

ECONOMIC DEVELOPMENT ADVISORY BOARD
Meeting Minutes
February 23, 2004- 4:00 P.M.
City of Fort Lauderdale
100 North Andrews Avenue
1st Floor Commission Chambers

Economic Development Advisory Board	Current Meeting	Cumulative Attendance*		Y-T-D # Meetings
<u>MEMBERS</u>		<u>Present</u>	<u>Absent</u>	
Pat Du Mont, Chair	P	8	1	9
Ruchel Louis, Vice Chair	P	8	1	9
Alan Forgea	A	4	4	8
Michael F. McGinn	A	5	4	9
Andy Mittelman	P	6	1	7
Cort Neimark	P	8	1	9
Tim Schiavone	P	4	4	8
Gwen Watson	A	4	3	7
Dr. Niara Sudarkasa	P	1	0	1
Total Members Present	6			

Staff

Mayor Jim Naugle
Faye Outlaw, Director, Community & Economic Development
Terry Sharp, Director, Finance
Beth Roberts, Recording Clerk

I. Call to Order

Chair Du Mont called the meeting to order at 4:18 p.m. Roll call was taken by Ms. Roberts.

II. Approval of November 2003 Minutes

Motion made by Ms. Louis, seconded by Mr. Neimark, to approve the minutes of the November 24, 2003. In a voice vote, all voted in favor (motion passed unanimously).

III. Presentation of the City's Bond Rating

Mr. Terry Sharp stated that due to the publicity regarding the City's financial position and budget discussions, the credit worthiness for City financial capital improvements has been placed on the "watch" list and given a "negative outlook" by the rating firms. Since September, there have been a variety of actions by the City to take control of the situation. In December, the City

Commission amended the current year's budget to make it more of a "doable plan." Several of those changes will carry over improving their next fiscal year. Contracts have been settled with the City's three bargaining units. On September 30, 2003, it was estimated there would be an \$86,000 surplus in the general fund. Approximately \$875,000 was actually left in the fund – ten times the amount anticipated. Mr. Sharp stated a hiring freeze had been implemented, as well as cutting of overtime. The City's current bond rating with Moody's is triple-A3. He indicated that the City's tax base and economy were still in good shape. Mr. Sharp noted the City has the same rating as Tampa and Orlando, and better ratings than Miami, Miami Beach, Hollywood, Clearwater, and Gainesville. He stated that their bond/population ratio is low. Mr. Sharp emphasized that the Commission had made hard choices, and have succeeded in putting the City on sounder footing.

Chair Du Mont asked when they are expected to have a handle on the City's budget with regard to aspects of strategic planning, and creating a model for taking action. Mr. Sharp felt they had a long way to go to determine the City's ultimate financial picture. He stated the City had addressed issues needed to balance the budget a year in advance, informing the Board that parameters for a five-year plan are being worked on by the Budget Advisory Board.

With regard to health insurance, Mr. Sharp reported that the plan has been turned around in the last few years bringing it closer to current market conditions.

Mr. Sharp stated that since 1995 the City has had an on-line real time financial system for review by City employees. It was his opinion that although the numbers were available, they were not generally being reviewed. He indicated that starting September 2003, the Finance Department has been presenting monthly reports to the Commission; these reports are also circulated within the departments. In addition to the Budget Advisory Board, an Audit Advisory Board has been appointed to work with the Finance Department and the auditors. He added that Mr. Silva has requested that the Budget Advisory Board review the monthly financial reports prior to submission to the Commission.

Mr. Schiavone asked if the City was up-to-date with software providing resources and access to information. Mr. Sharp felt that the City's software was sufficient, although they could use additional management analysts to look at the data on a regular basis. To that extent, Mr. Sharp stated they might be able to move individuals within the Finance Department to conduct those reviews.

IV. Discussion of the Economic Development Function

Ms. Faye Outlaw walked the Board through economic development functions from budgeting and staffing perspectives as they move forward in looking at the Board's role with economic development initiatives.

Ms. Outlaw provided a copy of and explained the City's Organization Plan giving a three-year layout of department budgeting. She pointed out that there is one Administrative Assistant II and one Clerk Typist II budgeted in the Economic Development Division, although the Administrative Assistant is physically located within the Finance Department, currently assisting Mr. Sharp with budget and financial reports due to a manpower shortage in his department. The funding for an Economic Development Manager was eliminated from the budget. Management functions are now done primarily through Ms. Outlaw's office and assistance from the two CRAs (Northwest-Progresso-Flagler Heights and the Beach).

Ms. Outlaw handed out a copy of the budget sheet showing where the City has come from in terms of key economic development partnerships. Monies at one time had been budgeted for partnerships and incentives with the Chamber of Commerce, Broward Alliance, etc. This year there are no monies allocated for additional or new incentive payments. She stated that in looking at the role of the Board and available resources, it would be advisable to consider budget constraints. The only organization left in the budget was membership in the Sister Cities.

Mr. Schiavone asked regarding philosophy of the partnerships with the Chamber of Commerce and Sister Cities and how those relationships result in income for the City. Ms. Outlaw responded that the Chamber had been a key economic development partner and Sister Cities had developed relationships with other cities.

Chair Du Mont explained that the purpose of the Sister Cities organization is to bond with similar cities. With regard to international outreach, the hope is that ways will be found to share business and cultural development. She stated that bottom-line dollars are questionable, but the public relations obtained are invaluable.

Mr. Mittleman asked whether there was any hope of economic development activity in this budget year. Chair Du Mont stated that question should be put to Mayor Naugle. Ms. Du Mont indicated that during previous discussions with the Mayor, he did not necessarily see economic development pursued by a staffed department within the City.

Mr. Mittleman questioned the purpose of the Economic Advisory Board, pointing out that none of their suggestions had been acted upon, and also asking whether part of the problem had been ineffectiveness of prior staff leadership. Chair Du Mont felt that most of the lack of response had been due to funding shortages. She added that economic development can take years to implement and should be an issue kept before the Commission. Mr. Schiavone agreed with Ms. Dumont that they need to keep "a hand on the wheel." Mr. Mittleman's concern was the lack of a budget to implement their initiatives. Ms. Louis felt that they should do the best they can on their own, showing an interest in the community, making their own agenda, and remaining educated in economic issues affecting the City.

Mr. Neimark stated that every city should have economic development functions as part of its government; and although at this time, the needs of the City need to be prioritized, the

infrastructure for economic development should remain in place for when the funds once again become available.

Chair Du Mont asked, based on current funding, whether it was effective for the Board to meet on a monthly basis. Chair Du Mont was concerned that they had not received notice regarding a Commission workshop involving a discussion on economic development.

Ms. Louis emphasized that economic development assistance had been key in keeping Citrix in the City, as well as BankAtlantic. Mr. Schiavone asked how the Board could be effective in the future. Ms. Outlaw noted that the City does have economic development representatives who deal with inquiries from potential companies thinking of relocating to the area. Ms. Louis stated she sees the biggest problem in being that the Commission as a whole does not look at economic development in as important a light as the CRA or other agencies.

There was discussion regarding the City's tax base, distribution, and impact on growth.

V. Presentation of the City's Budget

Deferred pending the arrival of Mayor Naugle.

VI. Discussion on Future EDAB Meeting Dates

Chair Du Mont asked if they should continue to meet monthly. Ms. Louis suggested meeting every second month; Mr. Mittleman felt quarterly would not be frequently enough. Mr. Schiavone suggested that the City Commission receive some sort of communication from Board Members on a regular basis.

Chair Du Mont mentioned two vacancies on the Board, and stated that the current members each need to have a rapport with their Commissioners.

Ms. Outlaw agreed with meeting bimonthly.

Dr. Sudarkasa was surprised that the Board was not tied in with the CRA and that the City was considering dropping economic development efforts.

Mr. Neimark suggested monitoring economic development projects in the County. Chair Du Mont stated that subsequent to her discussion with Ms. Outlaw, they felt the Board Members should take on and share that responsibility.

It was decided that meetings would be held bimonthly in April, June, August, October, and December, with the date and time to be determined.

VII. Election of EDAB Officers

Motion made by Mr. Mittleman, seconded by Ms. Louis, to re-elect the current slate of officers. In a voice vote, the motion passed unanimously.

Mayor Naugle apologized for his tardiness, misunderstanding that the EDAB had adjourned prior to his scheduled arrival.

Mr. Mittleman asked Mayor Naugle whether there was any constructive purpose to the EDAB and whether economic development functions would move forward in the City during the budget year 2004. He further asked if the City, in a period when there is tremendous investment in real estate with increasing values, why it appears that in lieu of an expanding tax base, they have a shrinking tax base, giving the impression of a city in decline.

Mayor Naugle stated there was community, as well as economic development in the City through the Downtown Development Authority and Community Redevelopment Agency, in addition to various business groups promoting their respective areas. He reported the most prevalent feedback he gets from the community is that they need to solve the problems created by the City's building permitting process, which in many cases has discouraged development.

Mayor Naugle then made a presentation to the Board regarding the City's budget, reviewing staffing and employee compensation. He stated the City's tax base was extensive; however, they had become a high cost government and were now looking at reducing expenses.

Chair Du Mont asked Mayor Naugle what role he sees economic development playing in the City and who should have that role. Mayor Naugle indicated he is relying more on the Chamber, the Broward Alliance, and the CRAs to take over that role in lieu of the City. He pointed out that \$1 million dollars per year of County Occupational License funds go to the Broward Alliance. He asked why businesses in Fort Lauderdale would spend \$1 million a year for the Broward Alliance, and then be taxed again to have the same bureaucracy within City government.

Dr. Sudarkasa asked who these disparate agencies are and for whom they speak when a letter of inquiry is written to the City. Mayor Naugle stated that traditionally the Chamber of Commerce was paid for handling inquiries, however, should someone contact the City now, the inquiry would be handled by staff.

Mayor Naugle suggested analyzing the permit process and the effectiveness of the One Stop Shop. He agreed the Board is important and should continue with their recommendations and business efforts.

Mayor Naugle touched on closing of the City jail, crime factors, unemployment, school-age population, public school enrollment, the pension fund, health insurance, police and fire compensation, and previous unauthorized expenditures.

Mayor Naugle made a suggestion to have the economic development department work out of the One Stop Shop, and keeping building and construction “business-friendly.” He reiterated the difficulties and complaints he gets regarding the permitting process within the City, suggesting that the Board take a field trip to review the building department and One Stop Shop.

Chair Du Mont asked regarding the upcoming workshop, questioning the lack of communication in notifying the Board. Mayor Naugle suggested that the Board Members contact the Commissioner who appointed them, as well as the Acting City Manager. She also asked how other advisory boards are reacting to the budget crunch.

Mayor Naugle expressed his hope that the City Commission would continue their efforts and, in addition, look into privatization and contracting out when necessary. He also outlined his efforts disseminating information regarding the City’s budget to the City’s advisory boards and community organizations.

VIII. Old/New Business

None.

IX. Manager’s Report

None.

Thereupon the meeting adjourned at 6:15 p.m.