

FORT LAUDERDALE CITY COMMISSION CONFERENCE MEETING
DECEMBER 18, 2012

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CITY COMMISSION CONFERENCE MEETING

1:36 P.M.

December 18, 2012

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

Also Present: City Manager Lee R. Feldman
City Auditor John Herbst
City Clerk Jonda K. Joseph
City Attorney Harry A. Stewart
Sergeant At Arms Sergeant Joel Winfrey

City Commission Reports

Events and Matters of Interest

Members of the Commission announced recent and upcoming events and matters of interest.

Las Olas Boulevard Improvements

Commissioner Rogers requested a staff report on the status of Las Olas Boulevard improvements. He emphasized the need to finish the median. The City Manager agreed to provide the report no later than January 22, 2013.

Riverwalk; Lighting

Commissioner Rogers requested an update on light replacement he previously brought forward.

Schools; Lauderdale Manors and Sunland Park Elementary and Arthur Ashe and Lauderdale Middle; Re-Design Models

Commissioner DuBose reported on the meeting he attended on December 4 concerning performance levels of these schools - State's (Florida Department of Education) intervention concerning improving the performance level for these schools. He outlined re-design plans for these schools. He also mentioned changes planned for Dillard High School. There will be need to look at safe commuting.

CF-1 – Replacement of Multi-Space Parking Meters – East Side of North Atlantic Boulevard – Emergency Purchase

The City Manager advised that this item is related to the high tides and Hurricane Sandy.

Mayor Seiler emphasized that full access for the public always be maintained. Vice Mayor Roberts noted these meters help support lifeguard coverage.

CF-2 Emergency Task Orders 9 and 10 - \$87,539 – Beach Profile Survey – Tropical Storm and Later Hurricane Sandy and Thanksgiving Day Weather Event 2012 – URS Corporation Southern

The City Manager advised that this item is related to the high tides and Hurricane Sandy.

In response to Vice Mayor Roberts, the City Manager advised that this does not include what needs to be done to keep the sand in place. Rather, Broward County is working on beach renourishment. Vice Mayor Roberts wanted more followup for the future as to sustainability. The question is whether the correct steps are being taken after it is renourished. In response to Mayor Seiler, the City Manager noted that the previous administration chose not to release a prior report on this matter. It was provided to the Commission on Friday. Assistant City Manager Torriente advised that the Director of Public Works is the lead staff member on working with Broward County and Florida Department of Transportation. She felt there is a close-knit team working on the different moving pieces.

CF-3 – South Side School Update

The City Manager advised that in the abundance of caution, the outlying buildings work described in Commission Agenda Memorandum 13-066 will be re-bid. He believed it could be fast-tracked. Commissioner Rogers felt deadlines have to be set. He was concerned about what happened. He went on to comment that Nova Southeastern University (Nova) will be presenting a plan for a separate building to the Historic Preservation Board. He commented that when he attended school at South Side there were two wings outside of the main building, therefore another structure on the site is not historically inappropriate. If Nova is unsuccessful, the City needs to move on. He thought it would be okay to relocate parks and recreation staff to one floor. He has requested a list of deed and grant restrictions that is essential for the Commission in their search for a tenant. Mayor Seiler believed he is scheduled to meet with representatives of Nova in January.

Vice Mayor Roberts agreed with Commissioner Rogers as to the need to get the building occupied and the air conditioning operating. Perhaps moving parks and recreation staff is a good idea. The following information was furnished in response to the Commission's questions concerning the air conditioning and the bid: Albert Carbon, Director of Public Works, advised that to upsize the air conditioning to accommodate Nova's use would be \$100,000 over the projected City use. He did not have the total air conditioning cost available at this time. The bid that was being solicited had to do with the exterior structures (outlying buildings). Plans for the Nova use and those for the City use would need to be finalized before they could be released for bidding. Commissioner Rogers suggested the City set an amount that it is willing to spend to finish the project and allow Nova to do it with flexibility provided it does not violate the grant and historic preservation parameters.

When the item comes back to the Commission, Mayor Seiler asked the City Manager to also present an update on Nova.

BUS-1 – Riverfront Property – Request of Las Olas Riverfront, LP for Amendments to Brickell License Agreement

The City Manager highlighted information in Commission Agenda Memorandum 12-2654 concerning this matter. There is disagreement on Las Olas Riverfront's (LOR) request to waive the 2011 license fee of \$22,987.16. In response to Commissioner Rogers, the City Manager advised that with consensus approval today, staff would work with the City Attorney's Office to draft the amendment and present it at a future meeting. Commissioner DuBose did not agree with the 2012 license fee reduction. Cate McCaffrey, Assistant Parks and Recreation Director, explained that the commercial dock operator would pay LOR's predecessor who would then pay the City. The predecessor paid the City license and dock usage fees. She believed that the present commercial dock operator continued to pay LOR \$5,000 per month for dock usage.

She did not know whether it was meant to cover the license fee. When the City realized what was happening several months ago, staff told the commercial operator to pay the City directly for dock usage. The \$5,000 monthly fee for dock usage was never transferred to the City. However, she did not know if money was collected for the license fee. Commissioner DuBose pointed out that the commercial dock operator knew they were making the monthly payment for this purpose. Now LOR is saying something different. However, if the intent had not been indicated, the commercial dock operator probably would not have paid it. There is precedence and now there is an attempt to interpret it differently. Mayor Seiler agreed. This money should go to the City because that was the understanding all along. Anything going forward could be negotiated, but not with respect to the past. In response to Commissioner Rogers, the City Manager advised in March of 2012, the City started to collect directly. Ms. McCaffrey advised that the license fee of about \$23,000 is owed. The license fee amount is very cut and dry. She went on to explain its basis of being tied to linear foot and adjusted according to the consumer price index. In response to Mayor Seiler, Ms. McCaffrey explained that going forward, the City is collecting the dockage fee directly. The license fee is for certain rights and was set in 1998 when the Brickell License Agreement was established. The linear footage was a point of reference. The footage was not actually granted. Rather they had certain upland rights. Mayor Seiler suggested whatever is owed on the license fee through December of this year be paid and the staff could re-negotiate the license fee going forward in that the rights are not the same. He would agree to some relief on the license fee, but only on a go forward basis.

Dev Motwani, representing Las Olas Riverfront (LOR), advised that as soon as they took over the property, they were in contact with City staff and immediately allowed the City to collect day dockage and suggested the City also collect for commercial dockage. The agreement inherited from the previous owner had conflicts, therefore they started work toward amending it. Mayor Seiler pointed out that there is no agreement for the kiosk, signage and so forth. The structure is now totally different and as such LOR should be entitled to some relief. However, he could not support allowing LOR to keep money based on an unwritten agreement. Mr. Motwani pointed out that LOR was actually paying the City much more than it was owed based on the Brickell License Agreement. There was an individual on the property collecting day dockage in violation of all of the agreements. He was removed immediately. There was no definitive information about the individual other than he was a County employee. LOR restored some of the rights 1 ½ years ago that are now being amended. LOR has been sorting through what was actually being done for quite some time and have not gotten any benefit since taking over the property.

In response to Mayor Seiler, the City Manager advised that staff formulated a recommendation in late summer. Commissioner Rogers thought if the City dragged its feet, there should be some consideration, but the terms for collection should be followed until there is an amendment. In response to his question, Ms. McCaffrey indicated that LOR's predecessor collected monthly from the commercial operation and it was as high as \$20,000 per month and then down to the current rate of \$5,000. This covered the dockage fee of closer to \$4,000 per month (including day dockage). The City was not a party to this. Commissioner Rogers did not feel there is enough information to make a decision. The City Manager indicated that the practice was not consistent with the agreement. In response to Mayor Seiler, Mr. Motwani advised that LOR has not received anything since March. LOR has encouraged the City to collect the commercial dockage directly. The commercial dock tenant did not pay the full amount under the agreement to LOR.

Mayor Seiler wanted to arrive upon a date that the license agreement changed. He asked the City Manager and City Auditor to arrive upon a recommended date. The agreement should remain in effect until that date and going forward, a dollar amount should be figured out. In

response to Mayor Seiler, Ms. McCaffrey advised that the current agreement has a twenty-five year term from 1998. Mayor Seiler reasoned that the new agreement would extend to the end of the twenty-five year term. He asked the matter be presented at the first meeting in January.

BUS-2 – 2013 Legislative Priorities and Appropriation Requests

The City Manager explained how the priorities and funding requests are organized in Exhibit 1 to Commission Agenda Memorandum 12-2523. The task would then be to pare it down to what would be the proper topics for this year's legislative topics.

Commissioner Rogers questioned why pension reform is not on the City's list. Mayor Seiler indicated that it is on the Florida League's list. Vice Mayor Roberts wanted to broaden WAVE development to transportation. He drew attention to the Sun Trolley and community bus service.

Ron Book of Ronald L. Book, PA, City's Lobbyist, advised that his firm (Book) is fully coordinated with Ericks Consultants, Inc. (Ericks). They have met with the City Manager and staff. From their discussions, the City submitted an application to the water management district in response to a water initiative with FEMA to fund some stormwater projects. Pension reform will be at the top of Speaker Weatherford's list of issues to address – greater empowerment to local governments to control their pension situations by moving toward what the private sector does of defined contribution rather than defined benefit. The Speaker and Senate President are together generally on their agendas. This will consequently be where the Governor's agenda will be. K to 12 funding will continue to be at the top of the agenda. Higher education funding will be at the top of the agenda along with how it meshing with economic development. The next big issue is how the State will move to an exchange program as a result of the Affordable Healthcare Act (Obama Care). The Speaker and Senate President are pushing the Governor toward the middle in accepting the Affordable Healthcare Act and submitting something relatively quickly. He elaborated upon Medicaid expansion, explaining that although Broward County is not part of the pilot program. What is done with risk adjustment is important. The Medicaid budget is about one-third of the total budget and continues to grow at a high rate. The pension issue fits in between these issues. There will continue to be a focus on prevention by the Department of Juvenile Justice and the administration. This administration believes in more emphasis on prevent than the prior administration. As to beach renourishment, there is a billion dollars in surplus and the revenue situation has improved dramatically. The March estimate really matters. He felt there will be a couple hundred million dollars of additional revenue. He also felt the state is moving toward turning the corner in regard to recovery. All indications are that there will be a good tourist season. He believed the City has put together a good set of priorities. The pension issue should be added. He did not see the legislature doing anything in the growth management arena whatsoever.

Candace Ericks of Ericks Consultants, Inc., City's Lobbyist, added other issues are public safety and elections. The Department of Environmental Protection held a workshop this morning on beach renourishment and she provided information on proposed cost-sharing. In response to Mayor Seiler, Mr. Book advised that there will not be CBR's (Community Budget Requests), but there will be some level of project funding and supported by the leadership in both houses. Proposals will need associated metrics and only proposals that would not be possible without state participation. Return on investment needs to be shown.

Commissioner Rogers asked about what local governments should do concerning the gas tax revenue decreasing. Ms. Ericks indicated that there are conversations occurring but she did not think any concept will come to fruition until the session begins. In response to Mayor Seiler, Mr.

Book advised that drafting of any proposed bill should be started yesterday and brought to the attention of the lobbyists. He elaborated upon the process. With respect to transportation funding, Mr. Book indicated he does not believe there is a tremendous amount of opportunity for wholesale tax revenue enhancements. However, he felt this legislature is more amenable to hear about local option revenue proposals and simply authorizing them for local determination. The Tea Party has not died. In response to Commissioner DuBose's question concerning the communications service taxes, Mr. Book indicated that he has not heard about the legislature's plans, but it will be in reports provided regularly by both Book and Ericks. In further response concerning the local business tax, Mr. Book believed the issue has died but offered to keep the Commission posted. Concerning elections, he suggested the City watch what the Secretary of State is doing in their meetings. He did not think days will be added to early voting, but felt there will be some adjustments. He believed the bill along with the ethics package will move in the first ten days of session. He felt the legislature will move for the ethics and The 527 Reform Act to apply to them this session. Commissioner DuBose asked for a forecast on synthetic drugs and sober houses. Mr. Book commented that there is no constituency against the synthetic drug matter, but offered to report back after his upcoming meeting with Representative Gaetz who chairs the Substance? Committee in the House – **Criminal Justice Subcommittee**. He believed the legislature will do more on this matter. Ms. Ericks advised that the sober homes issue has gotten more traction. In response to Commissioner DuBose's comment that nothing seems straight forward in the legislative process, Mr. Book elaborated upon the pill mill issue from both sides. The notion that the government would operate a system allowing one to snoop on what law-abiding citizens are getting in prescription drugs is foreign to libertarian legislators who are driven by their principles. Ms. Ericks indicated that close watch will be kept on the sober home issue. In response to Vice Mayor Roberts' question as to what could be expected to happen at the state level concerning Friday's elementary school shooting, Ms. Ericks indicated that she would not be surprised if something was filed on this front. Mayor Seiler explained that the City wants the ability to regulate short-term rentals. He particularly mentioned repeat offenders. He asked this be added to the lobbyists' watch list. Commissioner Rogers noted that in Fort Lauderdale there are crew quarters that need to be considered when looking to address short-term rentals. Mr. Book indicated that there will be need to navigate the equal protection issues.

The City Manager advised that the 2013 Legislative Priorities and Funding Requests (Exhibit 1) will be amended and presented on January 8, 2013 for adoption by resolution. Pension reform, transportation funding and short-term rentals will be addressed. Mayor Seiler did not think that the lobbyists need to attend on January 8. He went on to open the floor for public comment.

Dennis Ulmer, 1007 NW 11 Place, felt that neighbor partners should play a stronger role in getting the priorities accomplished. He mentioned the civic associations and Council of Civic Associations. He offered to mention it at the Council's meeting. Mayor Seiler noted that the short-term rentals issue came from the Council. He asked that Mr. Ulmer inform the Council that the issue is on the City's list of priorities.

Charles King, 105 N. Victoria Park Road, opposed low-income housing developments that he believed are funded from State Housing Initiative Partnership (SHIP). He felt low-income housing should be dispersed and not clustered in any given area. He opposed the City pursuing SHIP funding. Mayor Seiler explained the multiple ways that SHIP funding can be used. Their purpose is affordable housing and they should not be used for other purposes.

Mr. King was concerned about gun laws enacted by the State. Mayor Seiler advised that the City does not have authority to regulate in this area.

Fred Carlson, 625 Orton Avenue, commented another segment of the short-term rental market are Europeans who initially rent high-end residences and subsequently purchase. He urged this segment of the market be protected.

In closing and in response to Mayor Seiler, Mr. Book assured that before the session begins, a memorandum will be published detailing how the Commission can reach each member of the lobbying team at all hours. In response to Commissioner Rogers, Mr. Book advised that they produce a weekly report each Friday during session. He urged members of the Commission to contact any member of the lobbyist team if they need to bring something to the lobbyists' attention.

BUS-3 – Crime Reduction Project in South Middle River – Partnership with Smartwater CSI

Mayor Seiler believed that there have been individual meetings held. There was no discussion.

BUS-4 – Regulation of Utility Markings

Vice Mayor Roberts supported the City Manager's proposal outlined in Commission Agenda Memorandum 13-0058. It has also been reviewed by the City Attorney's Office. The City is working with Galt Mile Association in training citizens to work with staff. He believed the proposal likely endorsed by all involved public utilities. It is recommended that the concept be presented to the Broward League of Cities to pursue a countywide initiative. The City Manager felt there will be strength in numbers. He mentioned pursuing county and state support. In response to Commissioner DuBose, Vice Mayor Roberts thought February may perhaps be the time to bring it forward to the League. There was consensus approval as presented.

BUS-5 – Status of 800 MHz Public Safety Radio System

The City Manager referred to the presentation made at the November 18 meeting and Vice Mayor Roberts' request that it be scheduled on today's agenda to know the County Commission's position on funding E911 dispatching through ad valorem taxes. The County Commission met on December 4, received information from the Implementation Board (Broward County Consolidated Communication Implementation Advisory Board) but made no commitment on funding. The indication was that it would be addressed at the February 2013 County Commission meeting. He believes that County Commissioner Wexler supports countywide ad valorem taxation as a funding source. A few commissioners indicated they would consider this, but others had comments to the effect that such an approach would be a gift to cities. Although the County has not said no, he believed it will be an up-hill battle. He went on to explain that the 800 MHz is tied to E911 dispatching because of the conflict resolution.

Vice Mayor Roberts referred to the failing condition of the City's system and alluded to the multiple moving parts to the issue as a whole. The County's system is due for replacement in 2014-2017 and has also deteriorated. He wanted the City to ensure the operability of the City's system to deliver public safety services which is a priority. Even if the City did something to its own system, it would be months. Therefore he wanted the City to go down several tracks simultaneously. One would be to go out to bid to fix the current system over a set period of time to provide some breathing room still staying with the end goal of consolidation in the future. He did not think the City can afford to wait. The course of action has to be fiscally responsible and a

lot of money expended for one year is not. Also, the City should position itself to be able to stay on its own in the future if it so chooses. He elaborated upon inoperability between systems that will be the case even should the City stay on its own. As to consolidation, Plantation and Coral Springs are not going to participate but will be able to communicate with the County's consolidated system. He emphasized the need for all options to be kept available to the City. Commissioner DuBose agreed in theory, but based on the last presentation, it would not be possible. The City would be looking at \$3.5 million on something that can only be used with what is existing and consequently other avenues are taken away. Vice Mayor Roberts suggested an RFP to find those answers and keep options open. He does not agree with a fix for \$4 million. Mayor Seiler also did not want to limit the City's options, particularly to work with the County in a global solution. He questioned how that option could be reserved. Commissioner Rogers felt everything needs to be explored and he did not think every angle has been looked at. He favored issuing an RFP. Vice Mayor Roberts pointed out even if a proposal from the RFP process was accepted, there would still be up to nine months for implementation during which time discussions could continue with the County. He reiterated his desire to issue an RFP. He did not think the October 2013 consolidation time frame will happen. Commissioner Rogers pointed out the two contingencies set out by the County Administrator in her letter and preferred to wait and see what occurs. He agreed with Vice Mayor Roberts on an RFP.

Mitchell Nowak of Motorola emphasized the main goal of public safety communications has to do with protection of the citizens and frontline users. Motorola sees the best practice is to enable frontline users with the best resources available. He believed both main companies in this market will give the same message. The system is over twenty years old. Upgrades made are not necessarily the infrastructure to the radio network. Motorola will continue to maintain the City's radio network, but the problem is that spare parts inventory is being depleted. Motorola is willing to compete in a competitive process. It has fifteen P25 systems operational and twenty-four under contract in the state. Some were sole source and some were bid. Motorola sees a cost-benefit from a sole source. He alluded to some difficulties with an RFP process. He elaborated upon the savings by having interoperability. He noted Miami Dade Police Department was sole source with Harris Corporation. He emphasized the real goal is allowing the police officers and firefighters to be their best. He provided additional information concerning lease purchase that was made a part of the record.

Commissioner Rogers discussed the lease option which backloads the cost. He was not sure yet what is needed and the cost. Mr. Nowak felt educational workshops on the various technologies would be helpful. In response to Commissioner DuBose, Mr. Nowak referred to the additional information provided and explained it is a lease purchase with payments in the arrears for two years – five, seven and ten-year payments. Strictly leasing would be more expensive. The purchase amount would be \$4.4 million. A system network of this size is custom-built, therefore a lease would cost as much as purchasing. With a lease, payment is upfront in a forty-eight month period. In response to Mayor Seiler, Mr. Nowak indicated that the County is using the same equipment as Fort Lauderdale for the most part except the City has a new microwave system. He provided more detail and assured Mayor Seiler that there is compatibility. With the P25 system and connection to the master site, there is seamless roaming. Commissioner DuBose recalled that in the last discussion with another entity there was conflicting information as to service type. Mr. Nowak explained that there are two phases that have to do with the level of MHz. Today there is no difference. The only difference has to do with phase two and only on the 700 MHz frequency range where the bandwidth is being split in half. On 700 MHz it must be split in 2013. Everything is digital. He agreed there was some

confusion in this area in the last discussion. He offered to prepare a PowerPoint presentation on P25 and differences between the MHZ's.

George Platt of LSN Partners, representing Harris Corporation (Harris), wanted to be able to compete for these kinds of projects. Competition is good. The Broward County Administrator assured him yesterday that they would be starting to prepare the RFP for their part of the P25 and would be in that process in about a year. There is a transition happening at the Sheriff's Office. And, there is an ongoing discussion between the municipalities and the County as to cost-sharing. He believed there will ultimately be a regional system. If the City wants to bridge the process, he suggested it be in a way to optimize their investment. He reiterated their desire to compete. When Harris competed with Motorola on the state level, they saved the State about \$600 million. He urged direction be given to the City Manager to move forward.

Fred Gallert, East Area Director for Harris Corporation, indicated that Harris is a \$5.7 billion company headquartered in Melbourne, Florida, with 7,000 employees. Public safety is their market place. He discussed the merits of competition and mentioned specific examples in the City's history and that of Florida noted by Mr. Platt. He also articulated the difference between P25 phases one and two. With Harris, both are completely compatible. Depending upon the terminal one can go from one size to the other.

Mayor Seiler did not want to lose sight of the long-term picture because it has a short-term issue. Vice Mayor Roberts felt an RFP takes this into consideration and gets the City moving. It also gets the City some answers. If something is awarded, it will take some nine months regardless. The City Manager indicated if an RFP is issued, it should ask how the short-term solution will impact long-term operations. If the answer is that the City would be locked into the vendor for fifteen years, for example, it would be a very telling point. Mayor Seiler hoped at some point in time the City's path will cross with the County. Vice Mayor Roberts agreed, but reiterated that he believes it will take some time. He clarified that he is not trying to preclude any option with respect to consolidation. Commissioner Rogers wanted to see the RFP before it goes out. He wanted to use such terminology as purchase, lease purchase, or lease. It demands creativity based on the situation. He wanted this communicated in the RFP. Commissioner DuBose wanted flexibility. He would not be opposed to an RFP if options can remain open. Vice Mayor Roberts reiterated that the RFP does not have to be awarded. In response to Mayor Seiler, the City Manager indicated the RFP cost would be staff time and about \$2,000 for the City's existing consultant, Tusa Engineering, to review it. In further response, the City Attorney felt an RFP is a good idea. There may very well be some movement among the County, Sheriff's Office and the City in getting some countywide system issues resolved.

There was consensus approval to proceed with an RFP. The City Manager estimated having an RFP out by the second week of January. Mayor Seiler asked it be moved forward relatively quickly.

BUS-6 – Middle River Park Extension – Broward County Safe Parks and Land Preservation Bond Program

Phil Thornburg, Director of Parks and Recreation, reviewed the history of this topic as outlined in Commission Agenda Memorandum 12-2593. Two gentlemen have approached the City and County. They are in the business of buying contaminated sites, cleaning up the property and selling them. New appraisals will be needed. If the value is over \$500,000, two appraisals are needed. The County has agreed to pay for the first. If a second is required, the City would have

to secure the second. The property would be offered at the average of the two appraisals. In response to Mayor Seiler, Mr. Thornburg indicated there is no commitment that the individuals will purchase the property. Therefore the City could be obligated for the appraisal cost of \$2,500. He confirmed that if the value is under \$500,000, there is no guarantee on the purchase price being under \$500,000. In response to Mayor Seiler, no one knew the amount of the mortgage that was foreclosed upon. Mayor Seiler felt that should be taken into consideration because that is the bank's investment. He thought there was property on the other side of the park that was not contaminated and less expensive. He preferred to use it to expand the park. The City does not know what the selling price of the property once the contamination is removed. The City Manager advised that the County has ruled if this property is not used, the funding will go back into the pot. Mayor Seiler suggested the district County Commissioner be consulted. The City Manager offered to make such inquiry. Mr. Thornburg advised that County staff has advised that more cost has been incurred in acquiring and administering the bond program than the bond proceeds, therefore this money will be re-deposited to help offset such expenses. Mayor Seiler felt this may be permitted since it is not being moved to another neighborhood, but just from one side of the park to the other.

In response to Mayor Seiler, Mr. Thornburg advised that if the property is not cleaned up, the sale would not take place. Mr. Thornburg confirmed for Commissioner Rogers that because of the passage of time, the County is requiring new appraisals. The County has determined there is contamination. In further response to Commissioner Rogers, he was not aware of any parks the City has purchased that had environmental issues before the closing took place. Mr. Thornburg confirmed if the cleanup is \$500,000, there is no commitment on the purchase price. The gentlemen believe the appraisal will be high enough. Commissioner DuBose saw this as an opportunity to get a contaminated property cleaned with minimal exposure to the City. Mayor Seiler was concerned that the cleanup costs could be higher than expected. The purchase price does not have to be agreed upon today. Mr. Thornburg explained that the County will not pay more than the average of the two appraisals. The property owner will have to pay the cleanup cost out of their pocket before the sale is made. He confirmed for Mayor Seiler if it is not cleaned up and sold to the County, it remains under bank ownership. Mayor Seiler pointed out that the City could be put in the position of having to renegotiate. Commissioner DuBose did not think the City has the option of purchasing the site on the other side of the park. There will be contaminated property next to a park. Commissioner Rogers agreed, but thought the better option is to purchase the other site if possible. Commissioner DuBose felt the position set forth by Mayor Seiler differs from information furnished by staff. Mr. Thornburg indicated the County will pay the mid-point between the two appraisals for a clean site. The City Manager explained if the cost of remediation is more than the property's market value, the current property owner will do nothing. He would never recommend the City purchase an impaired piece of property. Mayor Seiler reiterated his concern about the remediation cost being too high. Vice Mayor Roberts understood the City does not have to purchase the property until it is remediated and whether they wish to capture the cost in the sale is their decision. Mayor Seiler was concerned about the neighborhood being told about the park and that expectation from the City. Commissioner Rogers felt the gentlemen will not go forward without knowing what the County will pay for the property after it is cleaned. As such, the City would have entered into a contract requiring cleaning. He also was concerned about the potential for the neighborhood to be disappointed. In response to Commissioner DuBose, the City Attorney recapped the history on this matter. He understood the County's response to the City's request to select the other site was that there were properties that had already been ranked for purchase with bond proceeds and that particular site had not been one of those that had been ranked. If the City gave up the site (contaminated), the money would go back into the pot and be used for a ranked parcel. In the meantime the bank foreclosed on a number of parcels under the same ownership

of which this parcel is one. Therefore, he did not know that the City could identify how much money the bank has into this parcel. The properties have been collateralized together. The City does not have a contract for purchase and sale. It was assignable, but no assignment request was made. He reiterated information concerning the appraisals as delineated by Mr. Thornburg. The original purchase contract required the property be cleaned up before the City took title. Mayor Seiler pointed out that up to this point the City has been prohibited from following through with the park because of the contamination. Commissioner DuBose explained he sees it differently, his position is it is an opportunity to explore. Mayor Seiler was not opposed to exploring provided it is understood there is no commitment to purchase if the remediation cost is significant. Commissioner Rogers concurred. He suggested the County District Commissioner be consulted. The City Manager recalled that this property was some \$200,000 less than the other, however, the County Administrator said no emphatically. He agreed to pose the question to the commissioner. Mayor Seiler asked it be scheduled for the January 8 agenda. More discussion ensued about the issue of contamination and the circumstances around Lincoln Park.

Mayor Seiler opened the floor for public comment.

Laura Croscenco, president of Middle River Terrace Neighborhood Association, commented that this is a very low income neighborhood. With the number of children in the area, the park is vital. Enlarging the park would fight blight. Physical activity of children including teenagers is important. In response to Mayor Seiler, Ms. Croscenco indicated that she would not oppose any addition to the park. Regardless of the City's decision, she urged that the property be cleaned. It has been vacant for many years. Mayor Seiler advised that if the City will incur a multi-million dollar liability in order not to lose \$200,000, he would not do it. He did not want to mislead Ms. Croscenco. Ms. Croscenco reiterated that the City should force the cleanup to be done. Commissioner DuBose felt there is a possible opportunity and it should be explored. Mayor Seiler agreed.

In response to Mayor Seiler, Mr. Thornburg indicated that the parties are aware of the process. They believe the appraisals will be high enough and they can have it cleaned cheap enough to make a profit. Mayor Seiler confirmed that staff should proceed with securing the first appraisal and if the value is over \$500,000, to expend up to \$2,500 for a second appraisal. The City is not committing to anything else. The City Attorney confirmed there is nothing committing the City at this point because there is no contract. Mayor Seiler reiterated that the County District Commissioner be consulted as to use of the funds on the neighboring parcel and whether that parcel is still available. It was agreed that the City Manager could proceed with the appraisal as necessary. There was consensus approval.

BUS-7 – Energy Savings Companies

Terry Rynard, Deputy Director of Parks and Recreation, reviewed information in Commission Agenda Memorandum 12-2247 concerning this matter. Joshua Nichols, Sustainability Manager, outlined his experience with this program (ESCO) in West Palm Beach. West Palm Beach was able to reduce its electricity use by fourteen percent. He also highlighted the pluses to ESCO: audit is backed by a third-party energy savings bond; monitoring and verification annually; and local job creation. In response to Commissioner Rogers, Mr. Nichols indicated that sports field lighting was not addressed in West Palm Beach because the use was not to the extent that the savings would be that great.

The City Manager advised that staff will continue to work with both the City Attorney and City Auditor with respect to the financial aspect. There was no objection to this item.

BUS-8 – City Property Insurance Policy Renewal

The City Manager advised that this is brought to the Commission annually. It has been vetted by the Insurance Advisory Board. Guy Hine, Risk Manager, provided updated cost information that is attached to these minutes. He clarified the total premium shown of \$2,189,958 includes commissions from flood insurance in order to have an apples to apples comparison. He confirmed for Commissioner DuBose that by changing to a ten-month period of April to February, it was a better time to negotiate and resulted in a savings of \$155,000. He advised that the Insurance Advisory Board recommended Option 3. It is thought the City may have had a little too much wind coverage. The Board recommended coverage be dropped to \$15 million for non-utility and \$25 million for utility.

Paul Dawson, Senior Vice President of Public Risk Insurance Agency (City Manager's designee), reviewed Exhibit 2 of Commission Agenda Memorandum 12-2658, titled Exceedance Probability Analysis, Atlantic Windstorm, attached to these minutes. This is derived from an industry accepted software model that indicates what a hurricane loss for the City's property would be for various periods of time. The norm in Florida is to purchase coverage for 100 to 250 year storm events. He added that this does include storm surge in addition to wind. The City Manager advised that staff is looking into whether lost parking revenue could be captured, for example, however, he did not believe any of the deductible levels were reached in order to make a claim.

Commissioner Rogers asked about replacement cost versus valuations. Mr. Hine recalled the Commission's previous suggestion that Fort Lauderdale Stadium be insured at actual cost value instead of replacement value. It resulted in a savings of about \$50,000. The same is recommended for Lockhart Stadium; the actual value is \$3.4 million at a cost of about \$20,000 and is included in the information provided the Commission. Concerning the One-Stop Shop, Diana Alarcon, Director of Transportation and Mobility, has some indication that it is worth more without the building on it. Therefore, she recommended it not be insured whatsoever. This would save \$7,500 to change it from replacement cost to actual cash value (ACV) and it is already included (in City's agent the quote (City's agent). Also, the Peele Dixie Water Treatment Plant is another to consider. The savings to change to ACV is only about \$5,000 to \$7,000. In response to Mayor Seiler, Mr. Hine advised that South Side School is insured at \$1.3 million replacement cost.

In response to Commissioner Rogers, the City Auditor explained the City received \$1.5 million for insurance claims for properties citywide; the amount pertaining to South Side School was only in the neighborhood of \$70,000-\$80,000, having to do with roof damage. He was not certain whether these funds are segregated from the fund balance. The City Manager confirmed that the \$3.4 million does not include insurance proceeds. It is mostly from 2011A Special Obligation Bonds.

In response to Commissioner Rogers, Mr. Hine advised that the deductibles are \$5 million for each program. None of the insurance companies were willing to reduce the deductibles, but the City could purchase buy-down insurance. The cost to reduce the deductible for each program by \$1 million would be about \$100,000, and for another \$1 million reduction, it would be another \$150,000. It would be exponentially higher for a further reduction. Mr. Dawson advised that their analysis included looking breaking out vulnerable facilities. However, the cost is about the

same. The Board did not support expending funds for this purpose. The software model examines return on investment, that is, the cost over a number of years as to when the loss will occur. Seven year return is the goal. It showed that the money would be spent for more than seven years. He went on to discuss the new fire station on A-1-A as an example and imposition of a lower deductible on that facility alone. FEMA has the ability to raise taxes. Because public assistance can be sought on such a facility, any buy-down of a deductible is simply displacing FEMA funds. With a flat deductible, the City qualifies for FEMA assistance.

Commissioner DuBose felt the Board has done an excellent job. He pointed out the City will be saving close to \$370,000. He supported their recommendation of Option 3 and went on to say that the City is also positioned to have solid standing next year as well.

There was consensus approval of the following: 1) Option 3 shown in the updated cost information attached to these minutes; 2) no buy-down of deductibles; 3) insure Lockhart Stadium at ACV ; 4) do not insure One-Stop Shop building; and 5) continue insuring Peele Dixie Water Treatment Plant at replacement cost.

In response to Commissioner DuBose's question concerning the Peele Dixie Water Treatment Plant, Mr. Lawson preferred generally to insure utility property at replacement cost because it is only a third of the cost. If there was ever a major loss, there is a battle on the question of fair market value for something that is not brick and mortar. Most of the loss for utility property are extra expense. The question is how long could the City go without pumping water.

City Manager Reports

- 1) E911 Dispatch and 800 MHz Public Safety Radio System Conflict Resolution Update; 2) The 100,000 Homes Campaign

See BUS-5 for Item 1.

Concerning 2) The 100,000 Homes Campaign, the City Manager recommended the City enroll. There was no objection.

NOTE: The City Commission recessed at 5:08 p.m. and reconvened in the City Commission Chambers at 8:07 p.m. to address item BD-2.

BD-1 - Board and Committee Vacancies

Note: Please see regular meeting item R-1.

BD-2 – Communications to City Commission and Minutes Circulated for Period Ending December 13, 2012

Economic Development Advisory Board

Motion made by Dr. Miya Burt Stewart to the City Commission:
When City Commission establishes lobbying priorities that they include support for Transportation Management Association (TMA) lobbying for funding at the state and federal level. Seconded by Ms. Denyse O'Grady. Motion passed 8-0

No objection.

Marine Advisory Board

Motion made by Mr. Herhold, seconded by Mr. Tapp, to recommend the establishment of a staggered replacement program for the City's Police boat fleet. In a voice vote, the motion passed unanimously.

In response to Mayor Seiler, Police Chief Frank Adderley advised that there has been a constant need for repairs. He did not think it is permissible to use Law Enforcement Trust Funds for replacements. The Police Department has a plan for replacement. Mayor Seiler asked the plan be presented to the Board.

Motion made by Mr. Tapp, seconded by Mr. Rassing, that on several occasions, including tonight, the Marine Advisory Board has been advised that it is a problem for contractors to load and offload barges; there is nowhere to do so legally, resulting in loading and offloading on private property, potentially damaging property, roads, bridges, [and] seawalls. The Board recommends there be a legally designated site that contractors can use to load and offload material on their barges. The Board also requests that Marine Staff be involved in these discussions. In a voice vote, the motion passed unanimously.

This item was referred to staff.

Sustainability Advisory Board

This communication in its entirety as well as a summarized version (Exhibit 4 of Commission Agenda Memorandum 12-2445) are attached to these minutes.

In response to Mayor Seiler, Albert Carbon, Public Works Director, highlighted points in staff's summary of the Board's communication which includes staff's response to each of the Board's six recommendations. Mayor Seiler agreed with staff's responses. Commissioner Rogers thought specific information about the sea turtles' nests and their size should also be included on the City's website. He wanted to direct the Board to examine sustainability measures and recommend those that will result in cost savings for the City. Vice Mayor Roberts agreed and thought recommendations along those lines should be made for the public as well. Mayor Seiler and Commissioner DuBose agreed, thereby forming a consensus.

The meeting adjourned at 8:17 p.m.