Commissioner Moore reiterated that there had been a mediocre operation by the TMA, and yet they continued to give them the opportunity to carry this matter into the next stage. He reiterated that this was a mistake and monies were available for the hiring of such an individual. He stated further that to offer this to a middle person who has not done anything was inappropriate.

Tammera Peacock, architect, stated that she volunteered with the TMA and was the Chair for this calendar year. She stated that they had hired Barry Goodman who was identifying the funding sources for them. She also stated that they had heard the Commission's concerns about the structure of their board, and they were actively restructuring it which was a subsequent agenda item for the workshop. She stated they were attempting to get the stakeholders into their group. She explained they had 25 members on their board in the past, and were now going to a 7 member board making them more efficient to make decisions. She advised that the ridership was up 30%. She stated there had been some setbacks, but there was a new system in place, along with new equipment. She felt they had made some significant improvements.

Vice Mayor Trantalis stated that he was not as familiar with this matter as others on the Commission, and therefore, he deferred to Commissioner Moore's judgment on the matter.

Commissioner Moore stated it would not be meritorious to continue the relationship with the TMA. He advised that the ridership had increased due to recommendations that the route be changed.

**Action:** Accept staff's recommendation to hire an individual to monitor this program.

**I-D – Board of Directors and Community Transportation Plan Reorganization**

Paul Carpenter, Executive Director of the TMA, stated that he was distributing some information that was to have been in their power point presentation.

Commissioner Moore left the meeting at approximately 4:03 p.m.

Mr. Carpenter explained that the TMA had been in existence since 1992, and had begun providing transit services in the early '90's. He stated that ridership data did not exist until 1997 when they had originally provided trolleys. In 1997 they went to the cut-away vehicles which they were still operating. He explained that the ridership steadily increased and they had some hurdles to overcome in the past. He stated there were over 36,000 boardings per month, and were the highest ridership of all County bus services. He stated they were going to double their service now by extending onto 17<sup>th</sup> Street. He further stated there was the potential for more transit in this City. He explained that there had been 3 routes 7 years ago, and now there were 7 routes, 7 days per week. He stated the idea behind the organization was that they were going to give more voice to the stakeholders which were the City, County, DDA and the Metropolitan Planning Organization. He stated this was recommended in a workshop last November, and they were requesting that the existing volunteer board remain as a steering committee.

Mr. Carpenter proceeded to recognize some of the board members who were present at today's meeting as follows: Tammera Peacock, Lorraine Smith, Julia Culp, Bob Van Fleet, Sharon Schwartz, and Paul Urgine.

Mr. Carpenter explained they were operating all their vehicles on bio-diesel fuels since 2000.

Mayor Naugle asked if they had anticipated that the two appointments from the City could be Commissioners. Mr. Carpenter stated it was up to the Commission's discretion. He stated they did anticipate that the appointments would be Commissioners. He advised that the County had appointed John Rodstrom and Jim Scott, and the DDA had appointed Jack Loos and Alan Hooper.

Commissioner Moore returned to the meeting at approximately 4:09 p.m.

**Action:** Commissioners Teel and Hutchinson were appointed to the Committee.

**I-E – Constitutional Amendment, Homestead Exemption**

Mayor Naugle stated that the Acting City Manager had requested that this item be withdrawn from today's agenda.

The Commission had been requested to next discuss Item I-O.

**I-O – Fire Assessment Fees**  
**Non-Profit and Tax Exempt Properties**

Otis Latin, Chief Fire-Rescue, stated that the consultants GSG/NGN were present today. He stated they wanted to discuss the possibility of having a 100% assessment for governmental and institutional properties. He stated that back-up material had been provided as to how this would impact various organizations.

Mayor Naugle stated that he did not support assessment the non-profits.

Commissioner Hutchinson stated that she did not support the non-profits being assessed.

Commissioner Teel stated that they were being reasonable at the 50% level for non-profits. She stated it cost more to run a government today, and some of the non-profits had monies in their treasuries. She stated that if it had come up at the 100%, she was going to suggest it be reduced to the 50% level with a 5% yearly increase. She stated she wished it could be zero for all non-profits, but they had a lot of such organizations and they paid their utility bills, and with the challenges facing the municipalities today, this was a reasonable proposal.

Commissioner Moore asked everyone to recall the fire alarm registration fee matter. He stated it would not realistically happen that the non-profits would agree to pay such an assessment without a battle. He stated they were already paying this because the individuals utilizing the facilities were paying it in the 100% increase on the properties they lived in, and when they went to the Performing Arts Center or another non-profit facility, they had already paid. He stated it had always been his belief that the 100% of the fire assessment was unwarranted as well, and it should be done through the ad valorem tax. He felt the \$119 fee was very regressive, and was not supportive of the fee itself. He felt if the majority of the Commission was agreeable to it, then the study would have to be done. He reiterated that he was not supportive of the non-profits being placed on the table.

Vice Mayor Trantalis stated that when this matter first arose, the City had been in dire financial straits and were looking for alternative funds. He stated he would not close the door to the non-profits paying such a fee, but he did not know what level of commitment the City had to enforce it. He stated if they were going to experience the same situation as with the fire alarm registration fee, then this would "become a joke," and he did not want the City to be the brunt of the joke. He felt they needed to pursue the non-profit approach and possibly could begin with a volunteer program to see what type of response they would receive. He stated they needed to receive funds from the non-profits and possibly the 50% approach was too draconian, and possibly initiate a volunteer program.

The Acting City Manager explained if they established a fee at 50%, these were good citizens and people who understood what service was about, and he did not think they would refuse to pay it because he felt it would go against the grain of what they held sacred.

Vice Mayor Trantalis reminded everyone that some of the organizations were on the School Board of Broward County. Mayor Naugle reminded everyone that fell under the

governmental entities. However it was labeled, he stated this would be another income generating source. He stated there were different rules for different assessments, but the point was that these organizations benefited from City services. The question was what was the City's moral obligation to such organizations in providing City services for free.

The Acting City Manager stated if they did not pay for such services, then taxes had to be increased for everyone else to make up the difference.

Commissioner Moore stated that when the public decided the fire alarm registration fee was unfair, the City had no ground to stand on. He stated if they went to the School Board and stated that for every facility that was provided for educating children, they were going to charge a fee for bringing a fire engine to that location, and if they publicly refused to pay such a fee, even if a proper assessment study was done stating it was required, the City could not base their budget on something that was not going to happen. He asked how could they look at the Public Housing Authority who housed the poorest of the poor to pay such a fee. He felt this was not something that he could support.

Commissioner Moore asked for alarms over the 3<sup>rd</sup> call, how many of the fines had been collected. He felt there was probably \$250,000 in fines uncollectable from the school system alone.

Terry Sharp, Finance Director, stated that he did not know the exact amount, but there was an amount due, and some payments had been made.

Commissioner Moore stated that each time a fee was paid in his district, he received calls from the area Superintendent and the Principal stating that the City was taking money away from the educational process.

Commissioner Teel asked if the consultants had experience with cities that had assessed non-profits, and what were the amount of collections received. It was stated that 99.9% of their clients had exempted non-profits and governmental entities. The Florida Supreme Court had stated that because someone was exempt from taxes did not mean they were exempt from special assessments. The City was empowered to collect. She stated that 95% would be collected from the non-profits because it was placed on the tax bill, and if they did not pay then a lien would be placed on the property. It was stated that governments presented unique situations that could impair the City's ability to collect. Statutes affected school properties and case laws affected Federal, County and State properties. It was stated that if the City went the governmental route, they could end up in litigation due to the precedent it would set.

The Acting City Manager stated that between the non-profits and the governmental entities it would amount to \$2 Million, and the non-profits were at \$800,000 at 100%.

Mayor Naugle stated they should include the governmental entities, but for budget purposes realize they might not be able to get 100% compliance. Commissioner Hutchinson stated it was her understanding that because of the first year, they would have to allocate the monies in the budget anyway. The Acting City Manager stated when they looked at the 100%, they had not figured in a high rate of compliance.

Mr. Sharp explained that they had assumed at the 100% rate, they would collect 50%.

Mayor Naugle stated there appeared to be a consensus not to move forward with the non-profits, but proceed with the governmental entities.

Commissioner Teel stated it did not appear they would be successful in collecting from the governmental entities.

Commissioner Hutchinson stated they were told that there could be statutory requirements that would allow the government entities not to have to comply. Therefore, why go through with this if they would not be able to collect.

The City Attorney advised that the School Board did not have to pay and they constantly argued that point. He stated the City could argue the other side of the coin, but there was little likelihood they would win. He stated that the Housing Authority did not have to pay. He stated they may make a payment in lieu of taxes, but it was at their discretion. It was on a volunteer basis. He stated that it would be impossible to collect from the State and Federal Governments. He stated the only person they would end up with would be the County, and that would end up in litigation. He added that he was not aware of any cases that forced the County to pay.

Commissioner Moore stated it was a good exercise to discuss this issue, but politically it was not viable, and the chances of collecting the fee were slim to none. He stated the beating they would receive for going after a governmental entity and non-profits would not be worth the \$800,000 that they might be able to collect. He recommended that the City not do this. He stated the millage rate would be an important discussion this evening in regard to wiping out the total 100% fee, and urged staff to supply the information he had requested earlier.

Mr. Sharp stated that the additional millage required bringing in that additional \$8.3 Million in the proposed budget would be .4376.

Mayor Naugle stated it appeared there was a consensus to move forward with the 100%, excluding governmental entities and non-profits.

Commissioner Moore asked how much had been paid for the consultant. Chief Latin replied they had paid about \$25,000 and reiterated it had been a requirement in order to do the 100% fee.

**Action:** Accept the 100% recommendation, excluding governmental entities and non-profits.

**I-F – Funding for Storm Drainage Improvements**  
**NE 33 Avenue Neighborhood Improvement Special Assessment Project 10247**

Peter Partington, Acting City Engineer, stated that this was a policy issue related to the potential assessment for the Dolphin Isles 33<sup>rd</sup> Avenue area. He stated they had been working on this project for a number of years, and had involved an extensive amount of public outreach. He explained it was a project to enhance the safety and security entranceway features, while also addressing traffic and pedestrian issues. He explained there was a drainage issue in the area, and an offer was made that the drainage program would be done at the City's expense with a cost at about \$600,000. He stated

further that it was apparent that such commitment was an issue because of what subsequently happened in other neighborhoods with such problems. He explained those areas had been told that there would be an assessment process. He stated that \$150,000 was proposed instead of the \$600,000 that was the original commitment. He stated this would affect the potential assessment, and they wanted to move forward. He stated further the policy issue was whether they were going to adhere to the earlier offer to pay for all the improvements or were they just doing to deal with the water quality element bearing in mind what happened in other neighborhoods in the past.

Commissioner Hutchinson returned to the meeting at approximately 4:30 p.m.

Tom Carr, President of Dolphin Isles, stated that he was going to distribute some information supplying the chronological order of the process. He stated that this project began in 1998. He stated in May, 1999, Paul Bohlander, Assistant City Engineer, along with Richard Cabrerra, Consultant Engineer, had stated that the plan was to integrate proposed storm drainage installation with water transmission maintenance installation. The storm drainage issue had been discussed at great lengths particularly as it affected the residents on NE 32<sup>nd</sup> Avenue. He stated that this information was obtained from their minutes and newsletters. In October, 1999, they stated that NE 33<sup>rd</sup> Avenue was to be completely resurfaced by the City within the next 2 years. On December 6, 1999, guest speaker Richard Cabrerra had informed the Dolphin Isles Homeowners that the proposed storm drainage system had an estimated completion date of June, 2000. In February, 2000, they stated that entrance features and roundabouts had been delayed to allow the construction to coincide with the repairs and additions to improve street drainage. Lou Deener had reported on the status of the pending improvements and the assessment of \$250 to \$300 to cover the shortfall. He stated that in the summer of 2002, some interesting twists had developed in the drainage project, and the drainage enhancements were to be in place for the next wet season. In the summer of 2002, Kara Nielsen stated that the final design was about 95% complete. In October, 2002, they were still awaiting the City's completion of the project, and in November, 2002, Kara Nielsen reported that the storm drainage was almost complete. In December, 2002, the assessment project had been delayed, and then in the winter Kara Nielsen had further stated that the estimated start of construction was for the summer of 2003. In June, 2003, there were ongoing delays from the City, and a public hearing had been canceled. In January, 2004, final construction costs were submitted to the City Appraiser, and the assessment was now at \$1500, and construction was to begin in the summer of 2004, and be completed by the summer of 2005. They had been told in May, 2004, the project was stalled, and in June, 2004, Hal Barnes and Peter Partington stated that the City had reneged on their agreement to fund the storm drainage improvements and wanted to add extra costs of \$300 to \$500 per household to the assessment.

Commissioner Moore asked if the other communities who had received storm water improvements had been assessed. Mr. Partington stated that was the current policy. Commissioner Moore stated that he saw no reason why this should be any different.

Vice Mayor Trantalis stated that he had asked that this item be placed on the agenda because when the entire project had been proposed and the community had been working with the City, the previous Assistant City Manager had committed to full funding of this part of the project. He stated that the community had relied on his representation, and that was why they had gotten involved. He explained they had a set number in mind regarding their contribution and it had continued to escalate, and after the commitments

made and the delays that took place, they felt the City should stand by their original commitment.

Commissioner Moore asked if the Commission had ever made a commitment regarding the matter. Mayor Naugle stated that it appeared the commitment had been made by Greg Kisela. Commissioner Moore reiterated that if they told every other community they would be assessed, and then someone informed a civic group incorrectly, this community should be no different and be assessed. Vice Mayor Trantalis stated they could be assessed, but not for the storm water.

Commissioner Hutchinson stated that she had asked Cecelia Hollar and Peter Partington if the neighborhood had been told that the City would pay for the storm water, and whether they were led to believe this would be done regardless of whether that person is here now or if the policy had changed.

Cecelia Hollar, Acting Public Services Director, stated that this had been brought to her attention after Greg Kisela had left, and staff had raised the issue that the other neighborhoods had been assessed for such improvements. She stated that she did not feel it was her place to go back and change a decision of an Assistant City Manager, and therefore, had brought the matter to the Acting City Manager to make such a policy decision. She further stated that in discussing this matter with the Acting City Manager, it was determined that this area would be assessed differently.

Commissioner Moore reiterated that the City Commission were the policymakers and not the Acting City Manager, nor anyone else. He stated that if the matter had not been brought to the Commission for a policy change, then he did not feel they were indebted to make a correction. He stated that the correction should be for this community to be assessed like everyone else.

Mayor Naugle remarked that they did not have anything in writing.

Mr. Partington stated there might be something in writing because the first figures of the assessment had been based on the 100% funding of the cost of the drains.

The Acting City Manager stated that he felt the policy should be across the board, but the problem was that this neighborhood had been given promises over the last 3-4 years, and longer in some cases, as part of the assessment process by someone in authority who should have been aware of the policy. Based on that, they were moving forward with the \$4 Million project of which each household was going to be assessed about \$1400. He remarked that if this went forward, it would have to be grandfathered in.

Commissioner Moore stated that this would cause a ripple effect with the other communities. He reiterated that this was wrong and should not be done. He stated that he wanted to apologize to that neighborhood, along with giving them a payout period to make the assessment in order to help lessen the impact, but felt it was inappropriate to waive the assessment.

Vice Mayor Trantalis stated that when one ran a business and had employee policies were set, but ultimately the owner was responsible for the conduct of their employees. If commitments had been made and others relied on those commitments in order to

change their position to a measurable extent and went through years relying on such representations, then the person in charge was responsible for such representations because they had the obligation to do so.

Mayor Naugle stated that if someone violated the law and committed funds that they were not legally obliged to do, then a crime was committed and the money had to be recovered. Vice Mayor Trantalis reiterated that a crime had not been committed. Mayor Naugle reiterated that possibly a crime had been committed because for an Assistant City Manager to say that this neighborhood could violate the rules of the policy and have a windfall of hundreds of thousands of dollars of benefits they were not entitled to, it could be a crime. He stated that he had discovered other neighborhoods not being assessed for storm drainage after the fact.

Vice Mayor Trantalis stated they had other Enterprise Funds so if they allocated monies from certain of those funds, and for one reason a project drained such fund, then it was okay, but in this case it was not okay. He further stated that if Enterprise Funds were used for a certain project which would benefit one area, they were not going to follow their policy and they would only allocate on a percentage basis, rather than draining the entire fund because it should now be consistent with the storm drainage policy which was to fund up to 50%. He reiterated that they had to understand that this project would be killed if this happens. The people would not pay another \$500 per household after what had happened. He stated it was shame on the City if they felt they could not back their own employees whether they were present or not in regard to their representations to the community.

Commissioner Teel reiterated that she wanted to see if there were any documents and who had signed them on behalf of the City.

Mr. Partington stated that Hal Barnes, Engineer Design Manager, had worked on this project and could possibly answer the Commission's questions.

Hal Barnes stated that in regard to the question regarding a commitment in writing, the costs estimates had been developed and shared with the community. He explained they had been detailed out by line items of construction and a credit section was included showing grants and utility credits. He explained that up until several months ago, it had appeared at a 100% credit from the City. He stated it had begun at about \$200,000 to \$300,000, but as they developed the cost estimates it arose to about \$400,000 to \$500,000. The final cost was about \$590,000 plus. He explained that this had been a commitment from Mr. Kisela. He further explained the cost estimates were in writing, but the document had not been signed, and verbal approval had been given.

The Acting City Manager reiterated that there was no doubt in anyone's mind that he had made the commitment, but the question was whether such commitment would be honored or not, and whether he had been authorized at the time to make such a commitment.

Commissioner Moore reiterated that Mr. Kisela had not had the authority to make such a commitment. He stressed that it was the Commission who granted such authority. Vice Mayor Trantalis asked if Mr. Kisela had the authority to make such a commitment.



The City Attorney replied that he had not had such authority, but could make a recommendation to the Commission. Mayor Naugle clarified that a recommendation could have been made to the Commission, and then the Commission would make the final decision. Mayor Naugle asked if he had made a recommendation or commitment because there was a difference. The City Attorney stated he did not know because he had not seen the paperwork.

Commissioner Moore reiterated that there was no difference because the Commission had not made the decision.

A representative of the Dolphin Isles stated that at the time of the commitment she represented the group and they had been called into Mr. Kisela's office, along with Commissioner Tim Smith. She advised that they were ready to proceed with their improvements. She explained that Mr. Kisela had stated that it would be cheaper and better for the City if they held off with their improvements and assumed a more global approach, thereby incorporating the entire area. They had agreed at that point in time.

Mayor Naugle stated that all information should be gathered and presented to the Commission so an intelligent and informed decision could be made by them.

Mr. Partington stated they would remove the item from tonight's agenda.

Commissioner Moore stated that they needed to set the date for the hearing. The Acting City Manager stated that the amount had to be set as well. Mr. Partington further stated that on tonight's agenda there was a Resolution establishing a public hearing for October 5, 2004, and establishing an assessment for a single-family home and condominium based upon the removal of the cost of the storm water improvements. He stated it was a higher figure.

Mayor Naugle stated that the figure could be reduced at the hearing, but they could not increase it. He asked if they should advertise the higher fee knowing that it could be reduced, or should they hold off. The Commission decided to advertise the higher figure, and further discussion would be held once the additional information was obtained.

**Action:** Hearing to be set and the higher figure would be advertised. Information to be gathered and presented to the Commission.

### **I-G – Use of Fire Station 8 on West Las Olas Boulevard for a Museum**

John Aurelius stated he was representing the Firefighters Benevolent Association. He continued stating that this group had been in existence for a long time, and ever since they lost their station at Andrews and 7<sup>th</sup> they had begun talking that they did not want to see another historic building disappear without having the ability to bring the past of the Fire Department, and possibly the Police Department, forward in the City. He stated they had formed the Fort Lauderdale Fire and Safety Museum, Inc. and had met with FAU to help them with the logistics of taking this building and making it a public purpose building. He stated they wanted to display fire engines, older police cars, and other equipment.

Mr. Aurelius proceeded to distribute the proposals that were to be incorporated into the building. He continued stating that they had a 1928 fire truck which went along with the

1927 building, and the Fireman's Memorial was located across the street. He stated they were suggesting that the Memorial be transferred to this location. He explained that the Association had moved forward and named a marketing group and fund raisers, and people were developing exhibits, including the Everglades fire which had caused much controversy and dialogue for a long time. He stated they had been in contact with other individuals in the community and old memorabilia had been collected. He explained that retired firefighters would man the operation. He stated their proposal was that they would be responsible solely for its maintenance, and were asking for a lease similar to that of the Coast Guard Auxiliary. He explained they had already done an assessment of the building and they realized that ADA requirements would have to be met.

Mr. Aurelius further stated they had met with the Civic Association of Sailboat Bend, and they wanted to work with them. He explained they wanted to permit them to use some of the public areas, and give input regarding the use of the building. He added that they had also met with the Fort Lauderdale Historical Society who had endorsed this project. He explained that in order for them to begin fund raising, they had to have a consensus from the City Commission that they were willing to support this project so they could put together their final plan to make this a museum that everyone would be proud of. He stated that the hours of operation and the type of operation would be in conformity with what the community wanted.

Yuri Grijalva, President of the Fort Lauderdale Firefighters' Benevolent Association, proceeded to introduce some of the individuals who were present at today's meeting and involved with this project.

Mayor Naugle stated that this sounded like a great proposal.

Charles Jordan stated he was a resident of Sailboat Bend and President of the Broward Trust for Historic Preservation. He stated they had a special meeting with the Civic Association a week ago and they unanimously endorsed the Broward Trust proposal for the use of this building. He stated they had been working under the presumption since 1995/1996 that this building would be a community building for the Sailboat Bend neighborhood. He explained that part of the reason the trust had been set up at that time was to manage such facilities like the fire station and the west side school. At this point in time, the school was not available and they were assuming the City would continue and honor their obligation. He stated their proposal was fully acceptable to the neighborhood.

Mayor Naugle asked if the Commission was prepared to make a decision on this matter at this time. The City Attorney stated that no decision could be made today.

Mr. Jordan stated they wanted a process to be put in place so they could participate and present their proposal.

Mayor Naugle stated that the District Commissioner would work with the City Manager to create such a process and then present it to the Commission. Commissioner Hutchinson volunteered to work with the groups.

Commissioner Moore left the meeting at approximately 4:57 p.m.

Mr. Aurelius stated they were asking to be able to move forward and negotiate the matter, and then make a presentation to the Commission. He advised that they needed to raise \$100,000. He stated that the Trust's proposal wanted the City to maintain the building for their use. He remarked that these were different proposals being presented.

Commissioner Hutchinson stated that she would work with all the groups, and they would come back with a proposal at no cost to the City.

Mr. Jordan stated that they had conflicting needs, and he stated there was another possibility that they could reserve the Downtown Station and not demolish it. The Acting City Manager and the Commission stated that could not be done. It was going to be demolished. Commissioner Teel stated it was an embarrassment to the City.

**Action:** Proposals to be brought back to the Commission.

### **EXECUTIVE CLOSED DOOR SESSION AT 5:00 P.M.**

#### **MEETING RECONVENED AT 5:08 P.M.**

#### **I-H – Single Audit Fiscal Year Ended September 30, 2003**

**Action:** Approved as presented.

#### **I-I – Citrus Canker Eradication Program – Stipulation for Settlement**

**Action:** Approved as presented.

#### **I-J – Alternatives to the Fire Rescue Facilities Bond**

Commissioner Hutchinson stated they needed to go for the bonds. Mayor Naugle reiterated that the number could be reduced.

The Acting City Manager stated that it also showed the cost of the bond in general obligation was less than bonding otherwise.

Commissioner Hutchinson asked when a presentation would be given for the public. The Acting City Manager stated that he would check on this. Commissioner Hutchinson reiterated that the public needed to participate in this.

**Action:** Information to be gathered and presentations made to the public.

Commissioner Moore returned to the meeting at approximately 5:10 p.m.

Mayor Naugle recapped what had been done while Commissioner Moore had been absent from the meeting.

**I-K – Affordable – Below Market Rate Housing Requirements.**

Mayor Naugle stated that this item recommended that they spend up to \$300,000 for a study, and fund a position in the approximate amount of \$70,000. He continued stating that he was reluctant to move forward with a \$300,000 study if there was no political will to do something like this. He reiterated that there were only a few cities around the Country who had such an ordinance. He felt there could be some market incentives that they could study which had been done in other places.

Commissioner Moore stated that this was important to do and it needed to be done in an appropriate manner. He stated that this proposal made sense, and he felt the reviews of what other cities had done, along with the impacts, should be done. He stated it was not saying they would spend the entire \$300,000, and only \$100,000 had been proposed.

Faye Outlaw, Acting Director of Community and Economic Development, stated that they were projecting the range of the study. She advised they had spoken with a number of consultants.

Commissioner Moore stated that he felt this City should lead such a charge in the State. He stated that his experience in sitting on the Regional Planning Council showed him that affordability of housing throughout South Florida was a major concern. He hoped they would do an ordinance that would prevail and meet the test to allow this to happen.

Commissioner Teel stated that she had the understanding that the DDA had been doing a work force housing study.

Mayor Naugle remarked that he was aware that discussions had been held. Commissioner Hutchinson stated she did not know if they were actively pursuing this matter.

Commissioner Moore stated that even if they were pursuing this, it would not hurt the City to move forward on this, and possibly they could share in the study thereby reducing the cost.

Commissioner Teel suggested that they check into what the DDA was doing.

Mayor Naugle suggested that this item be delayed until further discussions were held with the DDA.

Commissioner Hutchinson stated that a presentation was scheduled for October. She stated she did not disagree with Commissioner Moore regarding the study, but she wanted to know if the DDA was pursuing this. She stated that she also wanted to hear from Ms. Ross who was to make the presentation.

**Action:** Further discussion to be held with the DDA in regard to this item.

**I-L – Commercial Tour Boat Use at Las Olas Marina**

Jamie Hart, Supervisor Marine Facilities, stated that they were requesting this matter be deferred until September.

**Action:** Item deferred until September, 2004.

**I-M – “After the Fact” Dock Waivers**

Mayor Naugle explained that the Marine Advisory Board was requesting that these come directly to the City Commission.

Jamie Hart, Supervisor Marine Facilities, explained only those involved when an error had been made by the Building Department.

Commissioner Teel stated she did not agree with this because she felt there were not that many and the Board's expertise was needed. She believed the Board was a valuable asset to the City.

Mayor Naugle reiterated that the Marine Advisory Board was asking for these not to come before them, but he believed it benefited going before that Board because if there were a hazard regarding navigation, they would be able to point that out to the Commission.

**Action:** After the fact dock waivers to continue being presented to the Marine Advisory Board.

**I-N – Clear Channel Billboards**

Mayor Naugle stated that he had received a call from individuals in Cypress Creek saying they objected to this item.

Commissioner Moore asked what was the objection.

Commissioner Teel referred the Commission to the photograph depicting I-95 east of North Cypress Creek Road, and stated that there was a glass building shown, and the neighbors felt these billboards would not enhance the area. She explained that the Uptown Development Group was working hard to bring in businesses to the area, and this would be a blight on the ambiance of the area.

Mayor Naugle asked if the other neighborhoods that were involved knew that this item was on the agenda today. Commissioner Teel replied they were not aware.

Mayor Naugle stated that this item should be postponed until all neighborhoods were notified.

Commissioner Moore stated he did not mind delaying this discussion, but it should be scheduled for September. He further stated that in this recommendation the City had agreed to the corridor of I-95 being used for such signs, and that was why he felt the matter should be discussed. He stated the visual blight could possibly be adjusted on the thoroughfare.

Mayor Naugle stated that some of the new billboards were very distracting due to the lighting involved. He asked if the signs would be moving and consist of bright lights. It was explained that they had one or two tri-visions which shifted.

Commissioner Moore stated that due to the Uptown Business Community and how they were developing, this could be looked as a positive to promote the development in that area.

**Action:** Item to be placed on the September agenda.

### **I-P – Regulation of Taxicabs**

The City Attorney stated that there had been a recommendation of the Community Services Board to not extend the number of taxicabs. He stated further that a question had been asked as to who controlled the taxicabs, and a question had been raised as to whether the cap could be reduced. He stated the cap could not be reduced and was controlled by the County. There were 200 permits approved based on a census figure. He explained they had passed an ordinance which tracked that and allowed them to have one additional taxicab for every 2,000 of population which exceeded the 1980 census. He stated that had been achieved through annexation. He reiterated that the Community Services Board had recommended not to add the 6 permits. He stated that a lot of work had been done by one of the cab owners and requested to obtain those 6 permits. He stated if the Commission decided to allot the additional 6 permits, they needed to decide how they would be allocated.

Mayor Naugle asked if the Commission desired to add the 6 additional permits. Commissioner Moore confirmed.

The City Attorney further stated that this item would have to be placed back on the agenda for the Commission to consider the Community Services Board's recommendation and to decide if they wanted to overturn their decision. He advised that the Board had found there was no public need for the additional taxicabs.

Commissioner Moore stated he was advocating that they consider adding the six because if they were going to use an equation of necessity, which was based on population, it was clear that the population had increased, and the scale would not be tilted with the addition of 6 cabs.

Mayor Naugle suggested they return before the Commission with a recommendation of how to allocate the additional 6 cabs.

Commissioner Moore asked how many applications were in place at this time for taxicabs. The City Attorney remarked there were quite a few. Commissioner Moore stated that they needed an indication as to how many applicants there were for such permits.

Charles Brady, Chair of the Community Services Board, stated there were more permits being requested than the 6 being considered. He stated that when the Board reviewed this, Section 27-45 stated: "That they must not only consider the increase in population pursuant to the County ordinance, but they must also consider public demand, the affect of an increase in the number of taxicabs, the growth of the City, and such other factors that the Board may deem relevant." At that point, he stated that once such criteria were met, they then needed to read Section 27-43 which stated: "Applications for new certificates of public convenience and necessity for taxicab operators would not be accepted by the City until a public hearing had been held pursuant to Section 27-45, and

a recommendation has been made by the Community Services Board to the City Commission to increase the number of taxicab permits.” He clarified that it did not say “or” or “may,” but stated “and.”

Mayor Naugle stated that the City Attorney had advised that a hearing had been held, and the Commission had the ability to consider that and approve or disapprove the additional permits. The City Attorney confirmed. Mayor Naugle reiterated that the City Attorney would come back with a recommendation as to how they should be allocated.

Mr. Brady stated if that was to be done, then the minutes which were forwarded to the Commission were not the report of the Chair of the Board. Pursuant to Ordinance 79-30 it stated: “A written report, including a one-page summary, shall be submitted to the City Commission not more than 30 working days following any meeting set forth of matters considered by the Board along with the Board’s recommendations to the City Commission.” He reiterated that they had not yet made their recommendation and only the minutes had been forwarded of such meeting. Based on this, it had been construed from the minutes that a recommendation was made that had not yet been made by this Board. He asked that this item be tabled until such report was made. Therefore, all reports and findings could then be reviewed before the Commission made a prudent decision.

Commissioner Moore stated that today they were only showing a consensus that there were 6 additional vehicles to be considered. He stated that such report should be submitted in a timely manner.

**Action:** Recommendation to be made as to how the allocation should take place for the six additional permits.

#### **II-A – June 2004 Monthly Financial Report**

**Action:** None taken.

#### **II-B – Assessment of Special Event Promoters for Lost City Parking Revenues**

Mayor Naugle stated that he did not want to do this.

Commissioner Moore stated this was a report and if they were going to talk about taking a position on this, then it had to be scheduled on the agenda for discussion.

**Action:** To be scheduled for a Conference discussion.

#### **II-C – Web Based Supplier and Contractor Performance Benchmarking Services**

**Action:** None taken.

#### **II-D – Code Enforcement Lien Foreclosure Process**

Commissioner Hutchinson asked when the other recommendations regarding the citation would move forward.

The City Attorney stated he was not sure about the citation because he had spoken with the Chief Judge who was not enthusiastic, and he had directed him to speak with the Judge in charge of the County Court system. He stated that he was going to schedule such a discussion next month, and a recommendation should be made by the end of September.

Commissioner Hutchinson stated that she had been informed that other cities do this.

The City Attorney replied that he believed that 1-2 other cities did this, but were smaller jurisdictions.

Commissioner Hutchinson stated that this matter had been a recommendation from the Code Advisory Committee, and the City Commission had approved it.

The City Attorney stated that this would come back with a recommendation, along with financial impacts because in order to enforce this, it would be outside of their control. Officers would be sent to the Court who scheduled hearings at their pleasure, and the City scheduled their Special Master Hearings at their pleasure. He explained that without the cooperation of the Court, this could be expensive which would be a key element to proceeding with this item.

Mayor Naugle stated that they would have to attempt to work something out making it convenient for the officers, and suggested that possibly a certain day could be set aside for such hearings. The City Attorney agreed.

Vice Mayor Trantalis stated that when they first began discussing moving forward and starting the policy of foreclosing on code enforcement liens, there had been a delay between the time that the policy had been authorized and the time that it was implemented. He stated that the City Attorney's office had been assembling information necessary to come up with cases that were defensible with sufficient support documentation. In the process, they had come up with 30 files, which he felt was a small number, but based on the type of handicaps they had possibly encountered in assembling such documentation, he was sympathetic. Now, out of the 30 he saw that demand letters had only been sent out on 12 cases, and it was stated that the other 18 were not yet "ripe" to send out demand letters. He stated he did not understand the process being used, and asked why demand letters had not been sent out on all 30 cases. He stated this was an important topic at his pre-agenda meeting. He stated it appeared the City was concerned about offending property owners that never seemed to come under the "arm of justice." It appeared to the citizens that the City was dragging their feet.

The City Attorney stated there were a number of problems. The primary problem was that there had been an Amnesty Program which "picked all the low-hanging fruit." He stated the other problem was that laws changed late last year, and now they had to deal with Massey Hearings. As they reviewed the files, they discovered that many had not had the second hearing regarding the placement of the lien on the property. Therefore, they had to go back and hold such hearings. Once the Massey Hearing was held, then foreclosure could take place in 90 days. He stated they were sending out the demand letters to give the individuals two weeks, and at the end of that time, they would get notice of pleadings.



Commissioner Moore clarified that they were creating the foundation so when they went through the foreclosure process, they would have a sustainable case and not one that would be kicked out.

Vice Mayor Trantalis stated it had been his understanding that was why such cases had been assembled to begin with. The City Attorney stated that in some cases the lenders had beat the City to the foreclosure action, and their claim was prior to the City's, and the likelihood was that they would foreclose on such properties. Vice Mayor Trantalis asked if they were beginning to assemble another group of 30 cases. The City Attorney confirmed.

Mayor Naugle commented that the ones that were easier to collect probably had taken advantage of the 25%. The City Attorney added that there was a case on tonight's agenda.

Commissioner Moore left the meeting at approximately 5:33 p.m.

The City Attorney stated that once letters were written, his office began getting calls and if they were easy to collect and the individuals wanted to pay, then they would not have to use a lawyer to foreclose. He explained that they were going to pay \$1,000 for each case filed, along with 15% of the amount recovered. Therefore, he stated if they settled at 85% right away, then they would be ahead. He stated they were asking for a 10% leeway to allow him and the City Manager to settle the case at \$.75 on the \$1.00 and other cases would come before the Commission or they would foreclose. He stated that was the recommendation to be adopted as a policy tonight, and one of them was an \$89,000 lien and they were requesting 75% of it for settlement.

#### **II-E – Community Development Block Grant Expenditure Report**

Mayor Naugle stated they needed to use it or lose it.

There being no further business to come before the Commission, the meeting was adjourned at 5:35 p.m.