

CITY COMMISSION WORKSHOP 12:00 P.M. FEBRUARY 21, 2006

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

Also Present: City Manager – George Gretsas
City Attorney - Harry A. Stewart
City Clerk - Jonda K. Joseph
Sergeant At Arms – Sergeant Patrick Hart and Frank Sebregandio

**Discussion of Legislative Issues with Senator Steven A. Geller,
Florida Senate, District 31**

Senator Steven Geller said he represents most of the City of Fort Lauderdale and outlined the boundaries. He represents about 10 cities which include Hallandale, Hollywood, Dania, Davie, Sunrise, Plantation, Fort Lauderdale, Cooper City, Miramar, Pembroke Pines and some unincorporated areas.

Senator Geller urged the Commission to call him if there are any issues that arise. He is the incoming Senate Democratic Leader. He has a strong record of municipal support. He serves on the following committees: Regulated Industries, Comprehensive Planning, Military Veterans and Affairs, Local Government, Finance and Tax, Judiciary, Banking and Insurance and Rules.

Hurricanes; Utility Undergrounding

Senator Geller said that some issues this year are hurricane matters, including insurance. Commissioner Trantalis said that they feel the current level of service is inadequate. Senator Geller said that Senator Ron Kline filed a bill last year calling for a study to strengthen the power grid that did not get very far, but he felt it will this year. Some individuals advocate underground utility lines, but those communities still lose power. Dry hurricanes permit the power to be restored quicker with underground utilities. With flooding, it will take longer to regain power with underground utilities and aboveground utilities would fare better at a lower price. There is a huge cost in undergrounding. If not 100%, 90% of the cost would need to be borne by the rate payers. He does not know the answer.

Commissioner Trantalis said there is clearly a need. There are residents who would be willing to pay the capital expenditure. He elaborated upon the difficulties of doing without electricity and not knowing when it will be restored. FPL should service customers as a public institution as opposed to a private enterprise. that in reality everything in life is connected to electricity, and there needs to be a focus on how to service the City as a public institution and not a private enterprise.

Senator Geller did not want to take action before data is gathered. He hoped that Senator Kline's bill passes this year; have the report completed by November or December of 2006 and have the matter ready for legislation in 2007. He was concerned about people overreacting. He elaborated upon efforts with service stations and generators. By 2009 at least one-third to one-half of service stations will have generators. Mayor Naugle thought a better idea would be to have arrangements made for service stations to be able to lease generators if necessary. Senator Geller said

there would be a problem with stations competing for a limited number of generators. He concluded that he has been concentrating effort on this matter.

Homeowner Insurance

Senator Geller said that he gets a majority of complaints in connection with homeowner insurance. The State generates money from hurricanes because of sales tax. It is expected that \$600,000 will be generated from the two hurricanes this year in excess sales tax. He felt such windfall monies should go to pay for any assessment on Citizens Insurance caused by the hurricane and then into the Hurricane Catastrophe Fund to keep insurance cost down. Governor Bush disagrees. Mayor Naugle thought that would favor people who have their insurance with Citizens. Senator Geller indicated if there is an assessment by Citizens, it is paid by every homeowner statewide. There is a tremendous problem which could have a devastating impact on the City.

Commissioner Trantalis said many people with insurance are precluded from collecting due to high deductibles.

Mayor Naugle said the amount insured is a formula based on the square footage. A typical house on Las Olas is a \$400,000 residence on a million dollar lot, so the insured amount is \$400,000. Senator Geller said insurance companies are attempting to write less insurance because they never realized there could be a hundred billion dollar storm. If that happens, it would put a company out of business therefore they are trying to write less concentration of their policies in this area. He voted against the bill that created high deductibles.

Commissioner Trantalis said that there has to be a way to help individual average homeowner; is there a way to set up an actuarial table that would be protective. Senator Geller said the insurance industry does modeling; they determine what a certain category storm would cost, and then factor in all possibilities. The models are owned by insurance and re-insurance companies. The State of Florida is trying to develop their own model which should be functional by next year. The only way to have affordable and available insurance is to have a national natural disaster pool. Kevin McCarty, Florida Insurance Commissioner, is the Chairman of the National Association of Insurance Commissioners Natural Disaster Committee. Senator Geller said that he is the Chairman of the National Conference of Insurance Legislators Natural Disaster Committee. They are both pushing for a national natural disaster pool. The important issue that this City should know is that there are proposals in Tallahassee filed by the Chair of the House Insurance Committee that would say Citizens Insurance would limit insurance to homesteaded properties and limit insurance to properties valued at \$1 million or less. There is a difference in insuring the value of the property and insuring the home. The proposals are not saying that policies have to be for \$1 million or less, but that they could only be for homes valued at \$1 million or less. It may result in a large number of homes in the City not being able to find homeowner insurance. He is very opposed to this. He urged the City's lobbyists address this issue.

Senator Geller noted there are a huge number of people who do not have insurance. This is actually a social policy that should be addressed. New Orleans is an example that proves this subject should be addressed.

Commissioner Moore thought the insurance industry would probably design a product for the individual market of those with property valued over \$1 million. If a cap is instituted, it will probably be possible to insure more people because the risk is less. There is a benefit to a majority of people in the City in having a cap. Senator Geller concurred. Commissioner Moore would be interested in knowing the impact by making a calculation using values from the Property Appraiser.

Commissioner Trantalis said if that segment of the population is removed from the general insurance pool, a higher risk pool is then created. Commissioner Moore did not think it is a higher risk, simply a greater property cost for rehabilitation of the structure. Commissioner Trantalis pointed out that segment pays more in taxes. Commissioner Moore clarified this discussion is about insurance, not taxes. Senator Geller said price would go up because the only people writing policies would be the surplus lines companies, such as Lloyds of London, who are the insurers of last resort. Their prices and policies are not regulated. This is clearly an issue that the Commission is not in agreement on. He asked Mayor Naugle to ask the League of Cities to discuss this. The City should make their lobbyists aware of the issue and inform his office and the Senate of the City's position.

Mayor Naugle said there are two issues; one is the homesteaded properties and the other is the cap. He thought the full Commission would be against limiting insurance for only homesteaded properties. He asked that this item be placed on the March 7, 2006 conference agenda.

Community Redevelopment Agencies

Senator Geller said that he has fought with the County on community redevelopment agencies. If the County and cities ever reach an agreement, he would be happy to be the leading advocate. Absent an agreement, he would not support any attempt by the County to reign in CRA legislation. He gets confused when the cities disagree with each other.

Commissioner Moore said he represents the Florida League of Cities on their CRA committee. The counties are trying to find a city and buy support, which was done with Coral Springs. Senator Geller said he represents Hallandale, Hollywood, Dania, Davie, Sunrise, Plantation, Fort Lauderdale, Pembroke Pines, Miramar, Cooper City. Not all of the cities he represents have indicated they oppose the County. When there is a divide, it becomes difficult. Mayor Naugle noted bonds were sold on the revenue. Restrictions on future CRAs would be something different. Senator Geller did not support any changes providing the cities remain opposed.

Senator Geller referred to the Kilo vs New London Connecticut case. He felt the cities and the County have done a terrible job in this matter. The cities asked that nothing be done until they complete a study in 2007, which is a foolish position because meantime legislation will be passed. He proposed a compromise. Some are attempting to outlaw takings for economic development in their entirety. Some want the definition of slum and blight to be tightened and after that, nothing will qualify. Some are saying that each individual property would have to meet the definition of slum and blight which would not work. He has suggested an alternative and wants municipal and county support. The city should be able to define geographic boundaries. If a developer is able to acquire a percentage of the properties within that boundary, then the city could use eminent

domain on the balance. He thought the percentage is between 85% and 95%. Thus far cities and counties have been fighting on everything.

Budget Requests

Senator Geller said that he filed a large number of budget requests on the City's behalf at the request of the City Lobbyist. Ann Kelleher, Assistant to the City Manager, indicated there is \$25 million on hurricane preparedness and mobile technology for the Police Department and in-car videos for the Police Department. Senator Geller thought he has also filed one or two relating to drainage. He said that he is not on the Appropriations Committee.

Utility Power Plant Siting

Senator Geller received phone calls from various cities in connection with a power plant siting bill that would take all control from cities. He supported the cities on this matter. A compromise was reached with the utilities. The League is not opposed, but also is not in support. Power substations would have to be permitted anywhere and cities would not have a say as to location. The last he heard it would depend upon zoning. It would strengthen the existing law. Cities and utilities are still negotiating

Commissioner Moore asked for the City to look into this issue. Mayor Naugle questioned why the City Lobbyist did not advise the Commission.

Communications Services Tax

Senator Geller said by the time this gets to him, cities and counties have already met with the utilities and typically reached an agreement. He asked that the City Lobbyist stay on track and contact him before each vote. It would be preferable to hear from members of the Commission.

Cable Television Franchising

Senator Geller said there is a war taking place between cable television and the local telecommunications. They are trying to negotiate a master franchise with the state versus city-by-city basis. He believed Texas is the only place it has been done this way. He thought this would probably get raised next year, 2007.

Mayor Naugle felt this will be less and less of a problem due to individuals leaving the cable companies for direct TV.

Senator Geller said the cable companies point out that if this is permitted, cities will get cherry picking, not citywide. The telecommunications side says that if there is a fair master contract, it would reduce costs and time. He has not been convinced yet by either party.

Affordable Housing; Bill 1889

Senator Geller said that he filed legislation to repeal legislation on capping of affordable housing, but has no chance of winning. The Governor is adamantly opposed to the legislation and feels there has been a windfall in property taxes; money is needed for

general revenue. Senator Geller felt the Governor has taken too much money to be available for tax cuts. He elaborated upon cuts were made because of a budget crisis. Now that the economy is stronger, the funding is not being put back in and the Governor wants to give more tax cuts. He disagrees with this position. He felt there is a huge affordable housing crisis. There is a small part of the intangible tax left and he will vote against its abolishment. Many of the tax breaks have been possible because a lot of the burden has been shifted to local government. He has fundamental disagreement with the Governor.

Funding for Fort Lauderdale Baseball Stadium

Senator Geller said when this issue arises it gets tangled with funding \$60 million for the Marlins, a professional baseball team, and Fort Lauderdale requesting \$30 million. Commissioner Trantalis said the request is only \$15 million. Vice Mayor Teel said the Baltimore Orioles are kicking in the other \$15 million. Mayor Naugle said it is a sales tax rebate; this city is only requesting what other cities have received. Commissioner Trantalis said this issue got tangled with the Marlins because the strategy was to combine them. Senator Geller did not know the outcome but is sympathetic to it. Mayor Naugle thought it will be easier to obtain funds once the Marlins are gone. Senator Geller agreed and indicated he will do what he can to assist. Mayor Naugle mentioned the hotels and economic impact.

Upcoming Year Climate

Mayor Naugle asked overall what the coming year's climate will be. Senator Geller said a lot of time will be spent on the hurricanes. He is concerned about what the climate would be for the year. In the past, the Senate has always been the most moderate chamber of the two and bi-partisan. Committee chairs from both parties have historically been appointed. They are seeing signs of this changing. He elaborated upon some examples. They have always blocked bad legislation. Hurricanes and eminent domain will be major items. There will be a lot of discussion about affordable housing, but he did not think anything will be done about it. Many senators are running for higher offices. Not very much controversial will happen.

Portability

In response to Mayor Naugle, Senator Geller did not think there would be a referendum question on the ballot concerning portability. It is very complicated. In the past he has opposed portability. The Save Our Homes amendment does not reduce taxes, but rather transfers the burden. The original purpose was to protect elderly from having to sell their homes because of taxes. It has accomplished the purpose, however many people cannot afford to move because their taxes would increase. Mayor Naugle was opposed to a cap as that would hurt Fort Lauderdale citizens. Many homes in Fort Lauderdale are a million therefore a \$500,000 cap for example would be tough. Senator Geller said he is speaking about the amount of portability. The Save Our Homes Amendment is worsening the affordability problem. It is shifting the tax burden more heavily onto first time homebuyers and renters. It is trapping people in their homes. He is looking for a solution that would not worsen the impact on first time homebuyers and renters. He would consider portability this year. One compromise is a cap. He would not support state-wide portability; it is too complicated.

Mayor Naugle thought that state-wide portability would benefit the Senator's constituents. Senator Geller thought it could bankrupt some counties.

Senator Geller said another option is to do it on a local option basis county-by-county.

Multiple School Boards

In response to Commissioner Moore, Senator Geller said in the past he has been opposed to the multiple school boards. He felt the result would be more affluent boards. Assurances would have to be put in place so minority districts would not be created. Possibly it could be done on a city-by-city basis. He was not convinced it works, but he is not totally opposed at this time and would be willing to discuss the issue. He has not heard that this is an issue this year from a local government perspective, however he is not on the Education Committee.

Commissioner Moore asked for the City Lobbyist to look into this matter.

Sale of Refrigerated Alcoholic Beverages From Service Stations

Commissioner Moore understood there is a proposal to prohibit sale of refrigerated alcoholic beverages from service stations. Senator Geller was not aware of any such legislation. He serves on the Regulated Industries Committee. Any such legislation would have to come through that committee. He did not envision such legislation would go anywhere.

Cost Benefit Analysis; Installation of Sewer Lines to Replace Septic Tanks

The City Attorney said there is a proposed bill requiring a cost benefit analysis before cities or counties may install sewer systems replacing septic tanks. He asked about the genesis of such a bill. Senator Geller was not aware of it. He asked that the City Lobbyist contact him and he would check into it. The City Attorney was concerned about impact on the City's WaterWorks 2011 Program. Senator Geller said that if a representative discusses filing legislation does not mean that a bill would get passed.

Senator Geller urged the Commission to call him regarding any issue.

There being no other items for discussion, the meeting ended at 1:32 p.m.