

FORT LAUDERDALE CITY COMMISSION CONFERENCE MEETING
DECEMBER 21, 2010

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CITY COMMISSION CONFERENCE MEETING 1:30 P.M. December 21, 2010

Present: Mayor John P. "Jack" Seiler
Vice Mayor Romney Rogers, Commissioners Bruce G. Roberts,
Charlotte E. Rodstrom, and Bobby B. DuBose

Also Present: Acting City Manager Allyson C. Love
City Auditor John Herbst
City Clerk Jonda K. Joseph
City Attorney Harry A. Stewart
Sergeant At Arms Sergeant Harvey Jacques

EXECUTIVE CLOSED DOOR SESSION WAS HELD AT 1:30 P.M.

The City Commission shall meet privately pursuant to Florida Statutes 286.011, regarding the following:

- 1) CVM 1 REO v. City of Fort Lauderdale Case 09-067654 (03)**
- 2) Palazzo Las Olas Group LLC v. City of Fort Lauderdale Et Al Case 03-21333 (02)**

EXECUTIVE CLOSED DOOR SESSION ENDED AT 2:13 P.M.

I-A – Operation of Southside School – Nova Southeastern University

Phil Thornburg, Director of Parks and Recreation, noted in September the Commission discussed a request of Friends of Southside School to operate Southside School upon its completion. Since then, Nova Southeastern University has approached the City with the idea of moving their studio school to Southside School.

Dr. George Hanbury, president of Nova Southeastern University, spoke of the reasons for preserving Southside School and those making that possible. He referred to the ongoing operational cost that becomes a liability. He also mentioned the names of individuals that helped make Nova Southeastern University a reality and the university's economic impact today together with its growth and merger with the Museum of Art. The Museum of Art realized it needed to expand for an adaptive re-use to integrate into an academic component and to have a larger body that could financially support the operations. The university would like to expand the studio school and call it an educational center for art and design. He believed that their proposal would serve as an adaptive re-use that would ensure the historic preservation of Southside School.

Anthony Lauro, deputy director of the Studio School, along with Dr. Hanbury, noted that with this proposal student capacity could be expanded from seven hundred to 2,500. Mr. Lauro presented slides displaying examples of the art created by students in their classes for grades one through twelve and their adult education program as well as accomplishments in music and theatre.

Dr. Hanbury indicated that in these times collaborative efforts between private, private not-for-profit and governmental units are encouraged. Nova believes this is a wonderful

opportunity. He mentioned such an example that provides for the university's library to be open to all citizens in Broward County free and unencumbered. Nova would like to work with the Friends of Southside but they must be in control of its academic and administrative program.

John Wilkes, chair of Friends of South Side, Inc., welcomed the expertise and experience of Nova Southeastern University. He recapped the progress and history of the Friends involvement and discussion that took place at the September 7, 2010 Commission meeting and thereafter. The Friends' program at the time incorporated partnerships and that is how Nova came forward. He noted that the school was preserved from privatization. As to Friends' involvement, he felt it will be necessary to discuss the operational specifics. He recommended against losing control of the facility and emphasized that the Friends is a non-profit organization dedicated for no other purpose than to oversee the management of one facility. He suggested they come back to the Commission with a format of a vehicle to operate the facility including information on the extent of the City's input.

The City Attorney confirmed for Commissioner Rodstrom that no decision was made on use of the facility by the Friends of Southside. Commissioner Roberts reviewed the startup and ongoing operational costs totaling roughly close to a million dollars and not in the \$700,000 range. In response to his question, Albert Carbon, Director of Public Works, provided a verbal status report as to the contractor and scope of work. He also responded to Vice Mayor Rogers as to anything proposed that would impact the historical significance, mentioning enclosing the patio space. Dr. Hanbury explained a pull-off area is planned (eliminating some parking) for children arriving and departing by bus. This is the only change, along with some type of monument sign. Nova would work with the Friends with respect to their input on programming. Vice Mayor Rogers referred to page 7 of Nova's proposal (Exhibit 1 of Commission Agenda Report 10-1833) where a list of new course offerings for adults and grades 1-12 are noted and thought that a marriage could be made from the beginning (with the Friends) to make this happen. Irvin Lippman, executive director for the Museum of Art, advised that with this proposal their available space would be tripled. He elaborated upon their programming plans, clarifying they believe everything could be accommodated in this new building. Pete Witschen, executive director of facilities management for Nova Southeastern University, confirmed that Nova believes that those listed items could be accomplished within the fourteen thousand square feet. Nova has met with the City's architect to point out more useable space as well as opening significance areas inside to bring the building back to life. He believed their estimate is conservative. Nova has discussed the possibility of partnering with Broward Center for Performing Arts. Commissioner Roberts also liked the suggestion of an advisory board with the Friends and the Museum of Art. He wanted a defined commitment with respect to allowing community use of the building. Mr. Witschen indicated there are two community spaces planned. He also noted that the Nova main campus is really open. Vice Mayor Rogers wanted to integrate the City's efforts for summer camp. Mr. Witschen elaborated upon how the grounds lend to outside programming.

Vice Mayor Rogers thought ultimately this will work, but he wanted to be sure that there is sufficient cooperation and the right mind-set in reaching a final plan.

Mayor Seiler opened the floor for public comment.

Louis Friend, resident of Hollywood, indicated that he is a preservation builder. He spoke in support of this proposal.

There was no one else wishing to speak.

Mayor Seiler supported the concept. At Mayor Seiler's suggestion, there was consensus approval for Vice Mayor Rogers to take the lead on working with Nova and the Friends. In response to Commissioner Rodstrom, Mayor Seiler indicated his understanding that the School Board does not have any say on use of this facility. He anticipated that the Friends would serve on the advisory board and there would be time allotment for public meetings in the facility. He hoped it could be brought back to the Commission on January 4.

I-B – Dr. Kennedy Homes – National Register Nomination Proposal

Greg Brewton, Director of Planning and Zoning, noted the State has inquired whether this proposal is endorsed by the City. In response to Mayor Seiler, the City Attorney thought the response should probably be that the City supports the agreement reached amongst the Housing Authority and the State and the federal government that basically conforms to the approval already granted by the Commission for saving three of the units. Mayor Seiler highlighted points concerning the agreement and indicated he would see no reason not to honor the agreement.

Mayor Seiler opened the floor for public comment.

Alysa Plummer, 1123 West Las Olas Boulevard and a member of the Broward Trust for Historic Preservation, indicated that the Trust placed Dr. Kennedy Homes for nomination. She felt it is important to recognize that the City has agreed to the mitigation efforts by saving the three buildings and therefore on board as to the site's eligibility. She believed that the City's Housing Authority also recognizes the site's eligibility. Two consultants (The Janus Group and Ellen Guccinani sp?) that worked on the project for the Housing Authority both attested to the fact that the site was eligible. All national register eligible properties are subject to Section 106 review which has been done. She noted two examples of housing projects on the national register that were built around the same time as part of the federal housing act of 1937: Griffin Park in Orlando and Santa Rita Courts in Austin. She asked the Commission to support the application.

In response to Mayor Seiler, the City Attorney advised that he will draft a letter in support of the application for designation which is the only purpose of the letter. Mayor Seiler requested that the memorandum of agreement be attached to the letter. The City Attorney advised that this will also go before the Historic Preservation Board in January for their consideration.

There was consensus approval.

III-A – Communications to City Commission and Minutes Circulated for Period Ending December 16, 2010

City Manager Search Committee

The City Manager Search Committee agreed upon a proposed process for conducting the city manager search,

evaluating prospective candidates and making recommendations to the City Commission.

The Search Committee is interested in feedback and approval from the Commission on the following proposed process:

Below is a six-step outline of the contemplated process:

1. Following input from the City Commission and the Search Committee this week, search consultants Bob Murray & Associates will develop written position descriptions, job specifications and information materials. These materials are expected to be delivered to the Search Committee for review at its January 6, 2011 meeting.
2. Upon approval of the materials, the consultants will begin advertising for the position, researching their databases and gathering applications. This process is expected to span approximately two weeks.
3. The search consultants will review applications, comparing qualifications with the job specifications, and narrowing the field of prospects down to approximately 15 candidates. This process is expected to span approximately two weeks. The results of the review will be submitted to the Search Committee.
4. The Search Committee will review and discuss the recommended 15 applications in an open meeting and further narrow the field to a target number of 7 candidates.
5. Each of these candidates will be invited to visit Fort Lauderdale for a formal 1-1 ½ hour interview with the Search Committee.
6. Based on the personal interviews of the 7 candidates, the Search Committee will further narrow the field to 3 candidates. These candidates will be ranked and the rankings submitted as a recommendation to the City Commission.

The process described above is expected to span a period of approximately 120 days, beginning in mid-December.

Dan Lindblade, vice chair of the Committee, explained the Committee intends to reduce the number of candidates from fifteen to seven. The Committee would like to interview the seven. Some members are uncomfortable presenting a short list to the Commission without having spoken to the candidates. This will involve a cost. They are looking for approval of this process. They estimate having a final grouping to the Commission within one hundred and twenty days.

In response to Commissioner Rodstrom, it was clarified because interviewing by the Committee would be at an open meeting, the Commission would have an opportunity to see all seven candidates. Mr. Lindblade noted that the timeline is ambitious and may not be possible, however, the search consultant will be looking into any potential contractual relationships. In response to Commissioner DuBose, Mr. Lindblade indicated that the number of candidates shown in the communication provided to the Commission is merely ballpark but there will assuredly be at least three candidates in the final pool. Commissioner Roberts liked the Committee's idea of seven.

Mr. Lindblade emphasized the need for travel funding. There was consensus approval as depicted in the communication and discussed. Travel costs would be charged against the established budget for this matter.

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I-D – Proposed Lien Settlements – Special Magistrate and Code Enforcement Board Cases

No objection.

I-C – Homeless Site Meal Program

Cate McCaffrey, Director of Business Enterprises, outlined what had occurred since the Commission last discussed this matter on December 7, 2010, as outlined in the Commission Agenda Report 10-1842.

In response to questions raised by the Commission the following information and responses were provided. Ms. McCaffrey advised that the 901 NW 5 Avenue site will not be available until June of 2011 because of the present tenant who is moving is having trouble with their new site. The \$50,000 for site improvements, permitting, insurance and other costs and the \$100,000 recommended commitment by the City were probably derived by the homeless task force because of the rental amount and the Downtown Development Authority's commitment of \$50,000. The idea was for the site to be turn-key in June with all improvements being made before June.

Mayor Seiler thought the site was to be available almost instantaneously and the expense would be minimal. He was concerned about committing over \$4,000 per month for improvements and this is short-term. Vice Mayor Rogers did not want to lose focus on the goal or to go backward with respect to selection of a site. Mayor Seiler reiterated his concern about the financial investment for a temporary solution. Commissioner Roberts thought there would be a cost for improvements with any site. Commissioner DuBose thought the investment of such funds shows an intention of permanency. There are more social service facilities in this area than any other area in the city. He emphasized that this issue is bigger than Fort Lauderdale and Broward County and that is why the City is having difficulty with it. He advocated another solution that would be

evenly distributed throughout the city. Commissioner Rodstrom wanted a solution sooner than June. Vice Mayor Rogers thought that there is a commitment to look for other sites, but pointed out how long it has taken to find this site. Commissioner DuBose disagreed. Commissioner Roberts agreed about the size of the issue, but thought the City could nevertheless try to do something. Commissioner DuBose thought if that is the case, there should be consideration to the number of social services facilities in each district.

Chris Wren, executive director of Downtown Development Authority, believed the (improvements) cost is primarily for a restroom. He believed an ADA compliant portable one would be possible which would significantly reduce the cost. It could be a pilot program. Ms. McCaffrey noted that the \$50,000 is not a precise estimate. In response to Vice Mayor Rogers' concern that the Commission be provided with a more definitive amount, Ms. McCaffrey indicated that Public Works staff visited the site some time ago and their estimate was greater. There was discussion at the task force meetings about in-kind services and the task force wanted to be clear that there are issues that need to be addressed.

Mayor Seiler opened the floor for public comment.

J.J. Hankerson, indicated that he is the vice president Progresso Village Civic Association. He noted that there has been no vote about having this facility in their community. Only a chosen few considered this project. The vote yesterday was 5-5. In response to Commissioner DuBose, Mr. Hankerson elaborated upon what had occurred wherein the association was not aware of everything that has transpired concerning this effort. He believed it was handled wrong. In response to Commissioner Rodstrom, Mr. Hankerson believed that Ron Centamore, a member of the Progresso Village Civic Association, knows the owner of the proposed site.

Hunter Altschul, a representative of Fort Lauderdale Food Not Bombs, indicated this group regularly shares food in Stranahan Park. He referred to a recent Sun Sentinel news article that indicates organizations that feed the homeless in parks and accept an alternate site could lead to a feeding ban in the parks. They contest this. The City should focus on benefiting the people involved and not just cleaning up the downtown area.

Haylee Becker, a member of Fort Lauderdale Food Not Bombs, did not think that homelessness could be solved through the bureaucratic process. She pointed out that the task force has been looking for a solution for a little more than a year to no avail. The problem continues to grow. She felt the idea of a fixed feeding location is to push away the problem. She felt every neighborhood would be opposed to a facility in their vicinity. She urged the Commission to spend their time more wisely.

Chris Booty thought the underlying issues that cause homelessness are not being addressed. He felt the goal is to ban feedings similar to what occurred in Orlando and hoped it would not come to litigation. He suggested portable restrooms be provided in the parks. He thought that many homeless will not favor being moved to a specified area. There is a sense of community in the park that is important to the homeless. Stranahan Park is near the bus terminal and library which the homeless like.

Julia Parker, resident of Progresso Village, indicated her sentiments are the same as Mr. Hankerson. The neighborhood is not in favor of this proposal as they are already struggling with a homeless problem.

Terminello indicated that he has been involved with Food Not Bombs for over seven years in over twenty-seven cities. He went on to discuss the Orlando ordinance on this topic and statistics about the homeless in Florida.

Mark Zmuda, resident of Progresso Village, indicated that he is involved in many feedings by organizations in the school system for whom he is employed as a teacher. He felt the proposal is a temporary fix and could become permanent. He was afraid of the problems that could result. He was told there would only be one assigned police officer and he was concerned one officer could not manage the traffic and so forth.

Mark Boyd, a member of the Progresso Village Civic Association Board of Directors, noted that only an announcement was made at the association meeting about a facility being considered in Progresso Village and that a board member was serving on the task force. There was never a vote taken until yesterday evening when it was overwhelmingly voted down. He did not think any neighborhood wants such a facility. There are public assistance services already in Progresso Village. He suggested remedies be applied where the problem already exists. He noted that the court ordered that a facility be in close proximity. He suggested City owned property.

Doug Sterner, president of Progresso Village Civic Association, indicated that the association does not have a position on this matter. As a tireless advocate of Progresso Village, he would never do anything to jeopardize it. He believed it is possible for the facility to function in a way that would not have a negative impact on the community. He outlined the history of this matter before the association beginning in November of 2009. In February of 2010, their board developed a list of conditions relating to operation of a facility and was willing to work toward a solution. He believed this may have caused the perception that the association was supportive of the facility, but it has never actively wanted it. He presented a copy of the conditions which was made a part of the record. Attendance at their meeting yesterday was encouraging, however, the bylaws provide an individual to be a member in good standing for thirty days before voting. He was prepared to place this item on their January agenda once the Commission's direction was more clear however others thought it was important to have the discussion sooner, therefore a special meeting was called.

Commissioner Rodstrom believed the special meeting probably came about because staff was looking for a commitment today. Mayor Seiler felt the City put Progresso Village in a square, but wanted to make clear that nothing was intentional on the part of Progresso Village. It was more about deadlines and dates set on the part of the City and not the Progresso Village Civic Association leadership. He apologized on behalf of the City.

Dennis Ulmer, 1007 NW 11 Place, thought it is clear that there is a problem in the downtown. When it was discussed two weeks ago (January 4), he thought it was an emergency. Now, the discussion is about a pilot program in June. He pointed out various amenities that would be necessary. He questioned whether it is understood that the operation would be contained. He felt something needs to be done sooner than June. Mayor Seiler noted that the conditions provided by Mr. Sterner are consistent with Mr. Ulmer's comments on amenities.

Ron Centamore, 638 NW 2 Avenue, president of the Downtown Civic Association and a member of the Progresso Village Board of Directors, commented that in November of 2009 when he raised the issue of a facility in Progresso Village, no one objected. There were only 12 or 15 members present. He reported on a possible site on NW 6 Avenue, but it was ultimately rejected. In other words, during this course of time, people who attended the Progresso Village meetings did not object. There was nothing that came forward for about a year and then this site became available. He was disturbed by the comments made today. He thought he was helping to address this issue. He felt at least six months is needed to evaluate the program. The task force has indicated it will continue to look for other sites so that the burden is not in one neighborhood. He would like to continue to serve on the task force. He apologized for saying that Progresso Village voted for this; it was rather a consensus at the time it was discussed.

Commissioner Rodstrom asked when the board offers an opinion on behalf of the neighborhood, what type of notification is provided to the homeowners. Mr. Centamore advised that a notice is posted, but there is no mail notification. Mr. Sterner advised that the association has an email list. Meeting notices and agendas are sent. He did not know how many email addresses the association has on file. Commissioner Rodstrom noted that the business next to the proposed facility is not aware of this. Mr. Centamore indicated there is a membership chair. Essentially it is the same core group of people that regularly attends and those who attend when they are upset about something. Commissioner Rodstrom elaborated upon her concerns about notice and how membership on the task force was decided upon.

Mr. Centamore indicated that when the sites are selected, the task force wants to continue. There is the issue of homelessness itself. Commissioner Rodstrom wanted to see the timeline and agenda for the task force. She advocated a broad approach.

Genia Ellis, member of the Woman's Club Board of Directors, commented on the cooperative efforts of Food Not Bombs in feeding at Stranahan Park. She emphasized the need and that it is growing. She commented on the task force's challenges in bringing forward a site that the Commission will accept. She felt six months is a long time to continue with a problem that is growing.

Robin Martin, executive director of Shepherd's Way and Hope-South Florida, extended his continued desire to partner with the City to alleviate homelessness. He supported the two motions passed by the task force last week (contained in Commission Agenda Report 10-1842) that they believe would allow time to ramp up and implement a successful program. He has never advocated any banning on feedings or pushing the homeless from one area to another. Housing is the number one priority to get people off the street and social services and community development to keep them off the street. The intention is to draw the homeless to a better place for services. He elaborated upon the benefits of feedings at a site versus a park. He also elaborated upon disadvantages in a temporary arrangement and difficulties in terms of time in finding new sites. As to implementation, hours could be flexible that would avoid large concentrations of people. The proposed site is large enough to accommodate an indoor meal program. He noted what services they would provide and two alternatives to feedings in the parks of 1) a compassion café approach and 2) expanding the nights of the week for their existing church meal programs. The City would be requested to consider annual subsidies to defray costs.

Mr. Martin responded to Commissioner Rodstrom's question about Hope-South Florida, indicating it was formally launched this year as an initiative of eight local churches. It is an expansion of Shepherd's Way that is a non-profit organization in existence for the last fifteen years, providing shelter to homeless. Commissioner Rodstrom asked whether Hope-South Florida could pursue the alternatives instead of a facility. Mr. Martin reiterated the desire to partner with the City and the need for some resources. In response to Commissioner Rodstrom, Mr. Martin indicated that they are trying to create a space with different people could serve food on different nights. The faith community does not want to be a part of a ban, but rather something better. In response to Commissioner Roberts' request for a list of participating churches, Mr. Martin listed Calvary Chapel, Christ Church United Methodist, Coral Ridge Presbyterian, First Presbyterian Fort Lauderdale, Mount Bethel, First Baptist of Fort Lauderdale, Rio Vista Community Church and Christian Life Center.

Mayor Seiler was concerned this could not be implemented until the summer months and not in January when the need is greater. Moreover substantial capital must be committed for a temporary facility. In response to Commissioner Roberts, Mr. Martin noted existing feeding programs by the noted churches and other organizations. None of the churches provide a meal program onsite because they have a large population of school children at the same time. Mr. Martin agreed with the Mayor concerning the timing, but the task force would prefer something be set so that the process can begin in June versus nothing. Mayor Seiler reiterated his concern about the expense for a temporary facility. In response to Commissioner Rodstrom, Mr. Martin explained there are not enough suitable locations in order to provide meals every night or a suitable facility to accommodate people in the parks.

Steve Werthman, director of program development for Shepherd's Way and Hope-South Florida, indicated he was formerly Broward County's homeless administrator. He pointed out that feeding is not the answer to homelessness and went on to elaborate upon the County's program and strategic plan in place endorsed by thirteen cities. It is a matter of demand exceeding supply. Fort Lauderdale could engage in this plan. Commissioner Rodstrom was interested in the City looking into this avenue.

Matt Lomenick of Rio Vista Community Church and Hope-South Florida, felt the movement of Hope-South Florida should have happened a long time ago. Although he understood the not-in-my-neighborhood thinking, churches cannot subscribe to this thinking. Hope-South Florida is looking for a place to start. He went on to comment that many obstacles being faced in this case are the same as those faced by the churches in wanting to provide a feeding program on their properties.

There was no one else wishing to speak.

Mayor Seiler offered to tour the city with staff, members of Downtown Development Authority and task force to find a site and report back on January 4, 2011.

In response to Commissioner Rodstrom, Ms. McCaffrey offered to look into the City participating in the County's program.

II-A – Clean Air Act - Related Federal Legislation – Proposed Senate Bill 3072 and House of Representatives Bill 4753

Kathleen Gunn, Grants, Legislative Affairs and Compliance, explained that these bills were filed because certain members of Congress are unhappy that the Environmental Protection Agency is trying to regulate greenhouse gas emissions starting in January. They want a two-year reprieve for the coal industry to be exempt. Mayor Seiler noted the request is to write a letter on this matter. Commissioner DuBose was supportive. Commissioner Roberts pointed out that there is a debate at this time in Congress and across the country relating to the environment. He did not want to join-in at this time. Commissioner Rodstrom was not in favor of looking into it at this time. Vice Mayor Rogers was not familiar with the group and would need more information.

With there being no consensus, Mayor Seiler indicated that individual members of the Commission could write letters on their stationery and he would probably do so as the mayor and not on behalf of the City.

City Commission Reports**Miami Dolphins; Centennial Celebration; Gift Policy**

Mayor Seiler announced discounted Miami Dolphins tickets being offered to all City employees recognizing the City's centennial. There will also be an on-field presentation on December 26. Commissioner Rodstrom questioned whether the Commission should consider the existing policy of City employees not accepting gifts, but Mayor Seiler indicated this is a different issue.

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NOTE: The Commission convened as the Community Redevelopment Agency Board of Directors from 4:50 to 4:58.

II-B – Government Accounting Standards Board – Pension Accounting and Financial Reporting by Employers

A copy of the City Auditor's report on this matter is attached to these minutes. The City Auditor explained this came up because the Police and Firefighters Pension Board was going to issue a response to the Government Accounting Standards Board's (GASB) preliminary view issue on rewriting the rules for pension accounting and financial reporting and they asked the City to also issue a letter, hoping it would be in support of their position. He has reviewed the preliminary views and responded to them in his report provided to the Commission as part of Commission Agenda Report 10-1545. His views as a CPA of the appropriate accounting standards may not be in the best interests of the City from a funding perspective. He expanded upon GASB's process in changing the standards for governments. He has only responded to those issues that would impact the City.

Issue 1 – An Employer's Obligation to Its Employees for Defined Pension Benefits

The City Auditor noted the conceptual question is whether the employer, the City, is considered to be primarily responsible for the unfunded liability. The plan is primarily responsible for the funded portion of the liability, but who is responsible for that portion of the plan that has no assets. He believed the City is obligated to fund any plan shortage.

As such he agrees with GASB. He confirmed for Vice Mayor Rogers that the City is a payer and a guarantor.

Issue 2 – Liability Recognition by a Sole or Agent Employer - The City Auditor indicated the next question is whether the unfunded liability meets the definition under the financial accounting concepts of a liability. It must meet three tests and it does in his opinion.

The City Auditor explained that currently the liability is accounted for in the footnotes. GASB suggests if it is measurable, determinable and the exchange has taken place, it should be reported on the face of the financial statements in the balance sheet as a liability. He agrees. This may not benefit the City quite so much. He confirmed his opinion for Vice Mayor Rogers that the underlying actuarial science is reasonable, replicable and consistent. Discussion ensued on actuarial assumptions and experience and frequency of evaluating the two. The City Attorney pointed out if it is done annually, the City could take a real hit. For example, if an assumption is made that earnings will be the same as last year, it would be significant. The City Auditor explained this is addressed with a smoothing technique where excess gains are only recognized over a five-year period. Losses are also spread over a five-year period. In general, other agencies are facing this issue also. It will probably put the City into default on bond commitments that indicate the City should maintain positive net assets. There is probably \$250-\$300 million of unfunded liability in the pensions. In response to Commissioner Rodstrom, the City Auditor advised that OPEB (other post-employment benefits) is similar, roughly \$45 million.

In response to Vice Mayor Rogers, the City Auditor estimated it will be four to five years before this becomes an actual reporting issue.

Issue 3 – Measurement of the Total Pension Liability Component of the Net Pension Liability by a Sole or Agent Employer - The City Auditor defined the term ad hoc COLA (cost-of-living adjustment). He agrees if there are automatic COLAs, it should be incorporated into the actuarial calculation. He indicated that if the City gave a COLA three out of four years, it is probably considered an ad hoc COLA. It has to do with the frequency in which COLAs were granted. He also addressed the discount rate, noting its size will affect the net present value of the liabilities and assets. He agreed with GASB's proposal that the discount rate should reflect a municipal bond index.

Issue 4 - Attribution of changes in the Net Pension Liability to Financial Reporting Periods by a Sole or Agent Employer – The City Auditor explained the question is in what period should this be recognized and he believes it should be recognized now because that is when the exchange transaction has taken place. Although there are various options, he believed it should be amortized over the life of the people in the plan.

The City Auditor explained if the underlying value of the plan assets are so far away from the carrying value on the books, it should be adjusted. Currently, the corridor is 20 percent and GASB is proposing 15 percent. In this case, he disagrees because there will always be volatility in a portfolio over something that has a duration of 30-50 years. He felt 20 percent is reasonable and the smoothing process works well in addressing excess gains and losses. Mayor Seiler left the meeting at approximately 5:18 p.m.

Issue 6 - Frequency and Timing of Measurements – The City Auditor agreed actuarial studies should be done at least bi-annually, if not more often.

The City Auditor indicated that he disagrees with some of the items in the Police and Firefighters Pension Board letter to GASB. He has looked at some accounting organizations have done. On about eighty percent of the issues everyone is of agreement. Obviously, pension board administrators and trustees have another view which has more to do with the viability of the plan. In response to Vice Mayor Rogers, the City Auditor emphasized that this has nothing to do with budgeting, it has to do with net worth. It makes bond investors more aware of off balance sheet obligations, which would be considered when the City goes to the bond market. Commissioner Roberts thought the City needs to account for these things, but he did not want to shoot the City in the foot in terms of bond ratings. He referred to the full disclosure that is reflected in the comprehensive annual financial report that is available to the bond agencies. The City Auditor explained there are some states that have opted to not fund their pension liability for a number of years; they have essentially hid this. Charges were made by the Securities Exchange Commission for failure to disclose in their bond documents. The framework that underlies the municipal bond industry is shaky at this time because there is a gradual recognition of the enormity of this issue. Some discussion followed with respect to pension obligation bonds wherein the City Auditor elaborated upon why he does not recommend them.

As to whether these responses should be forwarded to GASB, the City Auditor advised that he typically does not respond. The City Attorney agreed. There was consensus approval not to forward the response to GASB. Mayor Seiler was not present. Commissioner Roberts requested a copy of what was issued by the Police and Firefighters Pension Board on this matter.

In response to Commissioner Rodstrom, the City Auditor explained this is about the rules/standards. Once GASB decides upon a course of action, the City will have to comply at that time.

III-A – Communications to City Commission and Minutes Circulated for Period Ending December 16, 2010

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Historic Preservation Board

Motion made by Mr. Prager, seconded by Mr. DeFelice, to recommend to the City Commission that they take appropriate action to eliminate the \$650 application fee for historic designations in 2011 in honor of the City's centennial. In a roll call vote, motion passed 7 – 0.

In response to Vice Mayor Rogers, the City Attorney advised it is not possible to eliminate the application fee.

Marine Advisory Board

Motion made by Mr. Tilbrook, seconded by Mr. Rassing, expressing concern about the additional regulations and potential negative impact on the boating

community proposed by the Florida Wildlife Commission, and at their January meeting, the board will consider taking on a position on the regulations. In a voice vote, the **motion** passed unanimously.

This item is informational only.

Police and Firefighters Pension Board

1. **The Board has signed a contract with its new Investment Consultant, Cap Trust, beginning 1/1/2011.**
2. **The Board will be initiating a search for a new fixed income manager.**

This item is informational only.

Visioning Committee

The Visioning Committee would like to officially encourage the City Commission to attend the final oral presentations by the visioning consultant RFP proposers on January 14, 2011.

Commissioner Rodstrom asked if the presentations could be video-taped. The City Clerk noted that the City's equipment does not allow for video-taping without simultaneously broadcasting on the governmental television station. In response to Vice Mayor Rogers, the City Clerk indicated there is no associated cost. There was consensus approval to video-tape.

III-B – Board and Committee Vacancies Including Appointments to Downtown Development Authority

Citizens Police Review Board	Jim Jordan (consensus) Ted Fling (Commissioner Rodstrom)
Economic Development Board	Al Calloway (Vice Mayor Rogers)
Sustainability Advisory Board	Rebecca Walter (consensus)

The City Auditor conveyed a request of Bill Goetz, member of the Sustainability Advisory Committee, to address the Commission at a conference meeting concerning quality assurance and performance measurements. Mr. Goetz has also requested support from his office. Vice Mayor Rogers suggested it be referred to the committee so that it could come forward in that fashion. Mayor Seiler was not present.

Note: The City Commission recessed at 5:36 p.m. and reconvened in the chambers on the first floor at 8:53 p.m.

City Commission Reports

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Financial Advisor Services

Lynda Flynn, Interim Director of Finance, responded to Commissioner Rodstrom's question, confirming that no refinancing or other matters of that nature are not contemplated in the next two weeks before the financial advisor services item comes before the Commission.

City Manager Recruitment – Executive Search Firm

Commissioner Rodstrom indicated that the city manager search consultant has pointed out to her that generally the consultant would have a direct report to the city attorney or city auditor (to facilitate the process). Mayor Seiler noted it was discussed with him also. He thought the consultant should report to the full Commission individually. He agreed that for legal matters, the City Attorney would be the point of contact. On non-legal issues, he wanted the consultant to report to the full Commission.

Lobbyists; Not-For-Profit

In response to Commissioner Rodstrom, the City Attorney advised that lobbyists for not-for-profit organizations are exempt from the City's ordinance and not required to pay a fee or register. Because of Commissioner Rodstrom's affiliation with Broward County, their rules may apply to her as a spouse.

Blue Laws, Sunday Mornings

Commissioner Rodstrom indicated this topic was raised again by one of the business area in her district. Mayor Seiler requested the City Attorney to bring this forward for discussion at the January 4 conference.

Security; Public Areas

Commissioner Roberts requested the City Manager provide a report on the issue of providing security for public areas through the use of technology.

Loss of Outstanding Individuals in District III

Commissioner DuBose noted recent loss of outstanding individuals in District III. A moment of silence was observed.

Events

Members of the Commission noted recent and upcoming events citywide including those relating to the holidays and centennial.

Mayor Seiler requested the Public Information Office send out information on the Downtown Countdown and that the Director of Parks and Recreation thank the Orange Bowl Committee for their extraordinary promotion of the event.

Tourism Workshop Governor Elect Scott

Vice Mayor Rogers reported on his attendance at this workshop. As the governor elect indicated he wanted to work with local governments that are business friendly, he wanted to pursue the opportunity.

Las Olas Boulevard Mini Workshop

Vice Mayor Rogers reported on this workshop.

City Manager Reports - none

There being no other matters to come before the Commission, the meeting adjourned at 9:19 p.m.