

City of Fort Lauderdale

City Hall
100 North Andrews Avenue
Fort Lauderdale, FL 33301
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Meeting Minutes – DRAFT

Tuesday, January 26, 2016

12:00 PM

Northwest Progresso Flagler Heights Community Redevelopment Agency

City Commission Conference Room

CITY COMMISSION WORKSHOP

FORT LAUDERDALE CITY COMMISSION

JOHN P. "JACK" SEILER Chair - Commissioner
ROBERT L. McKINZIE Vice Chair-Commissioner - District III
BRUCE G. ROBERTS Commissioner - District I
DEAN J. TRANTALIS Commissioner - District II
ROMNEY ROGERS Commissioner - District IV

LEE R. FELDMAN, City Manager
JOHN HERBST, City Auditor
JEFFREY A. MODARELLI, City Clerk
CYNTHIA A. EVERETT, City Attorney

The Northwest Progresso-Flagler Heights Community Redevelopment Agency Workshop Meeting was called to order at 12:08 p.m. by Chair Seiler.

ATTENDANCE ROLL CALL

Present: 3 - Chair John P. "Jack" Seiler, Vice-Chair Robert L. McKinzie, Commissioner Bruce G. Roberts

QUORUM ESTABLISHED

Commissioner Romney Rogers arrived at 12:11 p.m.
Commissioner Dean Trantalis arrived at 12:12 p.m.

Also Present: City Manager Lee R. Feldman, City Auditor John Herbst, City Clerk Jeffrey A. Modarelli, City Attorney Cynthia A. Everett

The workshop encompassed discussion of the Northwest-Progresso-Flagler Heights (NWPFH) Community Development Area of the City of Fort Lauderdale in coordination with the City's Community Redevelopment Agency (CRA) for the purpose of discussing the organizational and financial structure of the CRA and the performance of the Northwest- Progresso-Flagler Heights Community Development Area.

Chair Seiler stated the City Commission has been anxiously waiting to address the need for greater accountability from the CRA and seeks to re-establish the CRA as a separate agency (department) of the City.

City Manager Feldman gave a presentation to the Commission on the proposed restructuring of the CRA. It would create a CRA Director, reporting to the CRA Executive Director (City Manager), who would oversee the Northwest-Progresso-Flagler Heights CRA, the Beach CRA, and the Central City CRA. City Manager Feldman noted that, technically, he serves as the Executive Director of the CRA, and the City Attorney serves as General Counsel to the CRA. Chair Seiler asked if the City Auditor John Herbst serves as the auditor of the CRA. City Manager Feldman deferred to City Auditor Herbst. City Auditor Herbst stated under the City's Charter, the City Auditor's Office can look at any matter of City business. This would include the CRA as a blended component of the City. City Auditor Herbst stated a financial audit of the CRA is now being done as part of the City's Annual Financial Audit. They are also moving in the direction of having a separate CRA financial audit performed which will be incorporated into the City's Financial Statements.

City Attorney Everett noted the CRA's by-laws needed to be amended to provide a formal role of the City Auditor for the CRA. Ms. Everett stated this would be done promptly. Vice-Chair McKinzie stated an amendment involving the CRA should include everything necessary to move the CRA in the intended direction.

City Manager Feldman gave an overview of the establishment and history of the CRA noting the current service agreement with the City Commission and the CRA Board expires on September 30, 2016. City Manager Feldman noted shortly after his arrival at the City, he proposed and implemented a large reorganization with the City to address budget concerns. During this process, there was a strong need to reduce the number of City Departments from 15 to 8. As part of that consolidation, Building

Services (including Code Enforcement), Planning and Zoning, Economic Development, and the CRA's administrative functions were moved into the Department of Sustainable Development.

Vice-Chair McKinzie noted it was not until an audit was done that the Commission was able to see how funds were specifically allocated. Vice-Chair McKinzie noted the importance of reorganizing the structure of the CRA because of previous changes and the impact on certain rules, regulations, policies, and procedures' causing the CRA not to function as was originally intended. Commissioner Trantalis noted that a large portion of CRA funds was going toward administration of CRA operations. Vice-Chair McKinzie concurred with this and questioned why such a large portion of funds was allocated the CRA for administration and resources when the CRA did not have a Director in place.

City Manager Feldman recommended reestablishing and restructuring the CRA with a CRA Director reporting to the City Manager as illustrated on the attached organization chart (*copy attached*). The CRA Director would retain the necessary administrative personnel to support financial, human resources, procurement, and grant/loan management. Additionally, each CRA area would have an Area Manager with supporting Program Managers and the support personnel to carry out the implementation of the plan. It was noted that as the Beach CRA area sunsets, it is likely that this Area Manager functions can be performed by the CRA Director. Additionally, until the Central City area has sufficient revenue, the CRA Director would perform those Area Manager's responsibilities. The headcount for a restructured CRA would be approximately 17 to 18. Commissioner Rogers made the point that there should be a cost and benefits comparison used in this restructuring.

Vice-Chair McKinzie wanted to make clear for the record that he agreed there is a need for restructuring and urgency to move forward, along with placing the proper personnel. However, for the record, Vice-Chair McKinzie stated he did not agree with the City Manager's proposed new organizational structure. Additionally, he has concerns about the current staffing of the CRA. Commissioner Trantalis noted that the City Commission is tired of micromanaging the CRA. Vice-Chair McKinzie noted his District differs from the Beach CRA.

Chair Seiler agreed with Vice-Chair McKinzie's comments stating this is long overdue noting the current CRA is an agency that has no place where "the buck stops." Specifically, there needs to be a person that "owns" the Northwest CRA and reports to City Manager Feldman as the Executive Director of the CRA. It was also noted that developers in the City need to spread both development and redevelopment west into District III. Commissioner Roberts suggested recruiting someone with a strong economic development background for the position of Director of the CRA.

Commissioner Trantalis noted many feel CRA funds have been drained for administrative services, and there is a lopsided disparity. Commissioner Trantalis noted it is important to make better use of staff time so as to fulfill the mission of the CRA and to focus on the tougher areas. Commissioner Trantalis stated there is considerable frustration with the inadequate response from City Staff when people inquire about investments. Additionally, there is very little money to apply to projects that need "seed" money as was once available for the Flagler projects, and there is a need to focus on making better use of funds to maintain the program.

Vice-Chair McKinzie raised the issue of the findings of the City's audit concerning misconduct, misspending, noncompliance and a series of other things. He noted those findings encompassed the City's CRA as a whole.

Vice-Chair McKinzie noted he has received comments from the entire City as to how the CRA's work and do not work. He advocated for scrapping the old model and hiring three full-time employees which are fully responsible and focused on the CRA's attaining both immediate and long-term goals. Further discussions ensued on this topic including the costs of staffing and operations, and policy decisions.

Chair Seiler agreed with Vice-Chair McKinzie's frustration dealing with too many layers in the management process and the inability to get things done. It is important to have one person responsible for the Northwest CRA to narrow the process and to present directly to the Commission.

City Attorney Everett noted that the City Manager does not need to be the Executive Director of the CRA, and this can be changed through an amendment to the City's by-laws. Commissioner Trantalis raised the point that the authority of the City Manager, as the Executive Director, ensures the cooperation of all departments within the City to achieve the CRA's goals.

Assistant City Attorney DJ Williams-Persad clarified for the Board that the City can have a CRA Executive Director who is or is not the City Manager. She noted that there would still be overlapping departments such as IT, Human Resources, etc. Chair Seiler suggested restructuring the CRA into an East CRA and a West CRA. The Board would appoint a qualified candidate responsible for the NW Progresso Area, and appointing Donald Morris to the East CRA both reporting directly to the Board. Ms. Persad confirmed this was how the CRA was structured before 2011.

Chair Seiler stated the responsibility of City Manager Feldman as Executive Director would be solely to facilitate and ensure collaboration among the CRA and other City Departments. City Manager Feldman's only concern was making sure that the City has the correct type of infrastructure (personnel) in place to handle issues such as procurement, legal issues, Human Resource, and the financial accountability issues.

Chair Seiler stressed the need for allocating the necessary resources to one individual whose sole responsibility is for the redevelopment of the Northwest Progresso CRA. City Auditor Herbst reiterated the need for collaboration between the CRA and Housing and Community Development (HCD) as they share a common mission. He noted that people who previously ran the HCD would not share Community Development Block Grant (CDBG) money in support of CRA projects. He stated he has also seen conflict between the CRA Director and the City Manager due to the fact they do not share the same mission. This was due to the diversion of TIFF revenue and things the City would like the CRA's to undertake to relieve them of obligations. City Auditor Herbst noted it was very important the Board enforce this collaboration. Chair Seiler noted it is the Board's responsibility to ensure collaboration and the current CRA Advisory Board, as advisors, are to advise the Board if there is a disconnect. Chair Seiler noted the current CRA Advisory Board was exceptional.

Assistant City Attorney DJ Williams-Persad clarified the following concerning the restructuring: The CRA is a separate agency outside the structure of DSD, not run as a department, but as a separate agency. If a current City employee is brought in to staff the CRA, they will be solely dedicated to the CRA and no longer be responsible for duties as a City employee. Vice-Chair McKinzie confirmed Mr. Jonathan Brown had been hired as the new CRA Director for Northwest Progresso Flagler Heights.

Commissioner Roberts expressed concern as to who would take the HUD responsibilities that Jonathan Brown currently has in his City position as Housing and Community Development (HCD). Mr. Brown stated the current structure of HCD has a housing supervisor that deals with all rehabilitation and first-time home buyer programs as well a supervisor dealing with public services programs. The infrastructure in HCD is already in place to continue functioning.

City Attorney Everett, City Manager Feldman, and City Auditor Herbst agreed to meet and take responsibility for consistently amending the City's by-laws. They will bring a full plan back to the Board at the CRA Meeting of February 16, 2016 to understand the full plan and how it will operate.

Commissioner Rogers left the meeting at 1:45 p.m.

Vice-Chair McKinzie raised the City Auditors Investigative Report's findings addressing inappropriate behavior. Commissioner Roberts stated this was the City Manager's responsibility to take steps to address and report back to the Board as to the steps taken. City Auditor Herbst stated that in this type of report they generally do not include management's responses.

Regarding the audit's first finding, City Auditor Herbst explained the methodology of the allocations of the budget. He acknowledged a professional disagreement over how it was done. City Auditor Herbst felt the methodology was very robust and should be improved. He recommended tracking time more effectively as the basis for allocating budget costs. Additionally, the audit brought to their attention the need to reconcile estimates from the budget with the actual costs and an error discovered during the year regarding salaries that were being charged between the Beach CRA and the NW Progresso CRA. City Auditor Herbst stated this has been addressed through a journal entry where the costs have been moved back to the appropriate location.

Commissioner Roberts recommended, as a matter of procedure, this type of investigation should go on to either the State Attorney's Office or other law enforcement entity to look at possible criminality. Commissioner Roberts noted in this instance, the intent was not there but noted it is important to have an independent review of these types of investigative reports. City Auditor Herbst said he did not feel this rose to that level. Commissioner Roberts agreed but stated the goal is to have a level of comfort about all investigative reports from the City Auditor's Office. After after that type of review, it would allow the Board to make a decision based on the City Manager's recommendations. Vice-Chair McKinzie concurred with Commissioner Roberts' recommendation.

Commissioner Trantalis asked City Auditor Herbst if he had seen the news report regarding the State's Office of Inspector General's Report about the City of Hollywood officials' misconduct. Chair Seiler and Vice-Chair McKinzie noted this was a CRA Workshop and did not want the meeting to move into other areas. Commissioner Roberts stated any types of municipal auditor investigations are similar to the Inspector General's Report and should go to the State Attorney's Office for review.

Chair Seiler asked that City Auditor Herbst's report and City Manager Feldman's response be circulated to CRA Advisory Board Members to make them aware of this issue. Thus, if a CRA Advisory Board member sees conduct along those lines; they should express it to the CRA Board. City Auditor Herbst stated, pursuant Florida Statutes, all reports done by the auditor's office are confidential and exempt from public records law until they are presented to the governing body. Chair Seiler concurred that the report would be given to the CRA Advisory Board Members after submission of the report to the members of the CRA Board.

Chair Seiler adjourned the workshop at 1:54 p.m.