

**FORT LAUDERDALE CITY COMMISSION
WORKSHOP MEETING
TUESDAY, SEPTEMBER 25, 2007 – 1:30 P.M.**

**CITY HALL CONFERENCE ROOM – 8TH FLOOR
100 NORTH ANDREWS AVENUE
FORT LAUDERDALE, FLORIDA**

Present: Mayor Naugle
Commissioners Hutchinson, Rodstrom, and Teel and Vice Mayor Moore
(arrived at 1:43 p.m.)

Absent: None.

Also Present: City Manager – George Gretsas
City Auditor - John Herbst
City Clerk - Jonda K. Joseph
City Attorney - Harry A. Stewart
Sergeant At Arms – Sergeant Fontalvo

Cargo Plane Accidents; Executive Airport

(OB)

Commissioner Teel said that recently there was a cargo plane crash near the Executive Airport and that accidents are occurring more frequently. It appears to be related to cargo planes. The FAA has indicated a shortage of inspectors to check the planes. She requested the Commission adopt a resolution that would be forwarded to Washington to request increased funding for such safety inspections.

In response to Commissioner Rodstrom, Clara Bennett, Executive Airport Manager, said their capability to handle large aircraft is limited based on runway lengths and configurations. FAA retains all regulatory aspects of aviation, including certification of airplanes, maintenance and pilot training. The City's role is to provide a safe environment while the aircraft are on the ground. The FAA inspection process could be reviewed with the Congressional Delegation.

Mayor Naugle thought the Aviation Advisory Board should be informed of any resolution adopted by the Commission.

In response to Commissioner Rodstrom, Ms. Bennett said that the FAA checks all aircraft.

Broward Caribbean Carnival

Phil Thornburg, Parks and Recreation Director, said representatives of the Carnival have been very cooperative. He also spoke with the Orioles' representative and they are satisfied with their conversations with the Carnival representatives. Staff is moving forward.

Commissioner Hutchinson said the maximum capacity calculated by the Fire Rescue Department is 22,000 which is 7,000 more than the maximum capacity discussed at the

September 18th Commission meeting. Mr. Thornburg concurred that the Fire Department has indicated a maximum of 22,000. He understood from discussion with the Orioles that only 20,000 tickets will be sold.

In response to Commissioner Hutchinson, the City Attorney indicated that Friday, 5 p.m. is the cutoff.

Telecommunication Equipment in Rights-of-Way

NOTE: There is also discussion on Undergrounding of Above-Ground Utility Lines

Vice Mayor Moore entered the meeting at approximately 1:43 p.m.

Rod Macon, representing Florida Power & Light Company, presented a slide presentation entitled "Road map to Success – Conversion of Overhead Utilities to Underground. A copy of the slides is attached to these minutes. This report is a blueprint for the City to achieve the objectives they want to obtain at the lowest possible cost. They are recommending a bundle approach which is one that coordinates the conversion of electric, telephone and cable TV at the same time to maximize efficiencies and minimize inconveniences. They are suggesting a partnership with the City to develop a plan. To convert all overhead electric facilities would cost somewhere in the neighborhood of \$300 million compared to their estimate of \$1 billion if the City were to buy their business, municipalize and then go forward with conversion of the overhead facilities. The City benefits in two ways with such a partnership, in addition to avoiding the cost for purchase of the electric business, they could take advantage of an equivalent overhead system credit. The cost of overhead service is reflected in the present electric bills. The City would get a credit equal to the cost of a brand new overhead system. Additionally, FPL received approval from the Florida Public Service Commission to offer an additional discount to local government sponsored projects; an additional 25% off the conversion cost. FPL is the only electric company in Florida offering this discount. FPL has industry leading experience when it comes to underground facilities. Almost 40% of their system is already underground, and almost 70% of everything new being installed is underground. FPL proposes a flexible and efficient approach that includes: a bundle approach which is coordination with the telephone company and cable TV. They feel it is wise to explore certain conversion options. A proposal to do everything was submitted to the Commission, and there are certain options to do only portions of the system that might provide the bulk of the benefits at a much lower cost. Their proposal is to work with City staff to develop and evaluate alternatives that might be available. They recommend phasing. Because underground facilities can now be placed in the rights-of-way, this dramatically reduces the need for easements on private property.

In regard to underground cabinets, Mr. Macon said FPL is now using a below-grade equivalent. The City in their partnership with FPL could choose to contract out to a third party the construction work associated with the conversion. Provided the construction was in accordance with FPL standards, the City would still qualify for the discount.

Mr. Macon said this would reduce hurricane restoration time, reduce service interruptions, and sharply reduce line clearing and tree cutting. He recommended the city first consider an underground ordinance. He submitted code excerpts from other

Broward cities that require underground facilities in conjunction with new construction or other types of construction.

Vice Mayor Moore asked if there are any additional costs to the government or the users for using an underground cabinet. Mr. Macon said there is an additional cost. The above-ground box is approximately \$25,000 and the below grade installation is about \$75,000. There would be a discount. Vice Mayor Moore asked what would have to be contributed by the City. Mr. Macon said he did not know at this time. Calculations on the overhead equivalent, minus the 25%, would have to be done. It may be different from one case to the next. The box replaces several kinds of overhead configurations.

Commissioner Rodstrom asked if FPL would be adding boxes if the City decides to underground. Mr. Macon said that since 1/3 of the City is already underground, there would be more boxes in the future or the remaining 2/3.

Mayor Naugle asked if underground transformers would be prone to explode. Mr. Macon said in his experience it is more likely to occur with an overhead transformer than with an underground transformer. Mayor Naugle asked about the time for repairs to a transformer that is underground or on a slab. Mr. Macon said it typically takes longer to repair an underground system, but underground facilities have substantially fewer interruptions.

Mayor Naugle asked if the recent explosion could have been avoided. Mr. Macon said FPL uses thermo vision. They scan about ¼ of their facilities every year looking for hot spots, and therefore, to some extent these types of things can be predicted.

Commissioner Teel asked about bundling of utilities. Mr. Macon said each utility has its own facilities. Efficiencies can be achieved with the installation of conduit and coordination of boxes. It would be a violation of the National Safety Code to put cable TV or telephone equipment in the FPL box shown in the presentation. Commissioner Teel asked about the height of the FPL box shown in the presentation. Mr. Macon said it is approximately five feet in height and the other box is knee high. The boxes vary in size depending on the capacity, manufacturer, etc.

In response to Vice Mayor, Mr. Macon said that FPL does not object to buffer landscaping around the boxes provided they can be opened safely.

Vice Mayor Moore wanted to look at this subject citywide. He suggested all undergrounding be done by the City and each utility charged to use the lines. This way would be under the City's control. He thought that FPL and AT&T have indicated a willingness for undergrounding if this is the direction the City wants to take. He asked about Comcast as they have just completed a build-out which could have a 15-year life span. He asked if an ordinance would have any teeth with respect to Comcast. The City Attorney said it would be more than likely the City would be sued. If the ordinance was prospective only, the City would have a better chance of prevailing.

Vice Mayor Moore thought that based on the community's outcry, the City may wish to consider an ordinance that would require all future undergrounding.

Mayor Naugle commented the City could require the developer of a new subdivision to place everything underground. The City could also require this in new construction on vacant lots, when structures are torn down and replaced and remodeling over 50% for

example, undergrounding for the hookup from the street to the house. It will not have a large impact because there are not a lot of vacant lots and there is only some redevelopment occurring at this time. It may cost about \$2,500 to \$3,000 per household for the undergrounding. Probably 50% of construction is going underground on their own.

Vice Mayor Moore asked if there is any down side to an ordinance requiring undergrounding of all utilities. The City Attorney said if all utilities on a street are on a utility pole, one new house construction on that street would have a huge burden.

Mayor Naugle did not believe there would be much of a down side for the City other than adding to the cost of housing.

Vice Mayor Moore asked about the timeline for such an ordinance. Commissioner Rodstrom asked if the Unified Land Development Regulations would then have to be amended. The City Attorney said the ordinance would amend the ULDR. Standards would first have to be developed and an ordinance drafted. It would be perhaps sixty days after that process.

Commissioner Teel commented that to get the biggest bang for the buck as soon as possible, perhaps consideration should be given to selecting major corridors or places that are glaringly cluttered with poles, transformers and so forth. There are a lot of problems with areas along Bayview Drive because of the tree canopy. Another example is Sunrise Intracoastal where only the City's cement streetlight poles are overhead along the street and everything else is in the backyards. She did not think undergrounding is necessary in that neighborhood.

Mr. Macon felt those comments are on-point, therefore an important first step is to see what alternatives make sense. FPL's numbers relate to doing everything which might not be the best course. There are benefits for the entire city in doing the main lines. No one knows better than the City and that is why FPL believes a partnership is important.

Mr. Macon confirmed Commissioner Teel's conclusion if a particular neighborhood wants to do undergrounding during the time that major corridors are being done, there would be nothing prohibiting them. Commissioner Teel commented that it is a matter of prioritization. Vice Mayor Moore agreed.

In response to Vice Mayor Moore, Mr. Macon said underground systems typically have fewer service interruptions based on industry studies and FPL experience; the national statistic is 50%. Vice Mayor Moore felt the reason this became a high profile discussion was due to the hurricane and restoration time of returning power. He wanted that statistic to resonate. This may allow the community a better understanding of the cost factor that may have to be shared.

Vice Mayor Moore referred to the 25% participation discount granted by the Public Service Commission if local government is a partner. There is also a potential cost reduction with the City selecting the contractor. He asked if AT&T has any matching funds similar to FPL. Paula Doublin, representing AT&T, said that AT&T is under a totally different regulatory environment than FPL and cannot offer such discounts.

Sharon Liebman, AT&T, concurred with Ms. Doublin. AT&T is willing to work with the City and other utility companies on any underground project. They have a tariff on file with the Board of Public Service Commission that governs requests by applicants for conversion of aerial lines but require payment for such conversion.

Vice Mayor Moore asked if AT&T's opinion that interruption of service with undergrounding is less. Ms. Liebman believed there are varying opinions. However, when lines are underground they are more susceptible to damages caused by other parties who may excavate in the right-of-way.

Commissioner Rodstrom asked about the depth of the trenches in the right-of-way or easement. Ms. Doublin said that typically high voltage power lines are at least 48 inches and then everyone layers-in on top. From a telecommunications perspective, AT&T likes to be at least 24 inches below and preferably 30-32 inches. In further response to Commissioner Rodstrom, Ms. Doublin said in most states including Florida there is an as-built drawing submitted to the City. Commissioner Rodstrom asked if there is a coordinated trenching effort with other utility companies, would there be a considerable savings. Ms. Doublin said that common sense dictates there would be, but the accountants and lawyers would have to get involved.

Vice Mayor Moore was interested in being assured that there would be an equal level of service to all areas. With respect to deployment of utility cabinets, Ms. Doublin confirmed that there would not be a digital divide.

Mayor Naugle asked what is the light-speed build-out date for the entire city. Ms. Doublin said the light-speed build is a speed build. AT&T plans to finish nation-wide build by the end of 2010.

Vice Mayor Moore said in review of where boxes are situated he is still concerned whether his district, District III, is going to receive the DSL increase of service. The City Attorney confirmed a permit is required for these boxes. Albert Carbon, Public Works Director, said there are two boxes in Vice Mayor Moore's district and there are six pending permits. Vice Mayor Moore asked how many permits have already been issued.

Mayor Naugle believed there are several located in the southwest portion of the Vice Mayor's district.

Mr. Carbon replied that five have been installed and three pending permits. Permitted ones are at 899 SW 15 Street, NE 18 Avenue and 56 Street, 400 NW 31 Avenue (County), 2407 SW 36 Avenue, 908 SW 7 Street; pending permits are at 3761 Riverland Road, 3090 NW 24 Street, and 1900 NW 7 Avenue.

Mayor Naugle noted that are several already installed.

Ms. Doublin said that the cabinets already in place are for the DSL deployment, not light-speed. No new cabinets have been placed in the city for light-speed. The DSL cabinets in place today are reusable for light-speed in most cases. The new cabinets are low profile, 48 inches.

Vice Mayor Moore was concerned he was shown a cabinet location map, but not allowed to keep it.

Vice Mayor Moore met yesterday with Comcast. He was impressed with their desire to deploy services city-wide. There was a concern that Comcast has just completed its build-out and the impact to now go underground.

Matt Rizzo, Comcast Government Affairs, indicated that their business is regulated differently from both FPL and AT&T. However, the issues mentioned by the AT&T attorney regarding undergrounding from a reliability standpoint is a mixed bag. Comcast basically has the same funding mechanisms as AT&T. Comcast has no subsidies available for funding. Typically, they install underground construction on new build because it makes sense or if it is funded.

In response to Vice Mayor Moore, Mr. Rizzo indicated Comcast would also install underground if required by municipal ordinance if not otherwise modifying a negotiated franchise.

Mr. Rizzo said one concern regarding a major underground conversion is that their upgraded cable system citywide delivering all of today's advanced services is a young system of about five years old.

Vice Mayor Moore understood that presently Comcast pays FPL or AT&T for use of their poles. Mr. Rizzo confirmed that is correct. Vice Mayor Moore wanted to understand the methodology of arriving at that fee. Mr. Rizzo said he is looking into this, but in terms of leveraging the savings as an offset to underground construction, it is a drop in the bucket. Vice Mayor Moore thought perhaps that amount could help the City reduce the cost of their payment toward undergrounding. He asked AT&T is that amount paid by Comcast could be offered to the City. Ms. Doublin believed the conversation from aerial to underground needs more hashing out, but that could be put on the table during those discussions. From an AT&T perspective, they need more data points in order to make a business decision. Ms. Liebman said the pole attachment fees are typically set forth in contracts and agreements. To the extent there are confidentiality provisions in the agreement, AT&T would be prohibited from disclosing the information. Mr. Macon believed FPL's answer is probably the same but he would have to check.

Mayor Naugle thought that may be available through the Public Service Commission.

Commissioner Rodstrom questioned what Comcast would do if everything went underground. Mr. Rizzo said their concern is that the funding come from the requestor, but coordination is certainly not a problem. Mayor Naugle said since Comcast is an optional service, the homeowner would have to pay the undergrounding expense which would have to be weighed against the viability of switching to satellite service. Commissioner Rodstrom asked what happens to the attachment fee if everything is underground. Mr. Rizzo said a pole attachment fee would only apply to aerial plans.

Nat Wilkerson, Utilities Advisory Committee member, distributed photographs of utility cabinets with advertisements placed on them. A copy is attached to these minutes. The FPL cabinets are located near Eli High School, which are not in Fort Lauderdale, but they are representative of FPL. Every four blocks there are cabinets on the corner lots. He questioned if anyone would purchase such a piece of property.

In response to Vice Mayor Moore, the City Attorney indicated that FPL is responsible for the cabinet maintenance. Vice Mayor Moore asked if FPL removes the advertisement material from cabinets. Mr. Macon said it is FPL responsibility to remove the advertisements. He did not know the answer to whether FPL has a pattern of removing such advertisements from their cabinets.

Mayor Naugle referred to Sun-Sentinel having no maintenance program for their newspaper racks. He has discovered that other cities throughout the country are requiring a graffiti management plan as part of their licensing. The City needs to incorporate a graffiti management plan in the ordinance the Commission plans to consider and to address newspaper racks in that plan.

Lynn Shatas of FPL, said that she receives numerous calls regarding graffiti. FPL has staff that addresses it. FPL will look into this example as far as removal of the advertisements.

Thomas Chancey, Utilities Advisory Committee member, said there is an anti-graffiti ordinance and a \$1,000 reward offered by the City's Police Department. He noted how Florida Department of Transportation addresses graffiti on I-95. He understood from the Police Department that the owner of a building has a specific time frame to remove the graffiti, or they are fined. He showed photographs of utility cabinets. A copy is attached to these minutes. He noted there are design answers such as distracting the eye away from a cabinet and their color. He had experience with lines only two to four inches underground. The utility should be held responsible to place the lines as far underground as agreed upon.

Mayor Naugle said the City has some lift stations and boxes also. The City needs to make sure they are properly maintained and checked once a month. There should be a maintenance program. Mr. Chancey said there are volunteers like himself who would be glad to help with improve the appearance in addition to addressing graffiti.

Fred Stresau, Utility Advisory Committee member, showed photographs of cabinets in Fort Lauderdale and elsewhere. A copy if attached to these minutes. Some time ago AT&T representatives told the Utility Advisory Committee that they were going to do whatever they wanted to do. A little forethought makes some cabinets appear to go away if they cannot be placed underground. With some effort utility companies can improve the overall appearance.

Bunney Brenneman, Utility Advisory Committee Chair, said that one of the Committee's main concerns is that the City needs someone in charge.

Ms. Liebman said Ms. Dublin has a presentation on AT&T's technology and visual buffers. Vice Mayor Moore was not interested in seeing such a presentation because he has not been convinced the equipment cannot be placed underground.

Mayor Naugle felt the Commission needs to provide direction to staff regarding telecommunication equipment in rights-of-ways. There is a 3-week commitment not to submit any applications for new installations. He favored declaring a moratorium and then developing a regulation.

Commissioner Rodstrom felt more information needs to be provided concerning placement of boxes underground.

Commissioner Teel felt it is clear the City needs to work towards changing the Unified Land Development Regulations, but she did not think it could be done in three weeks.

The City Attorney said this problem is not unique to this city or Florida. AT&T is under fire all across the country for these boxes. There is new case law in Illinois. From the City Attorney's Office perspective, they are not yet certain they have something that could be placed in the ULDR that can make these boxes go underground. For instance, if there is only one vendor, the City could not create an ordinance that requires AT&T to go sole source on that vendor and put them underground. In the ordinance that was prepared, they attempted to find a minimum size box that could be placed aboveground which has been the normal technology. They can differentiate between types of user. As to the number needed per square mile by each utility, this needs to be in the ULDR with some kind of specificity. He believed this could be placed on the next agenda, either conference or regular meeting and a recommendation could be developed by that time.

Commissioner Rodstrom asked if staff has exhausted all research as far as underground vaults. She wanted more information.

Vice Mayor Moore wanted someone to provide the facts. AT&T says it cannot be done; FPL is showing they are placing electrical devices underground. He did not think that the Public Works Director should be put in a position of having to become the expert. The City needs someone with expertise in this matter. He is not ready to deal with the issue of a moratorium at this time.

Albert Carbon, Public Works Director, said this is really an electrical engineering issue. There is no such individual on the City's staff. With respect to consulting services for feasibility of undergrounding, there is an RFP out and responses are due Friday.

In response to the City Manager, Mike Walker, Procurement Services, said staff does not yet have a ballpark cost for undergrounding. Mr. Carbon noted such a project would be to place electrical, telecommunications and cable television all underground.

Commissioner Rodstrom questioned if this is about the lines or the cabinets going underground. The City Manager said one option is to charge the consultant with whatever task the Commission wants.

Commissioner Rodstrom could not believe there are so many variables involved with vaults.

Mayor Naugle commented that to complete the entire nation by 2010 means it is happening fast. Cities are just starting to deal with this. The City needs to independently acquire information.

Ms. Dublin said they have been deploying light-speed in other parts of the nation since 2005 and have placed more than 22,000 cabinets throughout the nation. Not one cabinet is in a purpose-built underground cabinet. She respected the City's need to validate the information shared by AT&T. There is a difference in technology from FPL. The question is whether there is active electronic equipment in the FPL vault discussed.

AT&T's cabinets have active electronics inside, including a computer and server. The electronics have thermals that have to be kept cool and they do not react well to humidity.

Commissioner Rodstrom asked how far an AT&T active vault protrudes from the earth. Ms. Doublin was not aware of any active vaults or any cross-connects underground. Mayor Naugle felt once the regulation is in place, there will be something available. Ms. Doublin offered some additional dimension information about cabinets to be installed.

Vice Mayor Moore felt that AT&T may be providing factual information in today's marketplace, however industry reacts to the consumer. Consumers are concerned about the aesthetics of these boxes. He believed there is technology out there or something on the verge. This is why he wanted to engage a consultant. He received information with converting line underground in barrier islands in the Carolinas.

Mitchell Berger of AT&T said if there was a box available to put this underground, the provider would be present at today's meeting. It does not exist. A moratorium or delay in this regard defeats common sense. The wiring can be placed underground, but this technology cannot be placed underground. He noted that AT&T has worked with staff to find ways to not use the bigger boxes and all sorts of things.

Vice Mayor Moore wanted to retain a consultant for the first phase and secure the consultant's opinion on this matter.

Commissioner Hutchinson referred to a memorandum written by Assistant City Attorney Dunckel and asked the City Attorney to elaborate upon the legal aspects. The City Attorney felt this will lead to court. The statutes provide limitations. He provided some overview of related cases.

In response to Commissioner Hutchinson, the City Attorney said the City can regulate for public health and safety and placement within the right-of-way. To the extent there is a public purpose in it, the City may regulate the design, painting, concealment and so forth. Utilities are considered a public purpose.

Mayor Naugle said there could be a different regulation for a residential area than for a commercial area.

Mayor Naugle felt the City should not rush into this, but take time to do it right. These conversations are occurring all over the country. He knew technology is available to place the equipment underground, but no one has forced it.

Commissioner Hutchinson thought the City should be mindful that it might not be possible.

Vice Mayor Moore and Commissioner Rodstrom were not present at this time (3:30 p.m.)

Mayor Naugle wanted the research done. He wanted a regulation that requires undergrounding in residential areas, that there be an appeal process if there is special application because of the water table or elevation, and that there be a graffiti maintenance plan and possibly a landscape plan for the boxes. All above-ground

facilities should be maintained so they do not tilt. Staff will be advised whether it is possible. There was no objection from the remainder of the Commission. Vice Mayor Moore and Commissioner Rodstrom were not present.

Undergrounding of Above-Ground Utility Lines

Mayor Naugle noted at the last staff reported expenses that would be incurred by the City in finding out whether undergrounding would be feasible. The Commission concluded if a neighborhood wants to proceed with undergrounding before a resolution on the franchise renewal is reached, they would have to pay those expenses.

Electrical Utility Municipalization

NOTE: There is also discussion on Undergrounding of Above-Ground Utility Lines

Mayor Naugle wanted this conversation to be labeled, "The Issue of the Franchise Renewal". The study put the City in the position to either gain ownership at the end of the franchise period or put the City in a better position to negotiate with the existing provider.

Commissioner Teel wanted to make the study tighter and more concise. She was also concerned that there has been only one bid. The City Manager said when the RFP was first drafted and circulated, there were concerns that it was not broad enough, therefore staff made adjustments.

Commissioner Teel suggested it be done in two steps. The City Manager said staff could work with the consultant to see if this could be done in phases. She was concerned about the amount, \$300,000. Mike Walker, Procurement Services, felt staff could work with the vendor and express the Commission's desire to concentrate on one specific area.

Vice Mayor Moore thought it may be possible that the utility companies might help the City pay for this study because it is beneficial to them. He also was concerned about there being only one responder. Perhaps there are European companies. Mr. Walker said that other vendors were contacted. They were either not interested or their pricing was three or four times the cost.

With such effort having been made, Vice Mayor Moore agreed with Commissioner Teel's suggestion of phasing.

Vice Mayor Moore wanted to ask about the utility companies helping to pay for the study. Mayor Naugle noted that this is a decision on whether to renew the City's business relationship with the current provider. He did not think third parties could pay for this.

With respect to undergrounding of above-ground utility lines, Ken Cooper, Las Olas Homeowners Association, said they are willing to pay for the cost, but do not agree with the \$300,000 quote provided by the City. He elaborated upon details of their objection to the cost, including hiring a utility design and review person at \$212,000 per year, and a community service person at \$52,000 per year.

Mayor Naugle said the figure was an estimate that would vary by neighborhood.

The City Manager said there are also start-up costs.

Albert Carbon, Public Works Director, said this is an estimate and part of the evaluation was to determine what a consultant would charge and the amount of City staff time to implement an assessment program, and then estimate how much a neighborhood would have to contribute before the process begins. The City would have to receive a retainer and then move forward.

Commissioner Rodstrom questioned if the initial setup cost would be the burden of all neighborhoods wanting to do this, not just the first neighborhood coming forward. Mr. Carbon said the report presented at the last meeting was a special assessment program using consultant services. It was estimated that at approximately \$339,000 including \$59,000 for City services. If the City was run the entire program, those costs are estimated at \$475,000 based on the assumption that there would be four or five neighborhoods at a time.

In response to Commissioner Rodstrom, Mayor Naugle pointed out that circumstances would be different for each neighborhood. Mr. Carbon explained staff would do community outreach to each neighborhood; determine the vote, prepare a civil engineering component, appraisal services if private property was necessary. Each neighborhood is unique. The price is not set in stone. Mayor Naugle understood each neighborhood would meet with staff and a proposal would then be brought before the Commission to recover the City's costs.

Commissioner Rodstrom asked about the possibility of bonding, such as revenue bonds. She had asked that bond counsel be present. Betty Burrell, Director of Finance, said Mr. Del Castillo can provide was not able to attend today, but would be happy to make himself available for questions.

Commissioner Rodstrom wanted bond counsel to look into a special benefit assessment bond which is a tax. Ms. Burrell said that is different than if the City puts its full faith and credit behind the debt issue.

Vice Mayor Moore wanted to emphasize a level playing field. There will be some communities who can pay to have this done. He questioned allowing some communities get underway before the City determines the validity of proceeding citywide. He did not want a double assessment for undergrounding. Commissioner Rodstrom said these are neighborhoods that want to assess themselves. She felt the City should work with all neighborhoods, but not stop a neighborhood that wants to move forward.

Vice Mayor Moore pointed out that FPL is now agreeable to making an evaluation as to how the undergrounding should be done. The City only needs a consultant to evaluate their methodology as to it being the least expensive. AT&T also indicated they would consider undergrounding. If FPL and AT&T do it, Comcast has no choice. He felt this is similar to the digital divide. Commissioner Rodstrom felt the City is looking at this for everyone.

Vice Mayor Moore was concerned there would be communities with undergrounding and others who cannot afford to assess themselves. Power outages will be in those areas.

Mayor Naugle said that situation already exists because some neighborhoods have undergrounding.

Vice Mayor Moore felt the first thing is to consider an ordinance requiring all future undergrounding and assessing the entire City similar to WaterWorks. He referred to the City Auditor's report. There could be conflicts concerning assessments with neighborhoods who proceed alone. Commissioner Rodstrom was not in favor of a citywide assessment at this point but noted there are ways of carving out neighborhoods who have already paid for the improvement.

Mr. Cooper indicated that his neighborhood is willing to be the guinea pig. In response to Mr. Cooper, Mayor Naugle explained the reason for an upfront outlay of money is that the City is being asked to force those property owners who do not want to participate and in order to do so, a good cost estimate is needed. Once the estimate is known, if there is not enough public support in order for the City to force everyone to pay that amount, he questioned who pays the cost expended by the City to get to that point.

Commissioner Rodstrom reiterated her request for staff to work with bond counsel on alternate forms of bonding.

With respect to the franchise renewal, Mayor Naugle said there appears to be a consensus to bifurcate the study that will be on the next agenda to \$150,000 or so and then a presentation to the Commission to decide whether to move forward with the other half.

Fred Stresau, Utility Advisory Committee, recognized the concern that there were only two responders and a presentation was only made by one. The second firm withdrew because they were hired by FPL to do some work and it appeared there could be a conflict. The committee spent a lot of time reviewing what the successful bidder submitted. Everyone felt they addressed what should have been addressed. He asked specifically about phasing to find out part way if the City should move ahead with a full study or to stop at that point if a decision was made not to move forward with the project. There needs to be two phases. It is a way of saving money.

Lesley Warrick, Executive Director of Seafarer's House, opposed utility municipalization. It is a complicated process and expensive. In the long term, it raises concern about government's reliability and sustainability.

Vice Mayor Moore talked about Fort Lauderdale providing water and sewer services in a cost efficient manner to the customer's satisfaction. A profit is not made. Therefore, he is not unwilling to explore a municipal government offering power particularly if the public is requesting undergrounding because there will be less interruptions. The City is looking at municipalization because of the cost.

Mayor Naugle noted when Hurricane Wilma caused 100% outage in Fort Lauderdale, it was apparent the City needed to look for another system operator. When the different crews came from all over the country and did a great job restoring power, they indicated that they had never seen such a mess in their entire experience. The operators have not been investing in the infrastructure. If it becomes a municipal system, it may not mean the City would operate it. If there is 100% failure, the customer should have the ability to fire incompetent people. After Wilma, FPL could not be fired.

Mayor Naugle thanked the Utilities Advisory Committee.

When all the research is completed and all the numbers are on the table, Commissioner Rodstrom asked if they find that FPL is the best as far as price, what happens. Mayor Naugle said they would negotiate the best deal possible. It should be contingent upon FPL restoring the City's confidence in the system.

There being no further business to come before the Commission, the meeting adjourned at approximately 4:08 p.m.