

FORT LAUDERDALE CITY COMMISSION CONFERENCE MEETING
AUGUST 21, 2012

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CITY COMMISSION CONFERENCE MEETING**1:42 P.M.****August 21, 2012**

Present: Mayor John P. "Jack" Seiler
Commissioners Bruce G. Roberts, Charlotte E. Rodstrom, 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 Edward Stewart
Sergeant Jose Gonzalez

BUS-1 – Smart Growth Partnership – Healthy and Walkable Community – Technical Services

Renee Cross, Transportation and Mobility, noted the Smart Growth Partnership will providing the City with technical assistance on land use, zoning and transportation in its efforts to make the city a more healthy and walkable community.

Tara Salmieri of Smart Growth Partnership, reviewed slides on the Community Transformation Grant and the Transforming Our Community's Health (TOUCH) initiative. A copy of the slides is attached to these minutes.

Ms. Salmieri responded to Commissioner Rogers' question as to the timeline for auditing the City's policies, indicating it is currently underway and the first phase slated to be completed by the end of August or first part of September. There are plans to create transit oriented corridor and development zoning ordinances by the end of September or mid-October to support the Broward Boulevard initiatives.

BUS-2 – Inclusionary Housing Feasibility Study Prepared by Affordable Housing Advisory Committee

Mayor Seiler noted the need for public input on this matter. It was clarified that while there is an outstanding RFP relating to affordable housing, this item relates to research conducted by the Affordable Housing Advisory Committee (Committee) and their desire for direction. There is a report that is required every three years and coming forward this year, however it is separate from this presentation. Commissioner Roberts felt and Mayor Seiler agreed that the housing survey should be presented in conjunction with this. He assumed that public participation would include all stakeholders. Jonathan Brown, Housing and Community Development Manager, explained that the three-year report where the City transmits to the State various available affordable housing incentives after considering the Committee's recommendations. It is due in December. Commissioner Rogers also thought this report could be considered with the three-year report. During further discussion on scheduling public input and presentation of this item with the three-year report, Mr. Brown indicated there is nothing preventing both items being considered at the same time. Mayor Seiler wanted to hear from the Committee today, but also wanted a public hearing for all stakeholders.

Rebecca Walter, of the Affordable Housing Advisory Committee, reviewed the Inclusionary Housing Feasibility Study prepared by the Committee provided to the Commission as Exhibit 1 of Commission Agenda Memorandum 12-1249. She noted that for the payment-in-lieu option,

the average hard-cost to build an affordable housing unit in the city was calculated using real data from the Fort Lauderdale and Broward County housing authorities. A copy of the study (Exhibit 1) is attached to these minutes. The Committee recommends adoption of an ordinance that would require all development applications with ten or more residential units to provide at least ten percent of the units at prices that are affordable to households below eighty percent of the area median income or payment-in-lieu of \$100,000 per unit to the City's Affordable Housing Trust Fund. The Committee is seeking direction on how to proceed and whether there is anything else the Commission would like the Committee to do.

Peter Henn, member of the Affordable Housing Advisory Committee, commented that this is about affordable housing impact fees. He went on to elaborate upon the impact that market-rate residential construction creates. Without affordable housing within the City's boundaries, there is more traffic and need for police and fire due to commuting. He referred to the Committee's previous recommendations presented last year and direction to look at inclusionary zoning. He believed their report shows a rational nexus. Although the recommendation is ten percent of a development should be affordable, he believed there is justification for nineteen percent. He believed that people want to be in Fort Lauderdale, the county seat, versus other communities in this area.

Mr. Henn responded to Mayor Seiler's question about community input during the Committee's work. He noted that this concept is implemented in cities throughout the country; it is no longer cutting-edge. They reached out to not-for-profit affordable housing developers generally, but has not yet reached out to the homeowner associations and development community. Mayor Seiler felt it should go to the Council of Civic Associations and those that will fund it. Mr. Henn indicated that the Committee does not want to get ahead of the study underway by staff at this time if there is a global way to tackle this issue. The City Manager anticipated that the master affordable housing study would be completed by May of 2013. Its purpose is an inventory.

In response to Roosevelt Walters, a Committee member, Mayor Seiler confirmed that the Committee has done what the Commission directed; perhaps the Commission should have been more clear with respect to vetting.

In response to Mayor Seiler's comment about a breaking point for developers in deciding whether to go forward with a project, Mr. Henn quoted two extreme examples on each end of the spectrum. He felt the Committee could look at this part more closely. He also mentioned the idea of offering incentives that would be an offset. Vice Mayor Rodstrom referred to the Bahia Mar project being on City-owned property and expressed her belief that the City should be following the same regulations it imposes on private developers. Mr. Henn commented that on very high-end development, the payment-in-lieu will be the case because of other associated costs with living in the development, i.e. condominium fees. Ms. Walter responded to Commissioner Roberts' questions about using household or family income and area median income (AMI). There is a big difference between household and family incomes; both were shown for comparison purposes, however, household is more customarily used. As to AMI, the Committee used the U.S. Department of Housing and Urban Development (HUD) guidelines. In looking at other programs, the range is 50 to 120 percent (of AMI). This is something that the City would have to establish. Commissioner Rogers felt the City has to define the type of housing it intends to address, whether it be low-income, workforce or affordable. Mr. Henn felt there is a need in all cases. Even though the gap has gotten smaller since the height of the market in 2006, people still cannot cross the gap. Commissioner Rogers felt the problem must be explained. Another question is what to do with the trust fund. Mr. Henn indicated that the Committee presented five policies last year and this was one of them. This is a funding source

for the remaining four policies. In response to Mayor Seiler, Ms. Walter advised that she is not aware of any city basing the payment-in-lieu on anything other than hard cost. Using the data collected it would be \$111,324. She agreed that the AMI could be adjusted periodically. The American Community Survey is used as a census data source; it is the only such source available. The calculation is readily available at a county, city or census tract levels. For the most accuracy, she suggested a five-year data set which would be 2006-2010.

In response to Commissioner DuBose, Ms. Walter indicated that the livable wage was not captured in the Committee's report. Commissioner DuBose requested it be added. Mr. Henn indicated that there is information from Florida International University in the report. Florida International University has performed consulting work for Broward County in the past. The Committee has previously reached out to the County, but there has not been a team approach for development of this report. Commissioner DuBose encouraged the Committee to make use of the County's Living Wage Advisory Board could provide data. He went on to emphasize that the education portion of this topic is critical. He referred to the public's frequent confusion with low-income, workforce and affordable housing. He felt it would be helpful to move forward with education on the front-end. In response to Vice Mayor Rodstrom, Commissioner DuBose indicated that the livable wage would address factors besides housing in terms of overall affordability.

Mayor Seiler opened the floor for public comment.

John Milledge, representing the Downtown Development Authority (DDA), pointed out that the land owners would be bearing the entire cost. He asked that the Committee be directed to make a presentation to the DDA and that the DDA be made a part of the process. The DDA has issues with the data and nexus.

Jack Loos, 1815 Cordova Road, believed that this proposal would have a dramatic detrimental impact. Rather than million dollar units, one hundred fifty thousand to seventy thousand units are being built. Local government loses a million dollars in revenue for every significant development not built within its boundaries.

Charles King, 105 North Victoria Park Road, felt this is a funding mechanism to allow construction of low-income housing in area where such housing already exists. He spoke against the payment-in-lieu option. He had experience with a building in New York City where twenty percent of the units were low-income. He supported genuine inclusionary housing. There should also be a minimum income level.

Dev Motwani indicated that he is a former member of the South Florida Community Land Trust and Broward Housing Partnership, agreed with Mr. Loos that this proposal would eliminate development of the middle market. The numbers need another look. He understood there is a report coming forward from the Northwest Community Redevelopment Agency and suggested the City attempt to merge data from both reports.

Fred Carlson, 625 Orton Avenue, referred to older housing that exists behind the beach area where he resides. He encouraged attention be given to rehabilitation of existing housing.

There was no one else wishing to speak.

Mayor Seiler asked that the Committee make certain all of the stakeholders are included, meet with the Council of Civic Associations and Downtown Development Authority and then return to the Commission.

BUS-3 – Public Participation Plan in the Development Review Process.

Ella Parker, Sustainable Development, noted at the April 3 conference meeting a presentation was made regarding the streamlining of the permitting process. At that time there was agreement that applicants should make more effort at the beginning of the process to obtain community input. The proposed ordinance provided as Exhibit 1 to Commission Agenda Memorandum 12-1273 would require applicants to submit a public participation plan with the application packet for Site Plan Levels III and IV developments. She highlighted features of the draft ordinance.

The City Manager advised that he has spoken to individuals in the audience interested in this item and agreed to meet with them on this topic. The idea is not to make the process overly burdensome for developers but rather to streamline. Most developers have very informal discussions with neighborhoods before they submit their applications. This would formalize those discussions and include the results into the development review process. Ms. Parker explained that ultimately there would be a greater understanding and perhaps greater public support as the project moves forward, thereby reducing the time.

In response to Commissioner DuBose, the City Manager indicated the plan was discussed with the Council of Civic Associations last Tuesday. He felt both the Council and business community need to be involved in formulation of an ordinance. Commissioner Roberts wanted input from both before going forward. Commissioner Rogers questioned whether the full burden for a plan being placed with the applicant. He suggested a checklist. Discussion followed as to the current process. Ms. Parker explained that staff wanted to receive more insight on the direction of the Commission. Commissioner Roberts felt what needs to be fixed are those cases where neighborhoods are not aware of a project coming forward so they can then take advantage of what is available. He simply wants to know that the community is notified and a meeting takes place. The City Manager explained that the plan would formalize for uniformity what is currently occurring most of the time so there is uniformity. If issues from residents come up at the Development Review Committee (DRC) stage, it is more costly to revise plans than it would be to have the conversations beforehand. Ms. Parker pointed out that standardizing the process would be helpful for all developers in defining their community outreach. Mayor Seiler explained that such a process would ensure that all developers conduct the necessary outreach, but he did not want to make it over-burdensome for those who already conduct themselves properly. Ms. Parker indicated that with the right criteria, it may be beneficial to everyone and better projects.

Mayor Seiler opened the floor for public comment.

John Milledge, representing Downtown Development Authority, agreed with Mayor Seiler and comments of the Commission. Any responsible developer would follow such a process. The issue is that the process be streamline. A developer would not want to put together a comprehensive report that would have to be reviewed and approved by staff. He hoped to meet with the City Manager and work it out.

Sam Poole, 702 North Rio Vista, did not think there should be any obligation or public notice process that would invite residents to comment on a project in any formal way, creating rights in

a group, if a project is consistent with the vision expressed in the City's code. If the code does not clearly express what is desired, then the code should be changed. The idea of a developer having to convince the community that he is doing what the code allows and has expressed would be unduly burdensome. It makes someone trying to do what the code allows essentially asking for permission and opening that individual to claims by third parties that the public notice process was insufficient and therefore extracting concessions. This runs contrary to what he believed City staff has been trying to accomplish with the LEAN streamlining process. He agreed if a developer proposes a change to the vision, that is what is already provided for in the code, he should make the community aware of the change and why. There is a fundamental distinction between the two. Commissioner Roberts felt there have been cases where such interaction has enhanced existing communities. Such participation has made it better for everyone. Mr. Poole was concerned about the legal right being given. Commissioner Roberts agreed in general but felt there needs to be some room for interaction. Commissioner Rogers explained it is not about those items spelled out in the code, but rather gray areas where there is some wiggle room. Input in those areas is good. There must be a place somewhere in the middle. Mr. Poole was concerned about the legal right being given that could delay a project. Mayor Seiler explained it is not so much about an approval as it is about notice and transparency. Vice Mayor Rodstrom suggested perhaps the notice signage is posted earlier and there is more signage.

John Loos, 1815 Cordova Road, agreed that any thoughtful developer would speak with the neighborhood associations. Although participation may be very heavy on the beach, many other area meetings are poorly attended. There could be a number of people in any neighborhood who were not involved and claim at the last minute that they did not know anything about a project. He agreed with the checklist suggestion. He drew attention to the amount of money being invested. Last minute objections are very discouraging. He agreed with Mr. Poole with respect to codifying something.

Marilyn Mammano, president of the Fort Lauderdale Council of Civic Associations, emphasized the need for transparency and as such notice. It is not always possible for people to attend Development Review Committee meetings. There needs to be give and take on everyone's part. She agreed with comments that an as of right development should not be subjected to this process. However on the other hand there may be ten different ways to develop a project according to the code. Sometimes discussions about a project result in a better project. However, it is a business decision for as of right developers. This proposal is only for those developments that require some discretionary review. This proposal brings some formality to notification. She felt it could ultimately be a win win and she encouraged more discussion and refinement.

Vice Mayor Rodstrom pointed out that the proposal is for an ordinance that would become law. Ms. Mammano felt it is clear that no one anticipates it would become a veto mechanism.

Dev Motwani, 2600 Castilla Isle, referred to existing notice provisions and public process. He felt the burden is being placed entirely on the applicant. He did not think the proposal establishes a standard but rather a cloud of gray over the process. It adds a layer of complexity and will make it harder to do business in Fort Lauderdale although he agreed with the intent of notification and working together. Perhaps the Development Review Committee meetings could be held in the evenings.

Charles King, 105 N. Victoria Park Road, suggested a video recording of the community meeting and that there be requirements as to when such meetings are held. He did not think it should be required for single family or two or three-unit construction.

Fred Carlson, representing Central Beach Alliance, referred to Par Sanda's development and how well the process worked in that case. A lot of what occurs now works well. He did not believe people feel they have any say in City construction projects and mentioned the parking being constructed just south of Las Olas Boulevard on A-1-A. He suggested referring projects to the associations and making better use of the associations.

There was no one else wishing to speak.

Ms. Parker indicated that the report does not have to be lengthy and complicated.

The City Manager indicated this matter will be resubmitted to the Commission toward the end of the year.

BUS-4 – Property Exchange and Public/Private Partnership Opportunity to Build Fire Station 54 at 3200 NE 32 Street – Galt Shops Area

Albert Carbon, Director of Public Works, indicated that a builder has proposed a property swap and a new site for Fire Station 54. Staff has been concerned about the need for a temporary station during construction. There is no available City property for a temporary station and such a temporary provision would be a cost that would not be recouped. This proposal is for the fire station to be situated on the north side of 32 Street adjacent to 33 Avenue with parking to the west. The builder would construct the fire station with available City funding. It would expedite construction of the station. City staff and City Attorney's Office would develop a development agreement.

Mr. Carbon confirmed for Vice Mayor Rodstrom that there would be no gap in service and no need to finance a temporary station. The City Manager noted the current plan for this station that will somewhat diminish the visibility of the developer's project. Additional explanation was provided with respect to turning movements for fire apparatus. Mayor Seiler asked about the cost to move the median. Mr. Carbon believed it is in the neighborhood of \$50,000 and who would bear that expense would be worked through in the development agreement discussion.

Mayor Seiler supported the concept, but wanted to make sure there is sufficient parking, both on-street and off-street. Courtney Crush, representing P.D.K.N. Holdings, LLC (Bokamper's), indicated there is 350 feet of dock space for people arriving at the restaurant by boat. Mr. Carbon advised that the fire station property has capacity for 71 parking spaces. With extension of the median, there will also be 40 parking spaces. The parking inventory will increase significantly from this proposal. Bernie Lombardi, representing Bokamper's, advised there will be about 155-160 on the restaurant property. Ms. Crush indicated those areas shown in red are opportunities to create 44 additional public parking spaces. The developer proposes to have shared parking including use of the Tides Parking Garage for employees. In response to Mayor Seiler's suggestion of extending the median, Mr. Carbon confirmed that the developer has proposed extending the median in order to provide additional parking. Some discussion followed about use of the Tides Parking Garage and metered parking spaces as well as the idea of an improved pedestrian connection. It was noted that the restaurant will have almost two hundred fulltime employees and a capacity in the range of 550-600 seats. Ms. Crush advised that they have met with two nearby condominiums. One condominium that has 33 parking

spaces is concerned about controlled access. The developer understands the need to be proactive and address such matters upfront. Molly Hughes, representing Bokamper's, advised that a parking study will be prepared and presented to the City.

Concerning the idea of one contractor for both the restaurant and fire station, the City Manager advised that there are some mechanical issues, including architectural vocabulary, that will have to be worked through. Mr. Carbon advised that this station will be a replica of Station 29 located at U.S. 1 and NE 16th; it will have two bays. The City Manager indicated that the meeting room at the station could accommodate outreach meetings that the Chief is contemplating. Mayor Seiler drew attention to the 12,000 square foot community center just a block away and questioned another public space being constructed. Mr. Carbon clarified for the City Auditor that this station will have a different façade from Station 29, but other features such as structural, mechanical, electric and civil engineering will be a template of Station 29. The City Auditor thought the Commission had previously decided that all of the stations would look the same. Vice Mayor Rodstrom recalled residents at that time being very angry about the façade.

The City Auditor questioned how staff knows the City is getting the best cost if it is not being bid out. Mr. Carbon advised that with seven stations having been built in the past seven years, the City has cost data. Mayor Seiler asked the City Manager to meet with the City Auditor and City Attorney in that he is also concerned about the construction cost being the best possible price. Vice Mayor Rodstrom did not want that aspect to delay the restaurant idea. Ms. Crush indicated that Bokamper's will make the decision this week on whether to go forward with the restaurant and land purchase. Mayor Seiler felt the decision on bidding the fire station construction or having it constructed in conjunction with this restaurant development is a legal one. The City Attorney thought there is a problem if an architect is going to be hired to redesign the station's fenestrations. It will probably be possible to simply build a cookie cutter station like the other stations. However, architectural issues would need to follow the Consultants Competitive Negotiation Act (CCNA) process. Commissioner Rogers thought it would be less costly for one contractor to build two structures than a contractor for each structure. He thought changing the mansard could be accomplished without redesigning the entire building. The City Manager advised that if any architectural changes would be made, inhouse architectural staff would be utilized to avoid CCNA. The fire stations thus far, for the most part, have been done by in-house architectural staff. He suggested the City obtain an estimate of the City's design from an independent third-party cost estimator. The City Attorney advised that he would provide an opinion on this idea. Commissioner Rogers understood that construction prices are increases, therefore it would be to the City's advantage to have the station built as soon as possible. Commissioner Roberts agreed. Ms. Hughes pointed out that with one contractor there is only one maintenance of traffic and one disturbance to the merchants. Commissioner Rogers advocated making use of the opportunity for a public/private partnership. Commissioner Roberts agreed and emphasized that he does not want to lose such an opportunity.

Mayor Seiler noted that there is consensus on the land swap. He wanted staff to be as flexible as possible in order to use the developer's contractor for the fire station construction and secure the best possible price. It appears that parking is being resolved. In response to Ms. Crush, the City Attorney confirmed that he could provide the City Manager with a legal opinion on the fire station construction aspect within a week. Ms. Crush indicated because of the wealth of area parking, most of the parking will be off site and not on the private property. Mayor Seiler raised the idea of looking at the area underneath the bridge.

In closing, Mr. Bokamper indicated this design will be identical to his restaurant in Miramar only in a more linear setting.

BUS-5 – Fiscal Year 2013 Commission Annual Action Plan

The City Manager advised that this is a culmination of work the Commission completed over a two-day period with facilitator, Lyle Sumek.

Vice Mayor Rodstrom asked about the cost for this process and the City Manager offered to provide that information.

As to the homeless strategy development and implementation, Vice Mayor Rodstrom remarked that the County is considering adding more beds to the homeless assistance center.

There was consensus agreement that the plan contained in Commission Memorandum 12-1305 reflects the consensus reached during the two workshops. A copy of the plan is attached to these minutes.

BUS-6 – Proposed Lien Settlements – Special Magistrate and Code Enforcement Board Cases

Mayor Seiler noted a WALK-ON settlement (Memorandum 12-225) that is attached to these minutes. The City Manager explained that Mrs. Graybeal has a house in Coral Springs. The title is in her name and that of her daughter who is estranged from the family. The daughter owns a house in Fort Lauderdale that is in foreclosure, abandoned and has code violations. Mrs. Graybeal's son has remedied the violations. They are now looking for relief. Staff recommends ten percent of the lien amount of the outstanding fine as a settlement so that they may sell their house in Coral Springs.

There was no objection.

CF-1 – South Side School Update

Albert Carbon, Director of Public Works, advised that the issue with the structural engineer has been resolved and staff is preparing to bid the project originally contemplated to be bid in July. However, staff is still on track to complete the entire project by July of 2013. This bid is for the outlying buildings and surrounding areas including picnic pavilion, restroom building, playground shade structures, pedestrian walkways, landscaping and irrigation and exterior site lighting estimated at \$360,000. Plans are being prepared for the bigger project (main building completion) and contemplated going out for bid in October of this year. Staff met with Nova Southeastern University as to use of the school. The City has requested a letter from Nova as to their commitment with respect to a timeline and use. Nova is getting ready to make a commitment of 18-24 months for use of the building that they currently occupy. Hopefully this letter will be available for the Commission's September update and hopefully in October the details on working out an agreement for operation of the school.

In response to Commissioner Rogers, Mr. Carbon advised that he will be working with Phil Thornburg, Director of Parks and Recreation, on a plan of action if Nova does not move forward. He was not aware of the details. Commissioner Rogers indicated that a meeting was held concerning Hardy Park. Mr. Carbon responded to his question about expanding the sidewalk, estimating it at \$30,000. Commissioner Rogers indicated that there are some remaining funds in the park budget. He wanted to move forward with expanding the sidewalk while this project is underway. He also asked that Mr. Thornburg followup in updating the Commission with respect to a plan of action if Nova does not move forward.

In response to Commissioner Roberts, Mr. Carbon advised that \$800,000 is needed to complete the West Construction contract, which is independent of the \$300,000 for outlying buildings and so forth. The City has \$2.1 million of the West contract that has not been paid to West, although some funds are owed to West. Hardy Park is not part of these figures. He offered to furnish the total dollar amount needed to complete the project.

BD-1 – Communications to City Commission and Minutes circulated for period ending August 16, 2012

Community Appearance Board

Motion made by Ms. Barbara Van Voast, seconded by Mr. Jonathan Arbogast.

The Community Appearance Board would like to take a moment to recognize the outstanding efforts of the City of Fort Lauderdale staff who have provided their time to this Board. As you know, our annual event was on May 10, 2012. Reina Gonzalez, our CAB Liaison coordinated the event. She was assisted in various ways by Heather Steyn, Erik Froman, Jon Stahl, Eden Bertonazzi, and Monique Damiano. Each of these individuals did an outstanding job assisting with our needs, as well as those of the Keynote Speaker and guests. Last but not least, we would like to thank Mr. Feldman, our City Manager, for his lively and insightful speech regarding the importance of community. His video on painting the town could not have been more timely or perfect. The event would not have been such a great success without their efforts.

We would also like to recognize Ms. Gonzalez, Jolie Reed and Rafeela Persaud, for the excellent job they have done as the dedicated staff for our board over the years. Information has always been timely disseminated to the board, and the meetings have run smoothly. We are saddened to be losing this fine team as our support staff, but look forward to the opportunity ahead with our new team. the motion passed unanimously.

Mayor Seiler also recognized City staff's efforts.

Economic Development Advisory Board

Motion made by Mr. Goldberg and seconded by Denyse O'Grady that the Economic Development Advisory Board be presented with the proposed amendments to the parking regulations in order that the Board can provide feedback as well as have a Board represent at the June 20, 2012 Planning & Zoning Board for the Citywide recommendations. Motion passed 10 -0.

Motion made by Mr. Calloway and seconded by Mr. Riehl that the City appoint an Individual to recommend to the Economic

Development Advisory Board a task force on homelessness and a conference on homelessness. Motion passed 10-0.

There was no objection.

Motion made by Mr. Calloway and seconded by Mr. Riehl that the City appoint an Individual to recommend to the Economic Development Advisory Board a task force on homelessness and a conference on homelessness. Motion passed 10-0.

In that the motion was unclear, Mayor Seiler requested clarification be provided and this motion be rescheduled.

General Employees Retirement System Board of Trustees

The City of Fort Lauderdale General Employees' Retirement System Board of Trustees has invited the Plan's Actuaries, Stephen Palmquist and Melissa Algayer of Gabriel Roeder Smith and the Plan's Investment Consultant, Richard Dahab of Dahab Associates to the August 9, 2012 Board of Trustees meeting to discuss:

- The technical and logistical aspect of investing proceeds of a proposed Pension Obligation Bond
- Ideal Asset Allocation and Diversification Models
- Specific Investment Options
- Actuarial Assumptions
- GERS' Investment Policy

No action required.

Historic Preservation Board

Motion made by Mr. Schulze, seconded by Ms. Thompson to recommend the City Commission direct staff to proceed with historic designation of properties known as the Bryan Homes (aka the River House Restaurant/the Chart House). In a voice vote, motion passed unanimously.

Motion made by Mr. Schulze, seconded by Mr. Kyner to recommend the City Commission designate the Bryan Homes and the Chart House and the surrounding properties as historic and direct staff to do the research necessary, as soon as the application was submitted. In a voice vote, motion passed unanimously.

The Director of Sustainable Development advised both of these houses have been designated historic.

Motion made by Ms. Graff, seconded by Mr. Schulze to recommend the City Commission direct staff to proceed with historic designation of all other properties in the H1 district. In a voice vote, motion passed unanimously.

Mayor Seiler requested clarification from the Staff Board Liaison as to the necessity of such designation. The City Attorney explained that there are properties in the historic district (H-1) that are not designated historic. Those structures not designated must meet requirements in order to continue to use the structure. Designated structures cannot be demolished. There are criteria for demolishing structures that are not designated historic but are located within an historic district. If a demolition application is denied and it is appealed, the courts make a decision. Commissioner Rogers noted with the upcoming criteria re-write, this is intended to be addressed. He suggested and there was consensus to address this issue at that time.

Police and Firefighters Pension Board

The Board adopted the recommendations of the actuary based on the 2007-2011 Experience Study. They changed the mortality assumption to the RP2000 mortality table, lowered the interest rate assumption to 7.5%, and lowered the salary scale.

No action required.

Sustainability Advisory Board

At their July 12th meeting, the Broward League of Cities (BLOC) passed a resolution opposing what is commonly referred to as "early cost recovery". The City of Fort Lauderdale's representative to the BLOC, Commissioner DuBose, voted in favor of the resolution. The SAB, having duly considered this matter at prior meetings including a presentation by FP&L and in support of this vote by the BLOC, respectfully resubmit for Commission consideration. We request that the City, as the largest in the County, take a direct position and join the other voices calling on the Public Services Commission (PSC) to: 1) deny further approval of "early cost recovery" charges, and 2) urge the Florida Legislature to repeal the "early cost recovery" statute that allows electrical utilities to charge customers for nuclear expansion expenses in advance of successful operation of said facilities. Please refer to Broward County League of Cities, Inc. Resolution No. 2012-S-03 for content. After passage of an equivalent City specific resolution, please submit it through appropriate channels to the PSC.

This request is aligned with our "Purpose and Duties" as detailed in Section 4, subsections 1, 2 (as amended by Ord. # C-11-37) and 3.

Motion made by Ms. Eckels, seconded by Ms. Amor. In a voice vote, motion passed unanimously.

Commissioner DuBose advised that the League adopted a resolution to submit to the Resolutions Committee during the Florida League of Cities' conference this week, but it did not meet the requirements and was not accepted. It is not moving forward. There was some unreadiness because some municipalities wanted more information.

Valerie Amor of the Sustainability Advisory Board indicated the Board brought this forward again in hopes that the Commission would consider its original position. She thought perhaps the topic is not a focus of the League this year. Commissioner DuBose clarified that the Florida League has determined that the issue does not meet the requirements for what the League will take up as an issue from the League's perspective. The Broward League supported it. Ms. Amor was concerned that monies can be taken, nothing ever built and the monies not returned.

Commissioner Rogers thought if a plant is not built, the money charged should nevertheless be accounted for. It will impact what is requested before the Public Service Commission in terms of rates because of the money collected. He viewed this as a financing mechanism. He did not believe he has received enough information in order to make an informed decision. Commissioner DuBose indicated there were strong arguments on both sides. If the Commission wishes to take a position, he felt presentations should be made. Time is not an issue now. Ms. Amor noted that Florida Power & Light has asked for an increase in their rates, therefore timing may be an issue. This would be a message to be accountable and transparent with what they do with their money. She agreed with Commissioner Rogers that it is about finances. The cost would customarily come from the shareholders; what they are doing is not typical. They are not obligated to return the money. Commissioner Rogers questioned that as accurate when there is a regulatory body that dictates what they can charge and what they can earn. Commissioner DuBose reiterated that there were cities on both sides. He felt it would be helpful to hear presentations from both sides. Mayor Seiler indicated that where necessary he supports nuclear energy, but he would execute a resolution if there is a majority in favor. Commissioner Roberts wanted more information.

There was no consensus to pursue the topic at this time.

BD-2 - Board and Committee Vacancies

The City Clerk explained that with respect to appointing the seven highest assessed properties in the Beach Business Improvement District to the Beach Business Improvement District Advisory Committee, two of the seven (A1A Trader and A1A Clipper) are affiliated with each other and have offered the same representative to serve. Mayor Seiler suggested that the highest assessed property of the two be appointed,

Composition of the Citizens Committee of Recognition was also highlighted. Mayor Seiler raised the idea of adding one or two categories and asked the Commission to think about the idea.

Community Appearance Board – Carol Cappadona (Commissioner Roberts)

Nuisance Abatement Board – Lorraine Saunders in place of Louise Dowdy (Consensus)

Reapportionment Committee – Marilyn Mammano (Consensus - Council of Civic Associations category)
D. Ryan Saunders (Consensus – At-Large category)

Sustainability Advisory Board – Anthony Olivieri (Mayor Seiler)
Jim Moyer (Commissioner DuBose)

Note: Please see regular meeting item R-06

Executive Closed Door Session

EXECUTIVE CLOSED DOOR SESSION WAS HELD AT 4:43 P.M.

The City Commission shall meet privately pursuant to Florida Statutes 768.28(16) concerning:

**EDLYMS GONZALEZ v. CITY OF FORT LAUDERDALE
FILE VA GL 11-1043**

CLOSED DOOR SESSION ENDED AT 4:55 P.M.

Note: The City Commission reconvened at 9:58 p.m. to address City Commission and City Manager reports.

City Commission Reports

Events and Matters of Interest

Members of the Commission announced recent and upcoming events and matters of interest, including that the Broward County Board of Commissioners considered at its meeting today adding beds and bathrooms to the homeless assistance center. Vice Mayor Rodstrom noted that she has been receiving emails about the homeless population at Holiday Park. She has requested that the emails be shared with Mayor Seiler and the City Manager.

Isle of Capri Bridge Painting, Las Olas Isles

The City Manager offered to followup in determining whether there is funding for painting this bridge.

South Federal Highway Repavement Project; Speed Limit

Vice Mayor Rodstrom referred to this recently completed project in District IV and suggested a consistent speed limit for four-lane roads in the city.

Recognition of Helen Ferris

Vice Mayor Rodstrom suggested that City Commission consider recognize the passing of Helen Ferris. Mayor Seiler requested a copy of the proclamation being issued by Broward County to assist the City is preparing a recognition as well.

Abandoned Properties (Residential Abandoned Property Program)

In response to Commissioner Rogers, the City Manager advised that an ordinance will be brought forward by the end of September or early October.

Homeless Fixed-site Meal Program

Commissioner Rogers provided a status report including a grant application being made titled Frequent Users Service Enhancement Initiative.

Night Out Against Crime

Commissioner Roberts asked that staff look into ways to expand this event.

Upcoming City Commission Meetings

Mayor Seiler announced the upcoming joint workshop with the Budget Advisory Board on August 27, the next City Commission regular and conference meetings on September 5 which will also be the first hearing on the budget.

FEMA Flood Insurance Rate Map and Study

Mayor Seiler had received information on this topic that showed a window of time to apply/appeal. Various deadlines are stipulated. He provided the information to the City Manager for followup.

Visioning: Meeting-in-a-Box

Mayor Seiler agreed with the visioning meeting in a box concept and hoped it is well used.

City Manager Reports**DISCUSSION AND UPDATE ON VARIOUS MATTERS**

A copy of the City Manager's Memorandum 12-1306 concerning the following matters provided to the Commission is attached to these minutes.

E911 Call Taking and Dispatch and 800 MHz Radio System Conflict Resolution Update

The City Manager highlighted information in his memorandum on this topic. The City believes that Broward County is required to maintain the 800 MHz radio system pursuant to the County Charter, Section 5.03 adopted in 2002. The City also believes the requirement extends to E911 to which the County disagrees. Fort Lauderdale along with four other cities in the county maintains their own radio system due to lack of capacity of the County system. The City believes the County should bear this cost or reimburse the City. There will be a large bill in five or six years in the \$9-12 million range for equipment that is at its end of life this year.

The City Manager recommended the City pay under protest and reserving all rights for September's E911 call taking and police dispatch services. Mayor Seiler felt it must be paid, but asked the Manager to outline the unfairness of the County's position. The City Manager explained that the County has chosen not to fund the Sheriff's request for funding. Wilton

Manors is currently dispatched from the Fort Lauderdale PSAP (public safety answering point). The PSAP cost is being billed to the City at one hundred percent even though Fort Lauderdale only have ninety-four percent of the calls. The response to his question of whether there is intention to bill Wilton Manors for their share was no and that it would be Fort Lauderdale's responsibility to strike a deal with Wilton Manors. The Sheriff has the authority to enter into agreements for services provided to cities for police and fire services at rates he negotiates. To the extent that the rate is below the cost of providing the service, the entire system of which Fort Lauderdale is a part subsidizes that cost. It is an issue of equality and being fair. The County has indicated their goal is to create a system for fairness and that it would be in place for October 1, 2012, but it now looks like it will be October 1, 2013. Mayor Seiler believed that based on discussion at the meeting, it appears it could be 2014. In response to his question, the City Manager believed there are six cities that do not pay for police dispatch, some of which are Davie, Hallandale Beach, Lauderhill, Sea Ranch Lakes. Mayor Seiler commented that the County acknowledged the unfairness but a time as to when it would be corrected was not indicated. The City Manager advised that another meeting is scheduled for tomorrow. At that time he will recommend a shared approach, requiring the City to budget \$1.7 million next year to fund a portion of the service, recognizing the City will again be treated unfairly or unequally or both going forward. The County representatives indicated they wanted to seek guidance of the County Commission today. However, the item was deferred pending the meeting tomorrow. He was unsure what will be said tomorrow.

Commissioner Roberts wanted to know when legally the City can proceed past the conflict resolution meetings. The City Attorney indicated if an impasse is reached, the next step is a joint meeting between the two commissions. Either party could declare an impasse tomorrow. Mayor Seiler elaborated upon points that demonstrate that both parties are not operating under the same legal and factual assumptions. Commissioner Roberts agreed the state statute is clear on use of the funds, it is clearly anything needed to operate a center including personnel.

Commissioner Roberts supported the City Manager's recommendation, but if nothing happens tomorrow, he felt it is time to move to the next step. He went on to comment on the varying rates charged per call wherein Fort Lauderdale is being charged almost three times what the consolidated rate should be and twice that for other cities. In response to Commissioner Rogers, the City Manager advised that roughly the County receives \$10 million annually, \$6 million of which goes to the E911 System and \$4 million goes to capital improvements. The Sheriff has \$12 million reserved from the E911 capital set aside. They are allowed to only carry over thirty percent. Commissioner Rogers agreed with Commissioner Roberts about moving forward with the process. Commissioner DuBose also agreed. He thought it should have been addressed at the County Commission meeting today.

Fiscal Year 2013 Budget Update

The City Manager highlighted information in his memorandum on this topic. The Budget Advisory Board concurs with the reduction recommendations shown in the attached Exhibit 1. He also indicated that street resurfacing (Gas Tax Fund) has been reduced from \$900,000 to \$748,000. In response to Mayor Seiler, the City Manager thought legislative changes cost the City roughly \$500,000. If the City has to pay the full tab for E911 dispatch, the cost would be roughly \$5.4 million. He confirmed for Mayor Seiler that approximately \$6 million in costs have been shifted to the City. In response to Commissioner Rogers, the City Manager explained that the State reduced what is actually taxed under the communications services tax.

Commissioner Roberts was opposed to the reduction in bunker gear and 2 K-9 dogs and expressed concern about defibrillators. They are safety issues. He was also concerned about the \$150,000 reduction for enhanced medians. Mayor Seiler pointed out that the City cannot take a \$6 million cost shift without affecting services. Commissioner Roberts did not want to forfeit the bunker gear or the K-9 replacements; he wanted to find another source. The City Manager pointed out that the City Auditor is still conducting his review and has concerns about the amounts of certain revenues which he will have to address with the City Auditor. Commitment of \$10.5 million on The Wave is not in the budget. About \$7 million will come from land, but the balance will be cash. There is \$300,000 in the budget for the City's first payment for Broward Center for the Performing Arts. This commitment is \$300,000 each year for fifteen years. The beach renourishment may cost \$1.5 to \$3 million. There is also need for \$1.7 million for E911 dispatch services.

Management and Confidential Employees Compensation Adjustment

The City Manager highlighted information in his memorandum on this topic. He offered to furnish Commissioner Rogers with the dollar amount required to increase the maximum point of salary range for all positions in Schedules I and II. In further response to Commissioner Rogers, the City Manager advised that staff has not conducted an extensive compensation study. Such studies become a base for collective bargaining with which the City has to live. Commissioner Rogers explained that he needs to know about the market. The City Manager pointed out that it is not just a matter of salary, it is salary and benefits.

The City Manager indicated there is a very large inequity that needs to be addressed with respect to the confidential employees. There may be five administrative assistants in a department covered by the Federation contract. One confidential employee who is trusted more and given confidential information, is held back because the same adjustments are not made. Commissioner Rogers wanted to get away from making adjustments based on employees wanting something because other employees have it. He wanted to use the market as a basis. Commissioner Roberts felt such discussion should be held for the future. He wanted to address compression now that could be accomplished with the City Manager's recommendation. Mayor Seiler pointed out that there is a group of employees that were skipped over and one percent will not make it up, although it is a step in the right direction. Commissioner Roberts also pointed out that the Budget Advisory Board has made that recommendation to the Commission for at least two years. The City Manager pointed out that the employees that he is leaning on more every day are the 212 management and confidential. The employees that they are supervising are making more and consequently there is no incentive to do more. Commissioner Rogers questioned with respect to compression, the issue of some employees being able to work overtime and others not. The City Manager advised that in the case of captains, the compression issue exists even without the overtime. The salary scales have surpassed the supervisors. The City Manager went on to elaborate upon the fact that the Sunrise police chief is earning \$20,000 more than this city's police chief yet this city's police department has more employees and is more complex than a suburban police department. Commissioner Rogers preferred to hire less people and make sure they are treated fairly. Commissioner Roberts indicated that he tends to agree depending upon the area, but they should be the best trained and equipped and near the top of the pay scale.

Vice Mayor Rodstrom wanted to reserve her comments to the Non-Classified Employee 401(a) Retirement Plan item. She wanted to know how much the bonus incentive retirement program would cost in pension liability and how many positions have been filled. The City Manager advised that the salary savings exceeds the increased pension contribution. Mayor Seiler

indicated that based on the City Manager's plan, there is a net savings. The City Manager indicated that he is abiding by his commitment to only re-hire fifty percent, but he did not know how many are management and confidential employees. She wanted to know if the Human Resources Director would know that number. Mayor Seiler asked Vice Mayor Rodstrom's position on the item under discussion at this time. Vice Mayor Rodstrom did not think any adjustments are affordable. She believed there are items in the budget that the City cannot afford. Mayor Seiler asked for specifics of those items. Vice Mayor Rodstrom thought there were probably a couple items in the budget that could have been foregone and that money used for the employees. It is a matter of must have over wants now. Mayor Seiler pointed out that this group has gone four years without an adjustment. Until she knows how much is left, Vice Mayor Rodstrom could not support any adjustment. Discussion returned to whether there was a net savings with the bonus incentive retirement plan wherein Mayor Seiler noted that no one has disputed there is a net savings and Vice Mayor Rodstrom pointed out that it is based upon the information they have been provided. The City Manager drew attention to his recommendation in Items 4 and 5 to eliminate certain benefits to new hires. As far as new hires, Vice Mayor Rodstrom agreed they do not have to be offered any extra benefits. It could be changed if times get better.

Commissioner DuBose asked what is creating the compression. The City Manager explained that pay ranges for employees in the collective bargaining unit have exceeded those in the management and confidential categories. Their base salaries are exceeding the caps for management and confidential. He confirmed that the three percent on the top of the ranges is needed because those employees are at the top. He also confirmed that it is a short-term solution, an anticipated two-year period. It is not possible to fix everything and he did not know offhand exactly how many would be addressed and how many not. Ultimate pay ranges in the bargaining unit will need to be addressed to assure there are no compression issues in the future. Commissioner DuBose requested staff's analysis by Monday (scheduled date for joint workshop with Budget Advisory Board). During this dialogue he expressed agreement with the proposal concerning new hires and the one percent, although it is only a start.

Non-Classified Employee 401(a) Retirement Plan

The City Manager highlighted information in his memorandum on this topic. This system has been in place since 1996 when the City tied the non-classified employees to the GERS (General Employees Retirement System) and the five-year averaging which was codified by ordinance in 1996. He alluded to examples of circumstances and choices made by some employees in this category when they were hired.

Mayor Seiler thought that new non-classified hires, effective October 1, should receive nine percent which is what all other employees in the GERS category receive. Of these twenty-five employees, seven are clerical/administrative and eighteen are professional. He commented on the competitive nature of attorneys and accountants and the unsecure nature of the city manager and assistant city manager positions. He suggested a three-level structure: one for the City Manager and two assistant city managers; a lower amount for the remaining seventeen professionals and an even lower amount for the seven clerical. He believed all individuals except the two administrative assistants hired in the City Manager's Office would be in the professional category. The administrative assistants would be clerical. The Senior Assistant City Clerk would be in the professional category and the assistant city clerks IV and I would be clerical. The two assistant city auditors and assistant city auditor I would be in the professional category. There are six assistant city attorneys that would be in the professional category. He suggested percentages of eighteen, fourteen and ten. Considering that the City Manager and

assistant city managers were hired at slightly under 19.8 percent which would be contributed if the unfunded accrued liability contribution is not counted. There should be consideration about an alternative percentage for hiring charter officers. Vice Mayor Rodstrom preferred the Mayor's proposal versus that of the Manager. In response to Commissioner DuBose, the City Manager advised that all classified employees hired after 2009 receive nine percent. Next year, the City's annual contribution will be forty-eight percent of the GERS employee payroll. In response to Commissioner Rogers, the City Manager referred to page 5 of his memorandum that shows the GERS normal cost or contribution rate without the unfunded liability dating back to 2007 and noted that the range has been 18 to 19.84 percent range. Mayor Seiler indicated that is sort of how he arrived at the 18 percent for the City Manager and the assistant city managers who all came onboard with the understanding that this was part of their compensation package. The City Manager indicated that he hired people at a lower salary range than the market because of the 401(a). Now the Commission is talking about lowering the retirement without anything to keep the package whole. Commissioner Rogers noted that the percentage fluctuates so there is no guaranteed rate. Former City Manager George Hanbury received twenty-one percent, which he believed was the norm at the time. A new normal needs to be decided upon in order for it to be sustainable. He supported the Mayor's proposal. The City Manager believed there should be something on the salary side in such case. Commissioner Rogers agreed at that level. Commissioner Roberts pointed out that this management level of employee could very well have stock options in the private sector that is not available in government. Commissioner Rogers was looking for fairness and felt that history is something to consider. Commissioner Roberts noted that historically the percentage started at twenty-one for the city manager. Mayor Seiler indicated in 1996 it was a little over ten percent. If this is the direction, Commissioner Roberts felt there should be some associated salary adjustment. For those employees that would be decreased to ten percent from thirty, it is one-fifth of their benefit package. Mayor Seiler agreed, but emphasized that a decision has to be reached for October 1. Commissioner Roberts wanted input from the Budget Advisory Board on this point. He thought there should be some consideration about certain job classes in the future in that an across-the-board nine percent may not be desirable. Mayor Seiler indicated that the salary could be adjusted. The City Attorney indicated that he just hired four attorneys at very low salaries on the premise of benefits that the Commission is considering cutting in half. There are two attorneys that were hired when the GERS was available and opted for the 401(a) instead. It is a travesty to take this away without giving them the opportunity to join the GERS. They chose that option based upon the information they were given and trusting the City. He felt attorneys are just as difficult to recruit as assistant managers. Mayor Seiler pointed out that everything was being adjusted and it should have been known that this would be the next area to examine. It is an unsustainable number. The City Attorney pointed out that historically the City has made such adjustments prospectively, that is, for new hires. Mayor Seiler pointed out the percentage is now calculated with the unfunded accrued liability contribution. Without that factored in, the highest it should be is 19.84 percent. The City Attorney explained that he is speaking about bargains that have been made, changes in lifestyle and jobs given up and changed in reliance upon promises made. This is cutting the benefit in half that the City promised the assistant city attorneys. Commissioner Rogers thought it should have been understood that the percentage would fluctuate and it started at ten percent. This percentage level is unsustainable. He mentioned the concept of a match. Mayor Seiler was amenable to a salary adjustment recognizing this change is being made, although not dollar for dollar.

The City Auditor noted the difference between the current contribution rate and the nine percent for these twenty-five employees is \$340,000.

Mayor Seiler wanted to establish a uniform system of nine percent for all new hires. Vice Mayor Rodstrom and Commissioner Rogers concurred. Commissioner Roberts questioned how the City could be competitive with other municipalities. Mayor Seiler indicated it would be accomplished with salary. Commissioner Roberts agreed that the salary could be increased and that the percentage should be set at one percentage, not a sliding scale. He wanted to hear the Budget Advisory Board's input. Mayor Seiler wanted to hear from the employees. In response to Mayor Seiler, the City Attorney clarified his previous statement and indicated there are three attorneys that opted for the 401(a) instead of the GERS and they have all been onboard more than five years.

Mayor Seiler asked that any ideas or proposals be presented at the joint workshop. He asked the City Auditor to furnish the contribution percentage rate from 1996 forward for this group of employees.

Pension Obligation Bonds: Financing

Ed Stull, of FirstSouthwest, City's Financial Advisor, advised that currently the police and fire and GERS funds have approximately \$777 million. If the pensions do not assume the rate of return of 7.75 percent for the GERS and 7.5 percent for police and fire, the unfunded actuarial accrued liability (UAAL) increases. The City already has a market risk. The pension obligation bonds introduce the risk of not achieving the 7.75 and 7.5 percent return. The rate of return will be the true interest cost of the bonds. He highlighted information in a revised Pension Obligation Bonds Briefing Document which is attached to these minutes. He drew attention to a slide showing the City's contributions to the pensions since 2008. The proposed financing would be twenty years and the success or failure of the bonds will not be known until the end of the twenty-year period. For every year that the rate of return is not achieved, the difference is amortized over a twenty or thirty-year period. Over the last five years, there has been a considerable gap. However, over a twenty-year period, the average rate for the GERS has been 7.6 percent or 7 percent at a compound annual growth rate and for police and fire 8 percent or 7.4 percent at a compound annual growth rate. He went on to say that the market value is about \$103 million more than the UAAL. Thus with the total assets of \$777 million, the liabilities are about \$1.26 billion. Changes in accrued benefits, pay levels and the difference in actual versus projected rate of return on investments all impact the UAAL. These discussions are occurring throughout the country. There is a lot of financial stress for municipalities that have not made the necessary tough financial decisions. The interest rate is expected to be a little volatile over the next couple weeks. He drew attention to the slide showing the fluctuation since May. He also reviewed information on the slide titled Risks of Pension Obligation Bonds. The real success is if the returns are greater than the interest rate on the bonds. If the 7.75 and 7.5 percentages are not achieved now on the \$777 million, without the pension obligation bonds, the City will lose ground. This is not a new venture; the City already owes the money. He went on to review the financing structure contained in the Briefing Document. The bonds would be modeled around the amortization of the UAAL. This would create a uniform savings and allow for repayment of the taxable bank loan. However, there is a mismatch with respect to the GERS amortization period, so shortening of that was examined as well as relief on debt service in the front years. Scenario 2 shortens the final maturity to 2032. It provides more financing flexibility. In Scenario 1, the debt service is about \$1.5 million higher in years 2014-2017. The thought was to use this savings shown in Scenario 2 to further reduce the OPEB (Other Post-Employment Benefits).

In response to Commissioner Rogers, Mr. Stull explained how the financing was structured to allow for a shortened duration and a lowered payment. In Scenario 2 more savings was taken in the earlier years; it is not paid back as fast in the earlier years.

Mr. Stull went on to comment that the market value is higher than the UAAL savings numbers. Roughly \$320 million would go into the pension funds. With respect to the \$16 million pre-payment for the 2013 UAAL on police and fire, seventy-five percent is being taken back and applied toward this year.

In response to Vice Mayor Rodstrom, Mr. Stull advised that this is considered a borrowing. Principal and interest will be paid starting in year one. The net savings will be in the neighborhood of \$5.7 million for 2013. Savings over the life of the bonds is \$84 million and is less than the projection of \$95.5 million due to a rise in interest rates. In further response to Vice Mayor Rodstrom, Mr. Stull explained that the City would have to pay the difference between 7.75 percent and 4 percent on the \$777 million. The net loss would be the difference between the bond and investment rates. There is already a risk if the 7.75 and 7.5 is not achieved. With the bonds, the risk is a lot lower. Vice Mayor Rodstrom concluded the 7.75 percent always has to be met regardless of the bonds; the City has to make up the difference. Mr. Stull explained that without the bonds, the City is locked into paying an interest rate of 7.75 or 7.5 on the money owed; the bonds reduce the cost. He confirmed if the City chose to change the 7.75, the UAAL would increase. The City Auditor clarified that changes to that percentage can only be made by the pension board of trustees in their fiduciary capacity. Mr. Stull elaborated upon the history of this topic throughout the country. He confirmed for Vice Mayor Rodstrom that if the 4 percent is not achieved in the first year, the City has to make up the difference that year. However, the City would have to do this even without the bonds. The \$16 million pre-payment for the 2013 UAAL on police and fire that saved \$1.6 million will be reimbursed back to the City.

The meeting adjourned at 12:29 a.m.

City of Ft. Lauderdale

Tara Salmieri, Program Manager

August 21, 2012

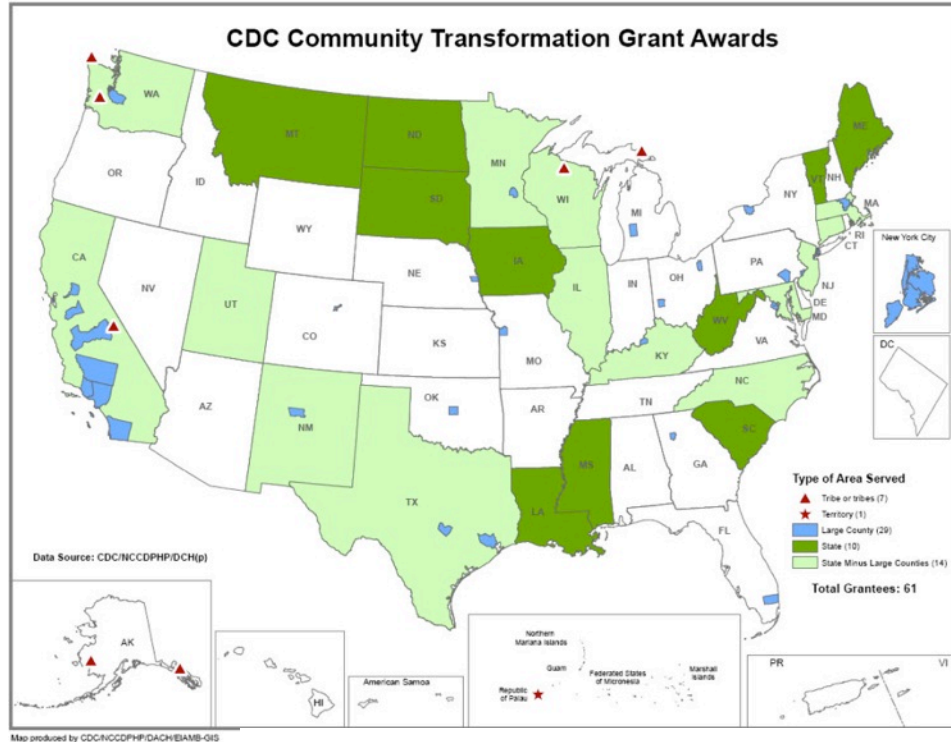


Community Transformation Grant (CTG)

Seeks to:

- improve health
- reduce health disparities
- control healthcare spending

Supports community and state efforts to reduce chronic disease



September 2011, 61 Grantees
were awarded a CTG Grant

www.cdc.gov/communitytransformation

State of Florida

- Broward Regional Health Planning Council-
 - TOUCH Initiative
 - Awarded 1.76 million a year for 5 years
 - Collaborative Effort (20 community partners & 10 coalitions)



www.touchbroward.org

Create healthy and safe places for Broward residents that are supportive of an active lifestyle

Community Partners:

- **Smart Growth Partnership (Technical Assistance)**
- **Urban Health Partnerships, Inc. (Complete Streets)**
- **Broward Metropolitan Planning Organization (Complete Streets)**

Tobacco Free
Living

Active Living
and Healthy
Eating

Improving
Quality
Clinical &
Preventive
Services

Healthy and
Safe Physical
Environment

Healthy and Safe Physical Environment

Make the streets safer for all users including motorists, pedestrians, bicyclist and users of public transport through:

1. Complete Streets community design standards
2. Smart Growth Codes



Technical Assistance Grant

Implement Healthy, Livable, Walkable Communities in Broward County

The Broward Regional Health Planning Council was recently awarded a Center for Disease Control and Prevention (CDC) grant to create healthy and safe places in Broward County. They must be supportive of active lifestyles by implementing Smart Growth Policies. Smart Growth Partnership is one of the community organizations that is on board to help improve the health and well-being of the residents of Broward County.

Smart Growth Partnership's goal is to help each city in Broward County to be recognized as a Smart Growth Healthy City. The awarded grant provides technical services to local cities that are committed to implementing Smart Growth and Complete Street Policies. These policies create healthy, livable, walkable communities that are being embraced throughout the country.

To be part of this initiative, your Planning or Community Development Department or elected City Commissioner may apply for technical assistance during this grant. For more information contact Tara Salmieri, tsalmieri@smartgrowthpartnership.org or call (407)454-1291 for the application. All grant applications must be submitted no later than April 6th by 5:00 pm.

Four Broward Cities already have applied for the assistance, will you be the fifth?

**Is your City committed
to Smart Growth?**

Are you ready to:

**Adopt Smart Growth Principles?
Participate in a Policy Audit ?
Consider Policies that support Smart Growth?**

If you answer YES to any of the above, your City is eligible for technical assistance provided by the Smart Growth Partnership to help educate, evaluate and develop smart growth and complete street policies.



This publication was supported by the Cooperative Agreement Award Number U58DP003661-01 from the Centers of Disease Control and Prevention. Its contents are solely the responsibility of the authors and do not necessarily reflect the official views of the Centers of Disease Control and Prevention

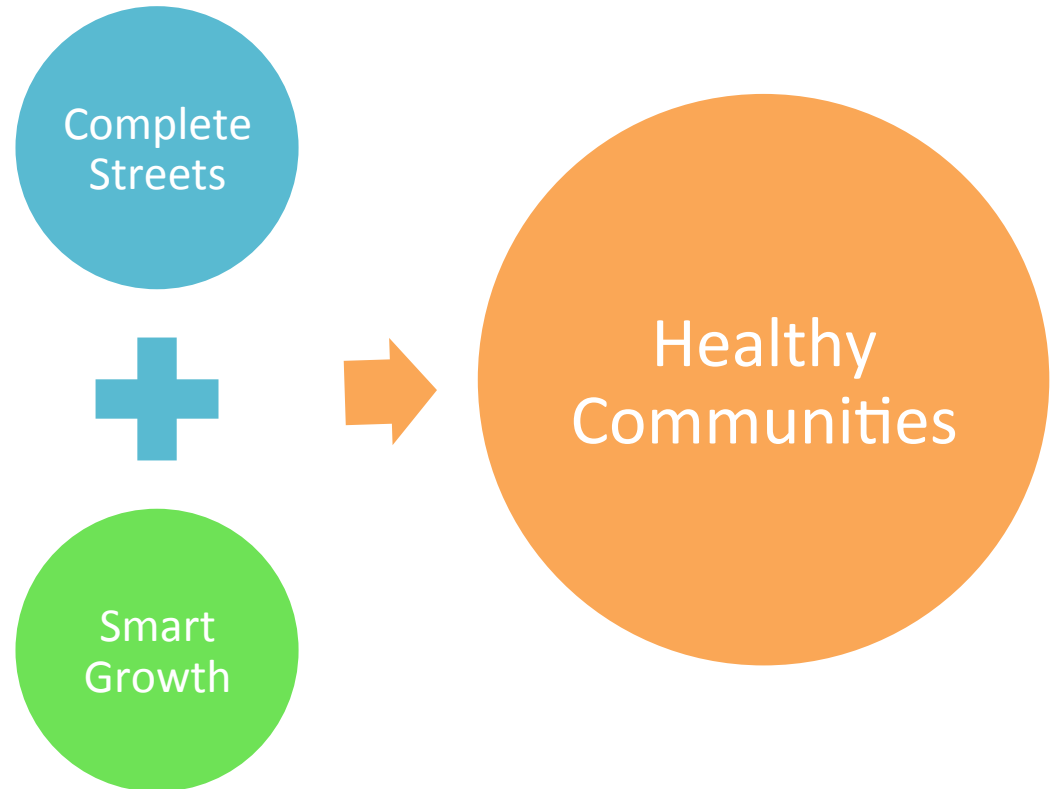
March 14th, all Cities in Broward were sent an application for Technical Assistance for:

- Educating Staff & Community on Smart Growth & Complete Streets
- Drafting Resolution to Support both Smart Growth & Complete Streets
- Audit of Cities current Policies
- Develop/Adopt Zoning Regulations



Smart Growth Initiatives

Coral Springs
Dania Beach
Deerfield Beach
Ft. Lauderdale
Lauderdale Lakes
N. Lauderdale
Miramar
Oakland Park
Pompano Beach
Plantation
West Park



Smart Growth Principles

- Provide a Variety of Transportation Choices
- Mix Land Uses
- Create a Range of Housing Opportunities and Choices
- Create Walkable Neighborhoods
- Encourage Community and Stakeholder Collaboration
- Foster Distinctive, Attractive Communities with a Strong Sense of Place
- Make Development Decisions Predictable, Fair and Cost Effective
- Preserve Open Space, Farmland, Natural Beauty and Critical Environmental Areas
- Strengthen and Direct Development Towards Existing Communities
- Take Advantage of Compact Building Design and Efficient Infrastructure Design

Smart Growth



1. Uses
2. Roadways
3. Sidewalks/Landscape
4. Design



1. Roadway
2. Bike Lane
3. Parking
4. Landscape
5. Sidewalks
6. Design
7. Uses

City of Fort Lauderdale Inclusionary Housing Feasibility Study and Recommendations

Prepared for:

Fort Lauderdale City Commission
City Hall
100 N. Andrews Avenue
Fort Lauderdale, FL 33301

Prepared by:

Affordable Housing Advisory Committee
C/O Housing and Community Development Division
700 NW 19th Ave.
Fort Lauderdale, FL 33311



June 2012

CAR 12-1249
Exhibit 1

Purpose of the Study

The City of Fort Lauderdale Affordable Housing Advisory Committee (AHAC) was reestablished in 2008 as mandated by HB 1375, which required each local municipality and county receiving State Housing Initiatives Partnership (SHIP) funds to convene a committee. The original charge to the Committee was to review established policies and procedures, ordinances, and land development regulations, and prepare a report that recommends specific actions or initiatives to encourage or facilitate affordable housing. The Affordable Housing Advisory Committee Report prepared for the Florida Housing Finance Corporation was adopted by the City Commission at their December 16, 2008 Regular Meeting by Resolution Number 08-290.

One of the recommendations provided in the report and adopted by the City Commission was the permanent establishment of the Affordable Housing Advisory Committee to further evaluate affordable/workforce housing policies and tools for the City of Fort Lauderdale. As a result of the March 2, 2010 City Commission Workshop, the Affordable Housing Advisory Committee was directed to prepare an Affordable Housing Strategic Implementation Plan which was presented in the August 23, 2011 City Commission Workshop.

In the Affordable Housing Strategic Implementation Plan, the AHAC recommended that the City establish an Inclusionary Housing Program. An Inclusionary Housing Program requires the addition of affordable housing in new residential developments. Some of the benefits of this type of program include: production of low-income housing in areas that lack sufficient affordable units, performance as a market driven tool that does not require large amounts of subsidy, provision of more disposable income to households to spend on goods and services in the local economy, positive impacts that address the pattern of racial and economic segregation, and assistance in preventing sprawl by locating housing near jobs and services instead of on the suburban fringes where land costs are low.

In this study, the housing needs assessment and affordability analysis demonstrates the demand for an Inclusionary Housing Program in the City of Fort Lauderdale. The analytical analysis to support the payment-in-lieu and the financial analysis of the set-aside options present the necessary data to structure and create a viable program. The Affordable Housing Advisory Committee recommends that this feasibility study be used as a guide for the City Commission to begin the process to enact an Inclusionary Housing Ordinance for the City of Fort Lauderdale.

Summary of Recommendations

In summary, the Affordable Housing Advisory Committee recommends that the City of Fort Lauderdale adopts a mandatory inclusionary zoning ordinance that requires all development applications that have ten (10) or more residential units to provide at least ten percent (10%) of the units at prices that are affordable to households below 80 percent of AMI, or in the alternative make a payment-in-lieu of \$100,000 per unit to the City's Affordable Housing Trust Fund.

Housing Needs Assessment and Affordability Analysis

The results of the housing needs assessment and affordability analysis present a strong case for the need for an Inclusionary Housing Program in the City of Fort Lauderdale. Four different metrics were used to determine the affordability and availability of housing in Fort Lauderdale. These were affordability of single-family homes, affordability of condominiums, affordability of the median 2010 rent, and number of homes available in the City based on an affordable home price of 300 percent of annual household income. The affordability of housing is based on two generally-accepted standards: for general housing costs, not more than 30 percent of gross annual income should be devoted to housing-related costs, including rent or mortgage payments, utilities, taxes, and insurance, while for home purchases specifically, an affordable home will not be priced at the time of sale at more than 300 percent of the gross annual household income.

Affordability of Single-Family Homes

Between 2005 and 2010, the median household income in Fort Lauderdale rose and then declined, losing ground slightly to 2005 levels (Table 1). The affordability of for-sale homes improved significantly over this period, with the median home price declining from \$410,000 in 2007 to \$200,000 in 2010. Nevertheless, an affordability gap of \$70,000 continued to exist in 2010, implying that even in the depths of the real estate crash, a median-income-earning household could not safely afford the purchase price of the median-priced Fort Lauderdale home. This affordability gap will continue to rise as the market recovers.

Affordability of Condominiums

A very similar trend was seen for condominium prices as for single-family homes; the affordability gap for condos between 2005 and 2010 declined significantly, yet remained at approximately \$60,000 in 2010 (Table 2). This affordability gap will continue to rise as the market recovers.

Availability of Affordably-Priced For-Sale Homes

Table 3 indicates the number of Fort Lauderdale homes available for sale at a particular date (April 1, 2012) as monitored by Zillow.com. The numbers of affordably-priced houses to household income categories were as follows:

- 1 affordable for-sale home for every 76.3 median-income-earning households
- 1 affordable for-sale home for every 466 households earning 30% of AMI
- 1 affordable for-sale home for every 75.9 households earning 50% of AMI
- 1 affordable for-sale home for every 28 households earning 80% of AMI
- 1 affordable for-sale home for every 19.2 households earning 120% of AMI

A clear shortage of for-sale housing priced affordably is evidenced for the lowest-earning households in the city. When compared to the amount of selection for households earning 120 percent of median income (defined by HUD as “moderate income”), the selection for the lowest-earning households is less than five percent.

Affordability of Median 2010 Rent

Also shown in Table 3, only households earning the median annual income or higher could afford the median 2010 household rent in Fort Lauderdale, with the lowest-earning households facing an affordability gap of \$732 each month. This indicates that only half of the city's households, whether they rented in 2010 or not, may have avoided a housing cost burden. In fact, cost-burdened households comprised a significant share of total households in Fort Lauderdale. According to American Community Survey's 2010 1-Year Estimate, 18,284 households that rent in Fort Lauderdale, out of an estimated 72,824 total households, paid more than 30 percent of household income towards rent, with 19,513 owner-occupying households paying more than 30 percent of household income towards housing costs. These two cohorts represented 25 percent and 26.8 percent of total households, respectively, or more than half of total households when combined.

Targeted Population and Affordability Period

Based on the housing needs assessment and affordability analysis, it is evident that the greatest need for affordable housing occurs at 80 percent of the area median income and lower. Therefore, the Affordable Housing Advisory Committee makes the recommendation that the Inclusionary Housing Program targets households at 80 percent and below of the area median income. For example, HUD estimates the median family income for Fort Lauderdale in 2012 at approximately \$62,600. If the program was implemented this year, it would aim to target families that earn \$50,240 or less annually.

Some inclusionary housing programs target different AMI thresholds in order to guarantee that the program serves all income levels. For example, the City of Sacramento requires that developers set aside 15 percent of all units as affordable. One-third of those units must be reserved for households earning between 50 percent and 80 percent of the AMI. The other two-thirds of those units must be reserved for households making less than 50 percent of the AMI. This is another factor the Commission may consider in order to properly serve the targeted population.

The City Commission will also need to determine the affordability period for the units being set aside. Typically, a 30-year term is adopted. The Affordable Housing Advisory Committee recommends that the City Commission also considers a term of 30 years but establishes a minimum term of 15 years.

Table 1: City of Fort Lauderdale, Single-Family Home Affordability Gap

Year	Median Household Income	300% of Median Household Income	Median Sales Price	Affordability Gap
2005	\$44,169	\$132,507	\$360,000	\$227,493
2006	\$48,759	\$146,277	\$365,000	\$218,723
2007	\$52,264	\$156,792	\$410,000	\$253,208
2008	\$49,493	\$148,479	\$369,000	\$220,521
2009	\$48,148	\$144,444	\$210,000	\$65,556
2010	\$43,320	\$129,960	\$200,000	\$70,040

Table 2: City of Fort Lauderdale, Condominium Affordability Gap

Year	Median Household Income	300% of Median Household Income	Median Sales Price	Affordability Gap
2005	\$44,169	\$132,507	\$355,000	\$222,493
2006	\$48,759	\$146,277	\$349,900	\$203,623
2007	\$52,264	\$156,792	\$330,000	\$173,208
2008	\$49,493	\$148,479	\$280,000	\$131,521
2009	\$48,148	\$144,444	\$200,000	\$55,556
2010	\$43,320	\$129,960	\$190,000	\$60,040

Table 3: City of Fort Lauderdale, Comparison of Income Thresholds to Homes for Sale and Monthly Rent Costs

Household Income Category	Median Household Income	Homes For Sale by Income Threshold	Number of Households per Income Threshold	Maximum Affordable Monthly Rent	Monthly Rent Affordability Gap Based on \$1,057 Median Rent
Median AMI	\$43,320	477	36,412	\$1,083	+\$26
30% AMI	\$12,996	25	11,652	\$325	-\$732
50% AMI	\$21,660	112	8,498	\$542	-\$515
80% AMI	\$34,656	312	8,722	\$866	-\$191
120% AMI	\$51,984	628	12,055	\$1,300	+\$243

Note: Median Household Income was obtained from the American Community Survey 1-Year Estimates. The Median Sales Price was obtained from the Florida Housing Data Clearinghouse. Data for sale by income threshold was obtained from Zillow.com on April 1, 2012, when a total of 3,486 single-family homes and condos were on the market in Fort Lauderdale. The number of households per income threshold was derived from the income thresholds in the ACS 2010 1-Year Estimates, Table DP03. The median rent was obtained from the ACS 2010 1-Year Estimates.

Financial Analysis of the Set-Aside Options

Several different calculations are commonly used by cities to determine the inclusionary housing ordinance requirements for market rate projects. BAE Urban Economics, a public-benefit real estate development consulting practice, has repeatedly conducted feasibility studies for inclusionary housing programs by using baseline pro formas representing current and expected development projects in the targeted market. The baseline pro formas illustrate different project scenarios and test the impact of inclusionary percentages ranging from 15 to 40 percent to determine financial feasibility. The Affordable Housing Advisory Committee recommends this as a suggested and more comprehensive approach for the financial analysis of the set-aside if the Commission would like additional research to be undertaken beyond what the AHAC has provided.

The Affordable Housing Advisory Committee decided the best approach, as the first step, is to do a comparative analysis by examining the most common set-aside other cities elected to adopt. According to PolicyLink, the typical range is 10 to 25 percent for the set-aside. The average set-aside used by other cities highlighted in this report is approximately 10 percent (Table 4). The Affordable Housing Advisory Committee recommends that the City consider adopting the most common set-aside used by other cities, which requires all development applications that have ten or more residential units to provide at least ten percent of the units at prices that are affordable to households below 80 percent of AMI. Many of the cities that have enacted inclusionary zoning programs have been successful at increasing their affordable housing stock with minimal impact to the overall financial feasibility of projects. Although the ten percent set-aside is conservative, the AHAC believes this is a reasonable set-aside to initiate the program.

Table 4: Comparative Analysis of Set-Aside

Location	Population	Housing Units	MHI	Set-Aside, Trigger*	Income*
Boulder, CO	97,585	42,475	\$52,618	20%, 1 unit	<80% AMI
Boston, MA	621,383	277,949	\$49,893	10%, 10 units	<120% AMI
Cambridge, MA	105,337	50,099	\$64,790	15%, 10 units	<65% AMI
Davis, CA	65,740	25,613	\$58,771	10%, 5 units	<80% AMI
Denver, CO	604,414	285,859	\$45,074	10%, 30 units	<95% AMI
Fairfax County, VA	1,086,743	408,079	\$103,010	6.25-12.5%, 50 units	<70% AMI
Loudon County, VA	315,134	109,955	\$119,540	6.5%, 50 units	<70% AMI
Montgomery County, MD	976,203	376,023	\$89,155	12.5-15%, 50 units	<65% AMI
Sacramento, CA	467,503	192,372	\$46,731	15%, 9 units	<80% AMI
San Diego, CA	1,311,886	514,366	\$60,037	10%, 10 units	<100% AMI
San Francisco, CA	805,463	376,777	\$71,745	10%, 10 units	<120% AMI
Santa Fe, NM	68,157	36,675	\$44,090	11-16%, 1 unit	<65% AMI

Note: The City of Fort Lauderdale's population is 166,039, has approximately 94,496 housing units, and has a median household income of \$43,320 (ACS 2010 1-Year Estimates). Population, housing units, and median household income for each city were obtained from the ACS 2010 1-Year Estimates. The set-aside, trigger, and income were obtained directly from each city approximately five years ago.

*Each inclusionary zoning program is summarized for comparison purposes but many of the programs are more comprehensive than what has been provided in this table.

Analytical Analysis to Support the Payment-In-Lieu

Many Inclusionary Housing Programs allow for the option of an in-lieu fee payment made to a citywide affordable housing fund that is appropriated for the construction of affordable housing. There are several calculations municipalities use to determine the payment-in-lieu. For example, the City of San Francisco uses various factors, including the projected value of the affordable units had the developer constructed them on-site, to calculate the payment-in-lieu. In Denver, Colorado, developers may contribute an in-lieu fee to a special revenue fund in an amount equal to 50 percent of the price per affordable unit not provided. In Boston, the payment-in-lieu is calculated by determining the average subsidy needed to develop a unit of affordable housing and is adjusted annually.

To assist in the determination of the payment-in-lieu for the City of Fort Lauderdale, data was collected on multiple affordable housing projects within the incorporated city boundary developed in the last five years (Table 5). Based on this data, the average cost to build an affordable housing unit in the City of Fort Lauderdale is \$111,324. This figure includes hard costs only. If total development costs are included, the average cost to build an affordable housing unit in the City of Fort Lauderdale is \$186,002.

The AHAC recommends that the City Commission establish a payment-in-lieu fee at \$100,000 per unit to start the program but consider an amount that is consistent with the hard costs of developing an affordable housing unit and update this fee on an annual basis.

Table 5: Costs to Build Affordable Housing Units in the City of Ft. Lauderdale

Development Name	Year Placed in Service	Units	Demographic	Development Type	Hard Cost/Unit	Total Cost/Unit
Dixie I	2008	122	Elderly	Garden	\$81,709	\$138,812
Dixie II	2008	32	Family	Garden	\$110,213	\$244,302
Dixie III	2009	100	Family	Garden	\$94,987	\$162,253
NWGI	2011	143	Elderly	Garden	\$97,834	\$166,925
NWGIII	2012	150	Family	Townhomes	\$95,806	\$189,129
Kennedy	Under construction	132	Family	Mid-rise	\$92,241	\$213,760
Crystal Lake	2007	190	Family	2-3 story mid-rise apartments and townhomes	\$100,871	\$133,494
Highland Gardens II	2008	100	Elderly	2-3 story mid-rise apartments	\$101,585	\$143,734
Tallman Pines	2008	200	Family	3 story mid-rise apartments	\$110,000	\$152,638
East Village	2012	155	Family	3 story mid-rise apartments	\$126,451	\$206,675
Progresso Point	2012	76	Family	High rise apartments	\$152,789	\$280,302
Crystal Lake Townhomes	Under construction	10	Family	2 story mid-rise apartments	\$171,400	\$200,000

Source: Carlisle Development/Housing Authority of the City of Fort Lauderdale and Broward County Housing Authority.

Developer Incentives

Multiple developer incentives can be considered for an inclusionary housing program. For example, the City of Denver provides a \$5,000 reimbursement for each for-sale unit for up to 50 percent of the total units in the development. In addition, a \$10,000 reimbursement is given for each affordable rental unit if the unit is priced for households at 50 percent of the area median income (AMI) or below. Denver reduces parking requirements by up to 20 percent of the required zoned parking if the developer produces at least one additional affordable unit for every ten parking spaces reduced. Denver also offers an expedited review process and provides a density bonus of 10 percent to developers.

The City of Sacramento offers expedited permitting for affordable units, fee waivers, and less stringent design requirements. Although San Francisco does not offer many incentives to developers, the city does reduce environmental review and building permit fees for affordable units. Conversely, in San Diego, the city does not offer any developer incentives, such as fee waivers or density bonuses because, according to an economic analysis conducted for the city, it was shown that developers could easily cover the cost of affordable units through the sale of market-rate units.

The Affordable Housing Advisory Committee recommends that the City of Fort Lauderdale consider developer incentives such as a twenty percent (20%) density bonus for developers participating in the inclusionary zoning program.

Summary of Findings

The housing needs assessment and affordability analysis demonstrates that there is a demand for an Inclusionary Housing Program in Fort Lauderdale based on the level of need for affordably priced for-sale homes and affordable rentals. In the aggregate, households in Fort Lauderdale have demonstrated over the past few years, up to and including the latest year for which data is available, an unsustainable tendency to own or rent homes with housing costs that consume more than 30 percent of their household income.

The AHAC adheres to conventionally accepted definitions of housing affordability and notes from the affordability assessment presented in this study that a substantial share (around half) of total Fort Lauderdale households either must purchase homes priced more than the recommended 300 percent of annual income and/or devote more than the recommended 30 percent of household income to housing costs.

In developing an inclusionary housing program, the AHAC recommends that the City Commission targets households at 80 percent and below of the AMI. In addition, the Commission may want to consider different AMI thresholds in order to guarantee that the program serves all income levels. Many inclusionary zoning policies mandate an affordability period of at least 15 years. The AHAC suggests a longer affordability period (at least 20 to 30 years) to provide sufficient time for the affordable housing stock to expand.

Based on the comparative analysis, the AHAC recommends all development applications that have ten or more residential units to provide at least 10 percent of the units at prices that are affordable to households below 80 percent of AMI. The AHAC also suggests the Commission may want to consider another methodology, such as the baseline pro formas, to analyze the impact of inclusionary percentages ranging from 15 to 40 percent to determine financial feasibility.

A developer incentive the AHAC recommends the Commission may want to consider for the inclusionary housing program is a twenty percent (20%) density bonus. This bonus would give developers that participate in the inclusionary zoning program an increase in density over the otherwise maximum allowable residential density.

To be viable, a payment-in-lieu fee should be calculated at a value equivalent to the cost it would have been had the developer constructed the units on-site. In Fort Lauderdale, the average hard cost over the last five years to build an affordable housing unit in the City of Fort Lauderdale was \$111,324. The AHAC recommends the Commission establishes a fee of at least \$100,000 or consistent with the average hard cost per unit from the previous year.

Summary of Recommendations

The Affordable Housing Advisory Committee recommends that the City of Fort Lauderdale adopts a mandatory inclusionary zoning ordinance that requires all development applications that have ten (10) or more residential units to provide at least 10 percent of the units at prices that are affordable to households below 80 percent of AMI, or in the alternative make a payment-in-lieu of \$100,000 per unit to the City's Affordable Housing Trust Fund.

COMMISSION ANNUAL ACTION PLAN FY 2013

POLICY AGENDA

	Theme	Initiative	Actions	Cylinder of Excellence	Cylinder Objective	Lead Department	Initiative Owner	Commission Hearing Date	Item	Priority Level
1	Sustainable, Healthy Coastal Community	Riverwalk Activation and Public Improvements		Public Places	PP 1-2	P&R	Phil Thornburg	Various		Top
			Riverhouse Programming	Public Places		P&R	Phil Thornburg	Dec-12	Commission Decision	
			Design, Bid and Construct Lighting Project	Infrastructure		PWD	Al Carbon	Feb-13	Commission Award	
			Residential Development Project (Pirates Republic)	Neighborhood Enhancement		DSD	Greg Brewton	Mar-13	Commission Decision	
			Construct Seawall Repairs	Infrastructure		PWD	Al Carbon	Jun-13	Commission Award	
		Ensure Riverwalk Access to facilitate development		Public Places	PP 1-2	P&R	Phil Thornburg	Various		
			Icon Riverfront Land Acquisition (Riverwalk Connector)	Public Places		P&R	Phil Thornburg	Oct-12	Commission Decision	
			Stranahan House Riverfront Access	Public Places		P&R	Phil Thornburg	Feb-13	Commission Direction	
2	Economic Hub of South Florida	City Economic Development Plan: Vision, Policy, and Strategy		Business Development	BD 1-1	T&M	Diana Alarcon	Various		Top
			Present Plan	Business Development		DSD	Greg Brewton	May-13	Commission Presentation	
3	Economic Hub of South Florida	WAVE Development and Funding		Infrastructure	IN 1-1	PWD	Al Carbon	Various		Top
			City's Land Contribution for the WAVE	Infrastructure		T&M	Diana Alarcon	Nov-12	Commission Decision	
			Coordinate WAVE Special Assessment with the DDA	Infrastructure		T&M	Diana Alarcon	Feb-13	Commission Decision	
4	Sustainable, Healthy Coastal Community	Develop and Implement a Homeless Strategy		Public Places	PP 1-4	P&R	Phil Thornburg	Various		Top
			Expand and Develop Guidelines for Homeless Feeding Sites	Public Places		P&R	Phil Thornburg	Oct-12	Commission Direction	
			Submit Grant Application (with Broward County) for Chronic Homeless Housing	Public Places		P&R	Phil Thornburg	Sep-12	Commission Decision	
			Develop a City Comprehensive Homeless Strategy	Public Places		P&R	Phil Thornburg	Jan-13	Commission Direction	
			Develop a Strategy and Actions for City Homeless	Public Places		P&R	Phil Thornburg	Feb-13	Commission Decision	

COMMISSION ANNUAL ACTION PLAN FY 2013 POLICY AGENDA

	Theme	Initiative	Actions	Cylinder of Excellence	Cylinder Objective	Lead Department	Initiative Owner	Commission Hearing Date	Item	Priority Level
5	Best of Class Municipal Services	911 Dispatch Direction and Funding		Public Safety	PS 2-1	FLPD	Frank Adderley	Various		Top
			Determine if Legal Action is Necessary	Internal Support		ATT		Jul-12	Commission Direction	
			Consolidate 911 Dispatch	Public Safety		FLFR	Jeff Justinak	Feb-13	Commission Decision	
6	Economic Hub of South Florida	Monitor FEC Passenger Rail Implementation		Infrastructure	IN 1-1	PWD	Albert Carbon	Various		High
			Advocate for Station Location	Infrastructure		T&M	Diana Alarcon	Dec-12	Commission Decision	
7	Best of Class Municipal Services	Community Investment Plan Prioritization and Funding		Internal Support	IS 2-1	ITS	Mike Maier	Various		High
			Present Five-Year CIP Plan	Internal Support		CMO	Lee Feldman	Aug-12	Commission Review	
			Prioritize and Fund FY 2013 Projects	Internal Support		CMO	Lee Feldman	Sep-12	Commission Decision	
8	Sustainable, Healthy Coastal Community	Annexation: Policy and Actions		Internal Support	IS 2-1	ITS	Mike Maier	Various		High
			Refine Annexation Proposal	Internal Support		CMO	Lee Feldman	Jan-13		
			Obtain Direction from Commission	Internal Support		CMO	Lee Feldman	Jan-13	Commission Direction	
9	Best of Class Municipal Services	Alternative City Revenues Study and Policy Direction		Internal Support	IS 2-1	ITS	Mike Maier	Various		High
			Update the Fire Assessment Study	Internal Support		FLFR	Jeff Justinak	Nov-12	Commission Review	
			Develop Financial Integrity Principles and Policies	Internal Support		CMO	Lee Feldman	Nov-12	Commission Direction	
			Update User Fee/Cost Allocation Study	Internal Support		CMO	Lee Feldman	Apr-13	Commission Direction	
10	Best of Class Municipal Services	Information Technology Strategic Plan		Internal Support	IS 2-1	ITS	Mike Maier	Various		High
			Plan Presentation to Commission	Internal Support		ITS	Mike Maier	Oct-12	Commission Review	
			Commission Decision Regarding Entry into the County Radio System	Internal Support		ITS	Mike Maier	TBD	Commission Decision	

COMMISSION ANNUAL ACTION PLAN FY 2013

POLICY AGENDA

	Theme	Initiative	Actions	Cylinder of Excellence	Cylinder Objective	Lead Department	Initiative Owner	Commission Hearing Date	Item	Priority Level
11	Economic Hub of South Florida	Develop a Marine Industry Strategy		Business Development	BD 1-1	T&M	Diana Alarcon	Various		High
			Provide an Update on the Marine Industries Summit (2009-2010)	Business Development		DSD	Greg Brewton	Jan-13	Commission Direction	
12	Best of Class Municipal Services	Improve Landscape Maintenance: Service Level and Funding		Public Places	PP 1-3	P&R	Phil Thornburg	Sep-12		Moderate
			Budget Decision from Commission	Internal Support		CMO	Lee Feldman	Sep-12	Commission Decision (Budget)	
13	Best of Class Municipal Services	Pension: Review and Funding		Internal Support	IS 2-1	ITS	Mike Maier	Jun-12		Moderate
			Pension Funding Option Including Pension Obligation Bond	Internal Support		FIN	Doug Wood	Oct-12	Commission Direction	
			Pension Board Recommendation on Lowering Investment Rate	Internal Support		FIN	Doug Wood	Oct-12	Commission Direction	
			Analyze Benefits under Pension Plans	Internal Support		FIN	Doug Wood	Oct-12	Commission Direction	
			Review Alternative Use of Insurance Premiums Revenues (Police and Fire) 185/175	Internal Support		FIN	Doug Wood	Oct-12	Commission Direction	
			Evaluate 401a Contribution	Internal Support		CMO	Lee Feldman	Oct-12	Commission Direction	
14	Economic Hub of South Florida	Trolley: Equipment, Routes, and Fares		Infrastructure	IN 1-1	PWD	Al Carbon	Various		Moderate
			Identify Grants for Trolleys	Infrastructure		T&M	Diana Alarcon	Oct-12		
			Evaluate Trolley Routes	Infrastructure		T&M	Diana Alarcon	Oct-12	Commission Review	
			Conduct Study of Fares and Regulations	Infrastructure		T&M	Diana Alarcon	May-13	Commission Decision	

COMMISSION ANNUAL ACTION PLAN FY 2013 MANAGEMENT AGENDA

	Theme	Initiative	Actions	Cylinder of Excellence	Cylinder Objective	Lead Department	Initiative Owner	Commission Hearing Date	Item	Priority Level
1	Sustainable, Healthy Coastal Community	Beach Renourishment Plan and Funding		Infrastructure	IN 2-6	PWD	AI Carbon	Various		Top
			Coordinate with Broward County	Infrastructure		PWD	AI Carbon	Ongoing	Commission Information	
			Conduct Beach Renourishment and Sand Hauling	Infrastructure		PWD	AI Carbon	Oct-13	Commission Information	
2	Sustainable, Healthy Coastal Community	Crime Reduction Strategy and Action Plan		Public Safety	PS 1-1	FLPD	Frank Adderley	Various		Top
			Develop a Synthetic Marijuana/Bath Salts/Synthetic Drug Ordinance	Public Safety		ATT		Jul-12		
			Adopt Synthetic Drug Ordinance	Public Safety		ATT		Aug-12	Commission Decision	
			Evaluate and Report on a Police Substation (Relocating Neighborhood Action Teams)	Public Safety		FLPD	Frank Adderley	Dec-12		
			Conduct an Evaluation for a Police Substation	Public Safety		FLPD	Frank Adderley	Jan-13	Commission Direction	
			Report on the Impact of the Synthetic Drug Ordinance	Public Safety		FLPD	Frank Adderley	Apr-12	Report to Commission	
			Measure and Monitor Crime Statistics/Problem Response	Public Safety		FLPD	Frank Adderley	Ongoing		
3	Economic Hub of South Florida	Renovate the Fort Lauderdale Aquatic Center		Public Places	PP 1-3	P&R	Phil Thornburg	Various		Top
			Award Bid Contract	Public Places		CMO	Lee Feldman	Sep-12	Commission Decision	
			Design and Build	Public Places		PWD	AI Carbon	Jun-14		
4	Best of Class Municipal Services	Citywide Comprehensive Emergency Management Plan Update		Public Safety	PS 2-1	FLPD	Frank Adderley	Various		Top
			Conduct a Citywide Update of Plan	Public Safety		FLFR	Jeff Justinak	Sep-12	Commission Information	
			Continuous Training on Module (2): ESF	Public Safety		FLFR	Jeff Justinak	Ongoing		
			Conduct Plan Modifications as needed, or continuously	Public Safety		FLFR	Jeff Justinak	Ongoing		

COMMISSION ANNUAL ACTION PLAN FY 2013 MANAGEMENT AGENDA

	Theme	Initiative	Actions	Cylinder of Excellence	Cylinder Objective	Lead Department	Initiative Owner	Commission Hearing Date	Item	Priority Level
5	Sustainable, Healthy Coastal Community	Stormwater Management Plan		Infrastructure	IN 2-1	PWD	Al Carbon			High
			Award Stormwater Maintenance Contract	Infrastructure		PWD	Al Carbon	Aug-12	Commission Decision	
			Award Project Designs and Costs (Progresso, River Oaks, Durrs/Dorsey, Edgewood)	Infrastructure		PWD	Al Carbon	Sep-12		
			Evaluate Reallocating Funds to Maintenance	Infrastructure		PWD	Al Carbon	Sep-12	Commission Decision	
6	Sustainable, Healthy Coastal Community	Code and Enforcement Review and Fee Structure		Neighborhood Enhancement	NE 1-3	DSD	Greg Brewton			High
			Implement Code Enforcement Amnesty Program	Neighborhood Enhancement		DSD	Greg Brewton	Nov-12		
			Propose a Mortgage Foreclosures Registration Ordinance for Commission Action	Neighborhood Enhancement		DSD	Greg Brewton	Sep-12	Commission Decision	
			Implement separation of Commercial and Residential Code Enforcement	Neighborhood Enhancement		DSD	Greg Brewton	Oct-12		
			Fee Structure Revision	Neighborhood Enhancement		DSD	Greg Brewton	TBD	Commission Decision	
7	Best of Class Municipal Services	Develop City of Service Plan (Volunteer Service Program)		Internal Support	IS 2.1	ITS	Mike Maier			High
			Implement Plan if Awarded	Internal Support		HRD	Averill Dorsett	May-13	Commission Information	

**COMMISSION ANNUAL ACTION PLAN FY 2013
MANAGEMENT IN PROGRESS**

	Theme	Initiative	Cylinder of Excellence	Cylinder Objective	Lead Department	Initiative Owner	Commission Hearing Date	Item
1	Sustainable, Healthy Coastal Community	Complete the Affordable Housing Study	Neighborhood Enhancement	NE 1-2	DSD	Greg Brewton	May-13	Commission Presentation
2	Sustainable, Healthy Coastal Community	Complete the Beach Master Plan Projects Feasibility Study	Public Places	PP 1-2	P&R	Phil Thornburg/ Greg Brewton	Oct-12	Commission Decision
3	Sustainable, Healthy Coastal Community	Implement Red Light Cameras	Public Safety	PS 3-1	FLPD	Frank Adderley	Oct-12	Commission Presentation
4	Sustainable, Healthy Coastal Community	Implement Neighborhood Development Revision Criteria	Neighborhood Enhancement	NE 2.1	DSD	Greg Brewton	Mar-13	Commission Direction
5	Sustainable, Healthy Coastal Community	South Middle River Roads Funding	Infrastructure	NE 2.1	PWD	Al Carbon	Sep-13	Commission Funding
6	Sustainable, Healthy Coastal Community	Implement, Design, and Construct Underground Utilities	Infrastructure	IN 2.1	PWD	Al Carbon	Aug-15	Commission Approval of Ordinance October
7	Sustainable, Healthy Coastal Community	Water Efficiency and Conservation Campaign	Infrastructure	IN 2.2	PWD	Al Carbon	Ongoing	
8	Sustainable, Healthy Coastal Community	Redevelop Stranahan Park	Public Places	PP 1-2	P&R	Phil Thornburg	Aug-12	
9	Sustainable, Healthy Coastal Community	Amend Convenience Store Zoning Regulations (NW RAC)	Neighborhood Enhancement	NE 2-1	DSD	Greg Brewton	Nov-12	Commission Decision

**COMMISSION ANNUAL ACTION PLAN FY 2013
MANAGEMENT IN PROGRESS**

	Theme	Initiative	Cylinder of Excellence	Cylinder Objective	Lead Department	Initiative Owner	Commission Hearing Date	Item
10	Sustainable, Healthy Coastal Community	Implement Central Beach Master Plan Design Guidelines	Public Places	PP 1-2	P&R	Phil Thornburg	Apr-13	Commission Decision
11	Sustainable, Healthy Coastal Community	Develop a City Street and Pedestrian Lighting Policy	Public Places	PP 1-3	P&R	Phil Thornburg	Oct-12	Commission Communication
12	Sustainable, Healthy Coastal Community	Present a Long Term Water Supply Strategy	Infrastructure	IN 2-2	PWD	Al Carbon	Oct-12	Commission Communication
13	Sustainable, Healthy Coastal Community	Multi-Family/Commercial Recycling Program Development	Infrastructure	IN 2-5	PWD	Al Carbon	Jan-13	Commission Review
14	Sustainable, Healthy Coastal Community	Flood Hazard Mitigation Program Implementation for Residents	Infrastructure	IN 2-3	PWD	Al Carbon	Aug-12	No Action Needed
15	Sustainable, Healthy Coastal Community	Amend the Planned Unit Development Ordinance	Neighborhood Enhancement	NE 2-1	DSD	Greg Brewton	Nov-12	Commission Decision
16	Sustainable, Healthy Coastal Community	Develop Connectivity Master Plan (Greenway/Blueway/Complete Streets)	Infrastructure	IN 1-2	PWD	Al Carbon/ Diana Alarcon	Apr-13	Commission Direction
17	Best of Class Municipal Services	Develop Community Vision	Internal Support	IS 1-3	ITS	Mike Maier/ CMO	Jan-13	Commission Decision
18	Best of Class Municipal Services	Neighborhood Survey	Internal Support	IS 1-3	ITS	Mike Maier/ CMO	Nov-12	Commission Review

**COMMISSION ANNUAL ACTION PLAN FY 2013
MANAGEMENT IN PROGRESS**

	Theme	Initiative	Cylinder of Excellence	Cylinder Objective	Lead Department	Initiative Owner	Commission Hearing Date	Item
19	Best of Class Municipal Services	Fiscal Capacity Study	Internal Support	IS 2-1	ITS	Mike Maier/ CMO	Dec-12	Commission Direction
20	Best of Class Municipal Services	Institutionalize Strategic Plan	Internal Support	IS 1-3	ITS	Mike Maier/ CMO	Ongoing	
21	Best of Class Municipal Services	Award Banking Services Contract	Internal Support	IS 2-1	ITS	Mike Maier/ Doug Wood	Aug-12	Commission Approval
22	Best of Class Municipal Services	Approve Investment Monitor's Contract	Internal Support	IS 2-1	ITS	Mike Maier/ Doug Wood	Sep-12	Commission Approval
23	Best of Class Municipal Services	Award Investment Manager's Contract	Internal Support	IS 2-1	ITS	Mike Maier/ Doug Wood	Sep-12	Commission Approval
24	Best of Class Municipal Services	Payoff Police and Fire Pension Loan	Internal Support	IS 2-1	ITS	Mike Maier/ Doug Wood	Oct-12	
25	Best of Class Municipal Services	Payoff Capital Lease (Fire Equipment)	Internal Support	IS 2-1	ITS	Mike Maier/ Doug Wood	Aug-12	Commission Approval
26	Best of Class Municipal Services	Develop Fixed Asset Inventory	Internal Support	IS 2-1	ITS	Mike Maier/ Doug Wood	Sep-13	Commission Review
27	Best of Class Municipal Services	Convert City Employee Paychecks to Direct Deposit	Internal Support	IS 2-1	ITS	Mike Maier/ Doug Wood	Jan-13	

**COMMISSION ANNUAL ACTION PLAN FY 2013
MANAGEMENT IN PROGRESS**

	Theme	Initiative	Cylinder of Excellence	Cylinder Objective	Lead Department	Initiative Owner	Commission Hearing Date	Item
28	Best of Class Municipal Services	Negotiate Collective Bargaining Agreements (Fraternal Order of Police and IAFF - Firefighters)	Internal Support	IS 2-1	ITS	Mike Maier/ Averill Dorsett	Apr-13	
29	Best of Class Municipal Services	City Manager's Reorganization Plan		IS 1-3	CMO	Lee Feldman	Completed	
30	Best of Class Municipal Services	Reallocation of Capital Projects Portfolio	Internal Support	IS 2-1	ITS	Mike Maier/ CMO	Completed	
31	Economic Hub of South Florida	Implement of Local Business Preference Ordinance	Internal Support	IS 2-2	ITS	Mike Maier/ Doug Wood	Ongoing	
32	Economic Hub of South Florida	Business Concierge Service	Business Development	BD 1-3	T&M	Diana Alarcon/ Greg Brewton	Complete	
33	Economic Hub of South Florida	Marina Dredging: Environmental Study/Permitting (Las Olas, Aquatic Center, Bahia Mar)	Public Places	PP 1-1	P&R	Phil Thornburg/ Al Carbon	Dec-12	
34	Economic Hub of South Florida	Coordinate City Support for Grand Prix	Public Places	PP 2-3	P&R	Phil Thornburg	Nov-13	Commission Decision
35	Economic Hub of South Florida	Coordinate City Support for Air Show	Public Places	PP 2-3	P&R	Phil Thornburg	Apr-13	
							Mar-13	Commmission Communication

**COMMISSION ANNUAL ACTION PLAN FY 2013
MANAGEMENT IN PROGRESS**

	Theme	Initiative	Cylinder of Excellence	Cylinder Objective	Lead Department	Initiative Owner	Commission Hearing Date	Item
36	Economic Hub of South Florida	Coordinate City Support for Boat Show	Public Places	PP 2-3	P&R	Phil Thornburg	Oct-12	
							Sep-12	Commission Decision
37	Economic Hub of South Florida	Partner with CVB to Implement "Welcome Back Troops"	Public Places	PP 2-3	P&R	Phil Thornburg	Sep-12	
38	Economic Hub of South Florida	Coordinate City Support for Winterfest	Public Places	PP 2-3	P&R	Phil Thornburg	Dec-12	
							Oct-12	Commission Decision
39	Economic Hub of South Florida	Prepare Downtown Retail Recruitment Strategy	Business Development	BD 1-1	T&M	Diana Alarcon/ Greg Brewton	Feb-13	
40	Economic Hub of South Florida	Coordinate with TMA for City Excursions for Cruise Passenger Program	Business Development	BD 1-1	T&M	Diana Alarcon/ Greg Brewton	Sep-12	Commission Decision
41	Building our Community	Implementation of "We Build Community"	Internal Support	IS 1-3	ITS	Mike Maier/ CMO	Ongoing	
42	Building our Community	Develop a Citywide Social Media Policy	Internal Support	IS 1-3	ITS	Mike Maier/ CMO	Jan-13	
43	Building our Community	Upgrade the City's Official Website	Internal Support	IS 1-3	ITS	Mike Maier/ CMO	Apr-13	
44	Building our Community	Technology Upgrade for Government Access Channel 78	Internal Support	IS 1-3	ITS	Mike Maier/ CMO	Dec-12	

COMMISSION ANNUAL ACTION PLAN FY 2013 MAJOR PROJECTS

	Theme	Initiative	Cylinder of Excellence	Cylinder Objective	Lead Department	Initiative Owner	Commission Hearing Date
1	Sustainable, Healthy Coastal Community	Sistrunk Blvd Streetscape Project	Infrastructure	IN 2-1	PWD	Al Carbon	Sep-12
2	Sustainable, Healthy Coastal Community	Carter Park Turf Field Project	Public Places	PP 1-3	P&R	Phil Thornburg	Jan-13
3	Sustainable, Healthy Coastal Community	Southside School Project	Infrastructure	PP 1-3	PWD	Al Carbon	Sep-13
4	Sustainable, Healthy Coastal Community	Fiveash Plan: Reliability Improvements	Infrastructure	IN 2-1	PWD	Al Carbon	Jun-14
5	Sustainable, Healthy Coastal Community	15th Street Boat Ramp Improvements	Infrastructure	PP 1-1	P&R	Phil Thornburg/ Al Carbon	Dec-13
6	Best of Class Municipal Services	Construct Fire Station 46	Infrastructure	IN 2-1	PWD	Al Carbon	Apr-13
7	Best of Class Municipal Services	Design and Construct Fire Station 8	Infrastructure	IN 2-1	PWD	Al Carbon	Dec-14
8	Best of Class Municipal Services	Design and Construct Fire Station 13	Infrastructure	IN 2-1	PWD	Al Carbon	Dec-14
9	Best of Class Municipal Services	Design and Construct Fire Station 54	Infrastructure	IN 2-1	PWD	Al Carbon	Dec-14

8-21-12
WALK-ON
CONFERENCE



CITY OF FORT LAUDERDALE
City Commission Agenda Memo

12-225

TO: Honorable Mayor & Members
Fort Lauderdale City Commission

FROM: Lee Feldman, City Manager 

DATE: August 21, 2012

TITLE: WALK-ON - Conference Agenda – Proposed Lien Settlement (Special Magistrate case)

Recommendation

It is recommended that the City Commission review this lien settlement as approved by the City Manager.

Background

Pursuant to City Commission Resolution 05-50, approved on March 15, 2005, the City Manager presents this proposed lien settlement. This settlement is subject to the call-up provisions set for in Resolution 05-50.

Resource Impact

Lien in the amount of \$11,625.00 will be reduced to \$1,165.00. Revenue will be placed in the General Fund, Index #BLD020101, Sub Object #M103.

Attachment:

Exhibit 1 - Lien Settlement Report

Prepared By: Terry Burgess

Department Director: Greg Brewton



CITY OF FORT LAUDERDALE DEPARTMENT OF SUSTAINABLE DEVELOPMENT

The following report outlines the listed lien settlement.

Total Original Amount of Lien: \$ 11,1625.00
Total Recommended Reduction Amount: \$ 1,165.00

Property Info

Case Number CE10022560
Address 1012 SW 15 TER
Owner Keli Graybeal
Zoning RM-15
BCPA Assessed Value \$71,460.00
BCPA Taxes \$1,570.25.
Homestead Tax Exempt No
Mortgage \$200,000.00

Lien Info

Original Amount \$11,625.00
Recorded Date June 02, 2011
City Costs \$258.00
Recommendation \$1,165.00 – 10.02 %
Reduction Factors

- The property is in compliance

Background

The property was purchased on January 12, 2005 by Helen Graybeal and Keli Graybeal for \$185,000. Keli Graybeal acquired the property via Quit Claim Deed on February 02, 2008. The initial case was opened on February 12, 2010 for multiple expired permits from a previous owner. Ms. Graybeal was unable to comply the case due to lack of funds - the property is in foreclosure. Her representative, Keith Graybeal (her brother) has agreed to accept the City Manager's offer to reduce the lien from \$11,625.00 to \$1,165.00 for a full release. The property is in full compliance. Ms. Graybeal needs to sell another property she owns in Coral Springs and this lien is encumbering that property.

Special Magistrate

Certified Mail Receipt Date Service by posting certified mail sent to the owner, accepted on January 13, 2011.
Meeting Date February 03, 2011
Violation(s) FBC(2007) 105.10.3.1– The following permits have expired w/o passing all required inspections: 04022260 Windows, 04030155 Electrical service
Outcome The Special Magistrate ordered compliance within 28 days or a fine of \$25.00 per day would begin to accrue.
Hearing to Impose a Fine April 21, 2011
Compliance Date June 11, 2012



CITY OF FORT LAUDERDALE
City Commission Agenda Memo

12-1306

TO: Honorable Mayor & Members
Fort Lauderdale City Commission

FROM: Lee Feldman, City Manager

DATE: August 21, 2012

TITLE: City Manager's Report

Below, please find a discussion and update on various matters which require Commission input and future action.

911 Dispatch and 800 MHz Radio System Conflict Resolution Update

On August 6, 2012, a Conflict Resolution Assessment Meeting with Broward County was held at City Hall. Commissioner Roberts was in attendance representing the Commission. Ginger Wald, John Herbst and I joined Commissioner Roberts in representing the City. County Administrator Henry, County Attorney Coffey and Commissioner Wexler were the appointed representatives from the County.

800 MHz: The County is waiting on a study to determine if there will be capacity for the City to join the County's system. If there is, then the County would allow the City to join the system. However, the issue of use of a common CAD/RMS system remains unresolved (the City staff desires to maintain the current CAD system and not migrate to the County's CAD platform at this time). If there is no capacity, this issue remains unresolved. The County anticipates the study to be completed in the coming weeks. At this time, the City has not yet received a copy of the study from the County.

911 Dispatch: Commissioner Wexler had indicated that they are working on an FY 13 solution, but they were not prepared to discuss it publicly at the meeting. The City indicated that we are under the gun with a September 1st deadline from the Sheriff. Commissioner Wexler indicated that she would seek a 30 day extension from the Sheriff in order to let the City and the County work this out through the Conflict Resolution process. We were subsequently informed that the Sheriff declined the extension, unless the City or the County agreed to pay him for the coming month of September.

We have assessed our ability to get up and running by the September 1st deadline and have concluded that this would not cannot be achieved with any reasonable expectation of success. It is my recommendation that the City agree to pay, under protest and with all rights reserved to the City, the Sheriff in the amount of \$609,408.25, derived as follows:

Call Taking and Police Dispatch Services – Sept. 2012	\$525,960.25
Refund of Overpayment of E-911 Distribution – Feb. & Mar. 2012	\$166,896.00
Credit for E-911 Distribution – Sept. 2012	(\$83,448.00)

At the time that this report is written (August 15, 2012), the City and the County are scheduled to meet again on August 17th at 2:00 p.m. to further discuss how this matter can be resolved. I will report the results of that meeting at the Conference Meeting.

FY 13 Budget Update

At this point, I have removed the revenue generated from the \$18.00 per single-family residential increase in the Fire Assessment (\$2,695,000) from the budget. In addition, as was pointed out at the last Commission Meeting, Communication Service Tax Revenue was down \$372,000 due to recent amendments by the Florida Legislature. We reduced the anticipated savings from the Pension Obligation Bond from \$5,000,000 in the General Fund down to \$4,368,836 to reflect discharging only 75% of the Unfunded Actuarial Accrued Liability . In order to balance the budget, I am recommending the reductions from the proposed budget as delineated on Exhibit 1.

Management and Confidential Employees Compensation Adjustment

I have indicated that I would provide a recommendation to the Commission regarding a compensation adjustment for Management and Confidential employees at the August 21, 2012 Conference Meeting.

As a matter of background, 212 employees in Schedule I (Management) and Schedule II (Confidential) positions have not received any general wage increases since October 2008. These same positions received no general wage increase in FY04 or FY05 and along with other City employees, were forced to take 48 hours of unpaid furlough leave during FY04. Positions in this group were also excluded from the City's defined benefit plan in 2008.

Employees in the Teamster and Federation of Public Employees bargaining units received a five (5%) percent across the board increase in the last year of their negotiated contract in 2009. Furthermore, these groups negotiated and received an additional 1% general wage increase in October 2011 and will receive another 1% increase in October 2012.

A number of the Supervisory and Professional jobs in Schedule I that were excluded from membership in the Federation bargaining units have counterpart Federation job classes that have historically been paid equally (based upon internal equity & external marketplace factors) and should continue to be compensated at equivalent pay levels. These jobs have historically been compensated at the same level based upon the market and the point-factor job evaluation system we use to evaluate jobs. Non bargaining unit employees are now paid about 6% less than analogous union jobs.

There are also incumbents in Administrative Assistant I and II positions who were excluded from the Federation of Public Employees bargaining unit being paid 6.05% less than their counterparts in the same classification who are included in the bargaining unit. These positions were excluded from the bargaining unit because they perform vital budget related and/or similar highly responsible work for a department director or other high level manager.

Without a general wage increase this year and the next, compression will continue to impact the salary between supervisors and the subordinates that they manage. Compensation experts suggest that supervisors be compensated at least 10-15 percent above their highest paid subordinate. As an example, pay compression has resulted in Police Majors (included in Schedule I) being paid less than the lower ranking Police Captains. Another example of pay compression is the Assistant City Engineer and the Senior Project Manager. At the maximum pay step for both positions, the higher-level supervisor will only earn a little more than 4% than the highest paid subordinate. The issue of compression provides little incentive for employees to seek higher-level, non-bargaining unit management/supervisory jobs.

The proposed adjustment for non-bargaining unit employees is essential to maintain pay equity between the various employee groups and to prevent salary compression between supervisors and those they manage. Moreover, the City's Budget Advisory Board has on at least two occasions recommended that this group of non-bargaining unit employees be provided with general wage increases that have been given to union employees. Management and Confidential employees are prohibited by Florida law from organizing. It is also important to note the Consumer Price Index for Urban Wage Earners (Miami-Fort Lauderdale) has indicated an increase of 3.76% since October 2008. In light of the above considerations and to address the issues of equality, compression, morale and retention, I am proposing the following amendments to the Pay Plan Ordinance for Schedule I and Schedule II Employees:

1. A one percent (1%) general wage increase for non-bargaining unit Schedule I and Schedule II employees and a corresponding adjustment to the pay ranges of Schedule I and Schedule II position classifications. This general wage increase will take effect during the first pay period of FY 2013, subject to appropriation and approval of the FY 2013 Annual Budget. In addition, a one percent (1%) general wage increase and adjustment to pay ranges is recommended to take effect during the first pay period of FY 2014, subject to appropriation and approval of the FY 2014 Annual Budget.
2. A three percent (3%) reduction of the minimum point of the salary range for all positions in Schedule I and Schedule II, effective October 1, 2012.

3. A three percent (3%) increase of the maximum point of the salary range for all positions in Schedule I and Schedule II, effective October 1, 2012, subject to appropriation and approval of the FY 2013 Annual Budget. A three percent (3%) increase of the maximum point of the salary range for all positions in Schedule I and Schedule II, effective October 1, 2013, subject to appropriation and approval of the FY 2014 Annual Budget.
4. Abolishing longevity pay for all Schedule I and Schedule II new hires employed after October 1, 2012.
5. Eliminating the \$400/month retiree health benefit for Schedule I and Schedule II new hires employed after October 1, 2012.
6. Eliminating pay steps and adopting a maximum 3% merit increase policy (reduction from current maximum of 7.5% merit increase policy) identical to the changes in the Teamsters and Federation of Public Employees 2011 Collective Bargaining Agreements.

The estimated costs of these adjustments are \$392,000 across all funds in FY 13. Funds are included in the proposed FY 13 budget in the amount of \$450,000.

Non-Classified Employee 401(a) Retirement Plan

I have indicated that I would provide a recommendation to the Commission regarding the benefit level (contribution rate) of non-classified employees participating in the non-classified employee 401(a) retirement program at the August 21, 2012 Conference Meeting.

In 1993, the City of Fort Lauderdale executed an employment contract with the City which provided for a taxable pension benefit of 21.47% of salary. In 1995, the City substituted a tax-deferred 401(a) plan for the City Manager with the same contribution rate of 21.47%.

When the GERS plan was initially adopted, participation was mandatory for all eligible employees except those in the non-classified service. Since non-classified employees served at-will, there was no guarantee that they would be employed long enough to vest in the GERS plan and, therefore, they were offered the option of enrolling in a defined contribution 401(a) plan instead of the GERS pension. The GERS plan was closed to non-classified employees hired after February 20, 2008. The defined contribution plan offered non-classified employees the ability to take their retirement accounts with them (portability) if they left the City of Fort Lauderdale and became employed elsewhere. At the same time, their participation in the 401(a) plan benefited the City in that it avoided an unfunded liability because the City's obligations towards their retirement benefits ended when the non-classified employees left City employment.

The City's contribution rate for those non-classified employees who participate in the 401(a) is based on a rolling five-year average percent of payroll that is contributed to the General Employees' Retirement System on behalf of those members.

Non-classified positions include the charter officers, their assistants and deputies, administrative assistants to the City Manager, all management category I positions, and Commission assistants all of whom are employed on an at-will basis.

As explained above, the City's 401(a) plan was initiated in 1995 for the then City Manager and the contribution rate was established at 21.47% of salary. In 1999, when other non-classified employees were allowed to participate in the 401(a), the City's contribution rate was tied to a rolling 5-year average of what the City contributed to the GERS.

During the time period when the City decided to use the rolling 5-year average of GERS contribution rates as the benchmark for the 401(a) contribution rates, the rates of the City contributions to GERS, were as follows:

Fiscal year	GERS Contribution Rate	GERS Normal Cost	Rolling 5-year Average
2007	23.62%	18.12%	21.00%
2008	23.43%	18.47%	22.70%
2009	25.76%	18.79%	23.23%
2010	28.68%	19.09%	24.57%
2011	30.95%	19.32%	25.88%
2012	32.75%	19.54%	27.71%
2013	46.73%	19.84%	32.37%

Because the City's contribution to the general employees' retirement system (GERS) has increased over the years (attributable to changes in benefit provisions, actuarial assumptions, and the closing of the plan to new employees), the contributions to the 401(a) plan have also increased.

More specifically, the increase in the City's contribution to the General Employees' Retirement System is directly attributable to a couple of factors. First, the nationwide recession has negatively affected the earnings of most retirement plans and the City has had to increase its contribution rates to keep the GERS plan actuarially sound. Second, the City's contribution to the GERS plan includes payments towards the unfunded liabilities in addition to the City's current obligations to the employees' pensions. Third, the City has taken steps to reduce its payroll costs and unfunded liabilities by closing the GERS plan to post-2007 new hires and by offering the Bonus Incentive Retirement Plan to long-term employees in 2012. These two actions are expected to result in significant future savings, however, the City's pension contribution in the short term (as a percentage of payroll), is expected to increase because there are fewer active employees whose current payroll contributions are being used to offset current pension obligations.

As shown above, the City's contribution (as a percentage of payroll) for the non-classified employees' 401(a) plan is expected to reach 32.37 % this next fiscal year. The City's contributions to the GERS plan includes amounts that the City is contributing to pay for current pension benefits and amounts being paid towards the GERS unfunded liabilities and debt obligations.

However, defined contribution plans such as the City's 401(a) do not have unfunded liabilities because once the plan participants leave City employment, the City's obligation to their retirement benefits cease. Therefore, in order to create parity between the City's contribution rates for GERS and the contribution rates for the 401(a) plan, it may be best to isolate and not count the portion of the contribution that is paying for the unfunded liability and the pension debt obligations.

If the City's contributions towards the unfunded liabilities portion of the GERS payments were to be removed from the calculations, the City's contributions for GERS pension benefits would be closer to twenty percent (20%) of payroll.

We have been requested to provide a comparison of local jurisdictions. The Human Resources Department recently surveyed other Broward County cities to determine how much the cities contributed towards the retirement accounts of their non-classified employees. We received many responses and have calculated the average contribution rate by the other cities for the retirement plans of its executive or non-classified employees. Of those cities whose retirement benefits include defined contribution plans, the average contribution for the retirement benefits of those employees is approximately 19.6 %. Please refer to the Broward County retirement benefits survey attached as Exhibit 2 for more details.

My recommendation is that the Commission select a contribution rate for non-classified employees between 20%-22% of payroll. This would significantly decrease the City's expected GERS contribution rate of 32.37% for this fiscal year. The removal of the unfunded liabilities portion of the equation allows the City to determine its contribution rates based solely on the average amounts that the City contributes towards the retirees' pension benefits.

Attachments

Exhibit 1 Proposed Budget Adjustments

Exhibit 2 Broward County Retirement Survey

Exhibit 1
FY 2013 General Fund Preliminary Balancing
As of August 15, 2012

Revised Estimates 7-12-2012		With Gap Closing Strategies	
FY 2013 Revised Estimated Revenues	260,511,261	FY 2013 Revised Estimated Revenues	265,696,949
FY 2013 Revised Estimated Expenses	282,499,171	FY 2013 Revised Estimated Expenses	265,696,949
FY 2013 Initial Estimated Budget Deficit	(21,987,910)	FY 2013 Revised Estimated Difference	0

Revenue Adjustments Included in FY 2013 Proposed Budget		Expenditure Adjustments Included in FY 2013 Proposed Budget	
Appropriated Fund Balance - CIP	2,073,200	Reduce Risk Insurance Premiums	(5,057,890)
	262,584,461		277,441,281
Appropriated Fund Balance - One-Time	1,742,123	Savings from POBs for ARC	(5,000,000)
	264,326,584		272,441,281
Appropriated Fund Balance - OPEB	1,000,000	Budgeted Attrition for 2 months (92 vacancies)	(595,000)
	265,326,584		271,846,281
Chargebacks for PW Engineering Services	1,500,000	Budget Minimum of Range for Vacancies	(974,697)
	266,826,584		270,871,584
Increase for Fire Assessment Revenue	2,695,000	Police Reduction of Overtime Budget	(500,000)
	\$ 269,521,584		270,371,584
		Reduce Fleet Chargebacks	(850,000)
			269,521,584

Revenue Adjustments Since Proposed Budget		Expenditure Adjustments Since Proposed Budget	
Reduce Communications Services Tax	(372,588)	Additional Savings from POB	(423,000)
Amount Received from State	269,148,996	\$1MM Applied to OPEB Contribution	269,098,584
Reduce Fire Assessment	(2,695,000)	Reduce Amount Required for Fixed Assets	(460,000)
City Commission Reduced from \$153 to \$135	266,453,996	Bids Came in Lower than Expected	268,638,584
Increase Gas Tax Revenue	158,000	Reduce for Personnel Adjustments	(242,839)
Reduce Amount in Gas Tax Fund	266,611,996	Finance, Real Estate and Sustainable Developme	268,395,745
Reduce Appropriated Fund Balance	(1,000,000)	Decrease for Operating Adjustments	(253,646)
Reduce Amount for OPEB	265,611,996	Police, Transportation & Mobility and Parks	268,142,099
Reduce Business Tax Receipts	(150,000)	Reduce for City Hall Painting	(300,000)
Revenue Trending Lower than Anticipated	265,461,996	<i>As Recommended by Board</i>	267,842,099
Increase Appropriated Fund Balance	234,953	Reduce CIP - 15th Avenue Complete Street	(350,000)
For Recurring Expenses	\$ 265,696,949		267,492,099
		Reduce CIP - Middle River Terrace Streetscape	(142,000)
			267,350,099
		Reduce CIP - Birch State Park	(87,200)
			267,262,899
		Reduce CIP - Riverwalk Seawall Replacement	(450,000)
			266,812,899
		Reduce for Bunker Gear	(150,000)
		20% of Bunker Gear	266,662,899
		Reduce for Parks Shade Structures	(75,000)
		Snyder Park and Holiday Park	266,587,899
		Reduce for Defibrillators	(21,950)
		Lifeguard Stands on Beach	266,565,949
		Reduce for Snyder Park Bathrooms	(21,000)
			266,544,949
		Reduce for 2 K-9 Dogs	(18,000)
		Replacement for Retired Dogs	266,526,949
		Reduce for Mobile Laptops	(680,000)
			265,846,949
		Reduce for Enhanced Medians	(150,000)
			\$ 265,696,949



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Pension Obligation Bonds – Briefing Document

August 27, 2012

City of Fort Lauderdale, Florida

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Pension Obligation Bonds

Tab 1



Background

- Pension funding has a direct effect on current budgets and a long term impact on financial flexibility.
- Pension funding issues received less attention during the latter half of the 1990s due to the tremendous rate of return on investments in the US equity markets.
- The decline in public pension fund assets that started in fiscal 2008 is now contributing to significant budget challenges for many municipal entities.
- Significant increases in pension expense will further challenge local governments in Florida reeling from revenue reductions as a result of tax reform.
- Annual required pension fund contributions consist of two components: the normal cost (portion of future benefits allocated to the current year) and an amount sufficient to amortize any unfunded actuarially accrued liability.

Annual Required Contributions

- Pension Annual Required Contributions (ARCs) have a direct effect on the City's FY 2013 and future budgets.
- City has history of making 100% of its annual actuarial required contribution
- Since FY 2008, the City's ARC has increased by \$15.7 million

City Contributions to the Respective Pension Plans		
Fiscal Year	GERS	Police/Fire
2008	\$15,991,230	\$21,332,840
2009	18,325,484	19,146,573
2010	19,351,946	25,752,119
2011	21,498,801	30,441,767
2012	22,369,549	30,684,942

Unfunded Actuarial Accrued Liability (UAAL)

- The City of Fort Lauderdale currently has pension funds with a total current unfunded actuarial accrued liability (UAAL) of \$399.8 million.

	Actuarial UAAL	Actuarial Funded Ratio	Market Value UAAL	Market Value Funded Ratio
GERS Pension	\$181.0 mil	66.3%	\$231.4 mil	56.9%
Police & Fire Pension	\$218.8 mil	69.8%	\$271.3 mil	62.5%
Total	\$399.8 mil	68.3%	\$502.7 mil	60.1%

- The UAALs of the two pensions systems are amortized at the expected rates of return
 - GERS: 30-year Amortizations at 7.75% (Level Amortization)
 - Police/Fire: 20-year Amortizations at 7.50% (2% Increasing Amortization)
 - Amortizations based upon individual components of UAALs
- The total current unfunded actuarial accrued liability (UAAL) based upon the market value of the assets is \$502.7 million.

Unfunded Actuarial Accrued Liability (UAAL)

- The City's UAAL can change over time due to a number of factors, including:
 - Changes in accrued benefits
 - Changes in pay levels
 - Difference in the actual vs. projected rate of return on investments
 - Changes in actuarial assumptions
 - Changes in the demographics of the employee base

Historical Investment Returns for the Pension Plans

Historical Period	GERS ¹		Police/Fire ²	
	Average	CAGR	Average	CAGR
1-Year	-0.3%	-0.3%	-0.5%	-0.5%
3-Year	4.0%	3.8%	9.0%	8.8%
5-Year	2.5%	1.9%	2.5%	1.5%
10-Year	5.1%	4.6%	4.9%	4.2%
15-Year	6.4%	5.8%	6.7%	6.0%
20-Year	7.6%	7.0%	8.0%	7.4%

Source: Calculated based upon annualized return percentages provided by respective plans

1 Annualized returns through year ending September 30, 2011.

2 Annualized returns through year ending December 31, 2011.

Why Issue Pension Obligation Bonds (POBs)?

- POBs can be used as part of an overall strategy to manage pension costs.
- Issuing POBs can provide economic benefit to the City if the interest rate paid on the bonds is less than the rate of return earned on proceeds placed in the pension plan.
- Current estimated all-in interest cost on the POBs (rates as of August 20, 2012):
 - GERS - Approx. 4.42%
 - Police/Fire - Approx. 3.80%
 - Combined - Approx. 4.11%
- Current UAAL amortization schedule rate:
 - GERS – 7.75%
 - Police/Fire – 7.50% (*changed from 7.75% in 2012*)
- Potential Present Value of Future Contributions Cash Flow (% used to calculated economic benefit to the City based on 75% UAAL funding):
 - GERS - \$41.4 million or 28.3%
 - Police/Fire - \$42.6 million or 24.5%
 - Combined - \$84.0 million or 26.3%
- Provides potential budgetary savings in excess of \$5.5 million in FY 2013

Risks of Pension Obligation Bonds

- Amount deposited into pension plan does not produce the projected investment returns
- City could still face UAAL in the future due to a number of factors, including adjustment for smoothing in the past, lower than anticipated investment returns in the future and changes in benefit levels among other factors
- The increased debt burden may provide a degree a loss of future financing flexibility for the City and may result in pressure on credit ratings. This may be less of a consideration due to the newly adopted GASB standards requiring governments to disclose the “net pension liability” figure on their balance sheets, which will take effect in 2015.
- A fully funded plan could put pressure to provide additional benefits to City employees

Plan of Finance

Tab 2



Financing Structuring Considerations

- Fixed Rate Bonds
 - Maintain best risk/reward structure
 - Provide future financing flexibility to the City
 - Mitigate potential financing risks to the City
 - Find lowest cost of capital
- Traditional Fixed Rate Bonds
 - Straightforward
 - Secured by a number of non-ad valorem revenues, including Public Services Taxes, Municipal Revenue Sharing and Business Taxes
- Make a Decision on the Amortization of Bonds
 - Scenario 1 - Similar to Existing Amortization of UAAL (30 years)
 - Scenario 2 – Reduce Amortization period to 20 years and wrap debt around the City's existing to provide additional financing flexibility

Outline of Plan of Finance

- **GERS**

- Financing 75% of UAAL with Taxable Pension Obligation Bonds (POBs)
 - Current UAAL is \$181 million
 - Eliminate liability that accrues annually at 7.75%
 - Borrow at lower taxable municipal interest rates, and invest funds at higher pension fund interest rates

- **Police/Fire**

- Payoff a portion of the Series 2011 Taxable Note
- Provide sufficient savings enabling the prefunding of the FY 2014 ARC
- Financing 75% of UAAL with Taxable Pension Obligation Bonds (POBs)
 - Current UAAL is \$218.8 million
 - Eliminate liability that accrues annually at 7.50%
 - Borrow at lower taxable municipal interest rates, and invest funds at higher pension fund interest rates

Outline of Plan of Finance

- Preliminary POB number runs which show funding of 75% of the UAAL discounted to the actuarial value dates. This results in a bond par amount of \$337,830,000.
- Sources and Uses for the POBs are as follows:

Sources	GERS	Police/Fire	Total
Par Amount	\$147,200,000	\$190,630,000	\$337,830,000
Uses			
Pension Plan Deposits for UAAL	\$146,380,930	\$173,428,479	\$319,809,409
Series 2011 Partial Repayment – 75% of FY 2013 UAAL + Interest		\$16,144,538	\$16,144,538
Cost of Issuance	\$819,070	\$1,056,983	\$1,876,053
Total Uses	\$147,200,000	\$190,630,000	\$337,830,000

Outline of Plan of Finance

- Payoff of the Series 2011 Taxable Note that was used to prefund the FY 2013 ARC
- A preliminary reconciliation of the Budgetary Impact of the POBs for the Police/Fire pension, the reconciliation shows the full repayment of the Series 2011 Note and the prepayment of the FY 2014 ARC from the sources indicated below:

Police/Fire Pension - Series 2011 Note Payoff

Remaining Proceeds from Series 2011 Note	\$1,857,167
Reimbursement of 75% of FY 2013 UAAL from Series 2012 POBs	\$16,144,538
<u>FY 2013 Budgeted Amount for Series 2011 Note</u>	<u>\$12,349,462</u>
Total Series 2011 Note Payoff	\$30,351,167

FY 2013 Budgeted Amount for Police/Fire:

Estimated FY 2014 ARC	\$16,296,605
Prepaid Balance/Credit Held by Pension	(\$13,012,614)
Estimated FY 2013 Debt Service on Series 2012 POBs	\$13,228,515
FY 2013 Budgeted Amount for Series 2011 Note	\$12,349,462

Impact of POBs on UAAL

- The funding of the Pension Obligation Bonds will have a direct effect on the amount of UAAL shown on the City's financials:

	Actuarial UAAL	UAAL After POB Issuance
GERS Pension	\$181.0 mil	\$ 45.3 mil
Police & Fire Pension	\$218.8 mil	\$54.7 mil
Total	\$399.8 mil	\$ 100.0 mil

- Prior to the issuance of the POBs, there was a difference between the market value of the assets and the actuarial value of the assets of \$102.9 million
- It is anticipated that the City's UAAL will go up should the pensions merely achieve the projected rate of return in 2012, as both pensions start to feel more impact of the averaging of the less than favorable returns in 2008 and 2009.

UAAL After the Funding of the Pension Obligation Bonds

- After the issuance of the Pension Obligation Bonds, the UAALs of the respective pension plans will be reduced to estimated levels in the following chart:

	Actuarial UAAL	Actuarial Funded Ratio	Market Value UAAL	Market Value Funded Ratio
GERS Pension (as of 10/1/11)	\$45.3 mil	91.6%	\$95.6 mil	82.2%
Police & Fire Pension (as of 1/1/12)	\$54.7 mil	92.4%	\$107.2 mil	85.2%
Total	\$100.0 mil	92.1%	\$202.8 mil	83.9%

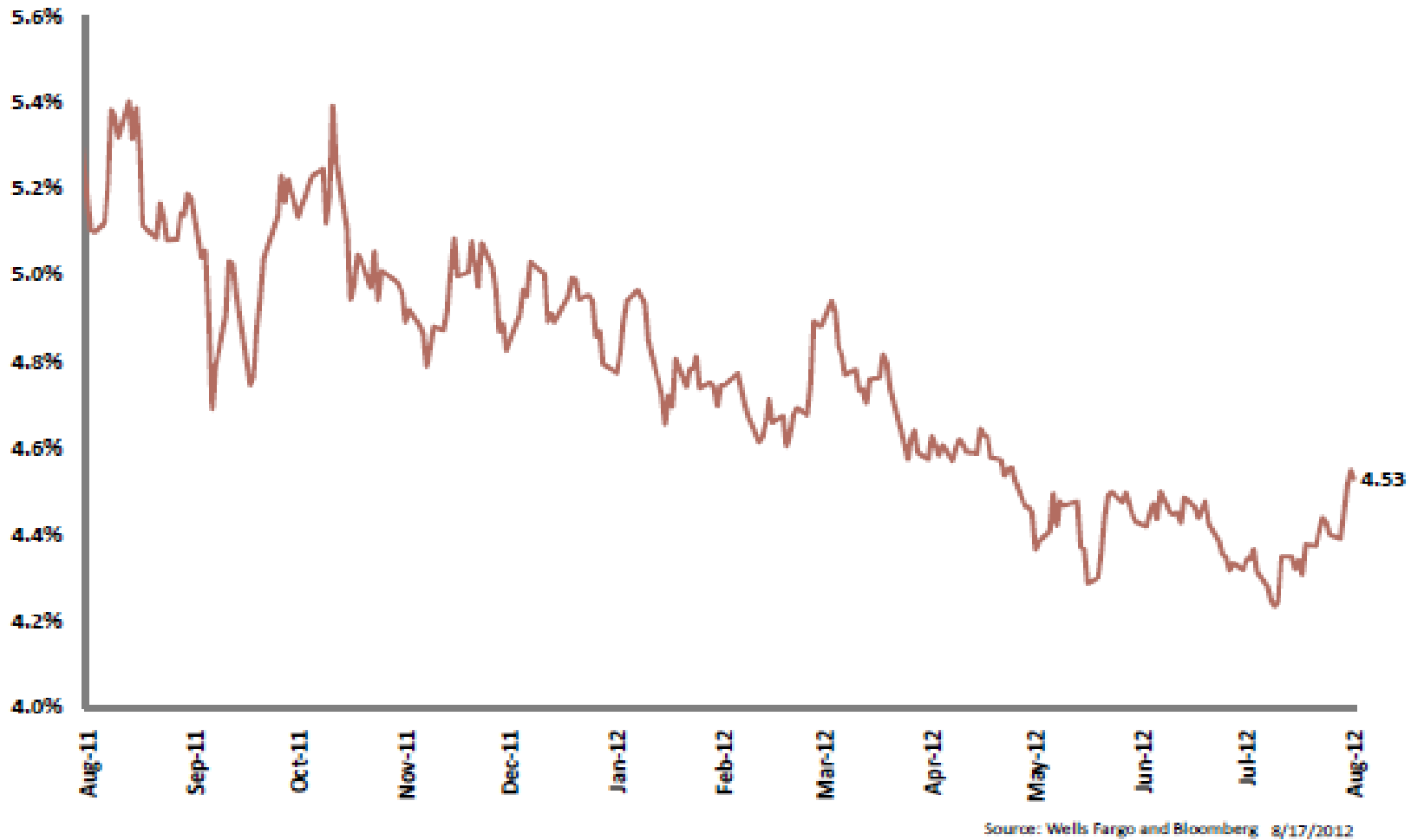
Update on Market Conditions

Tab 3



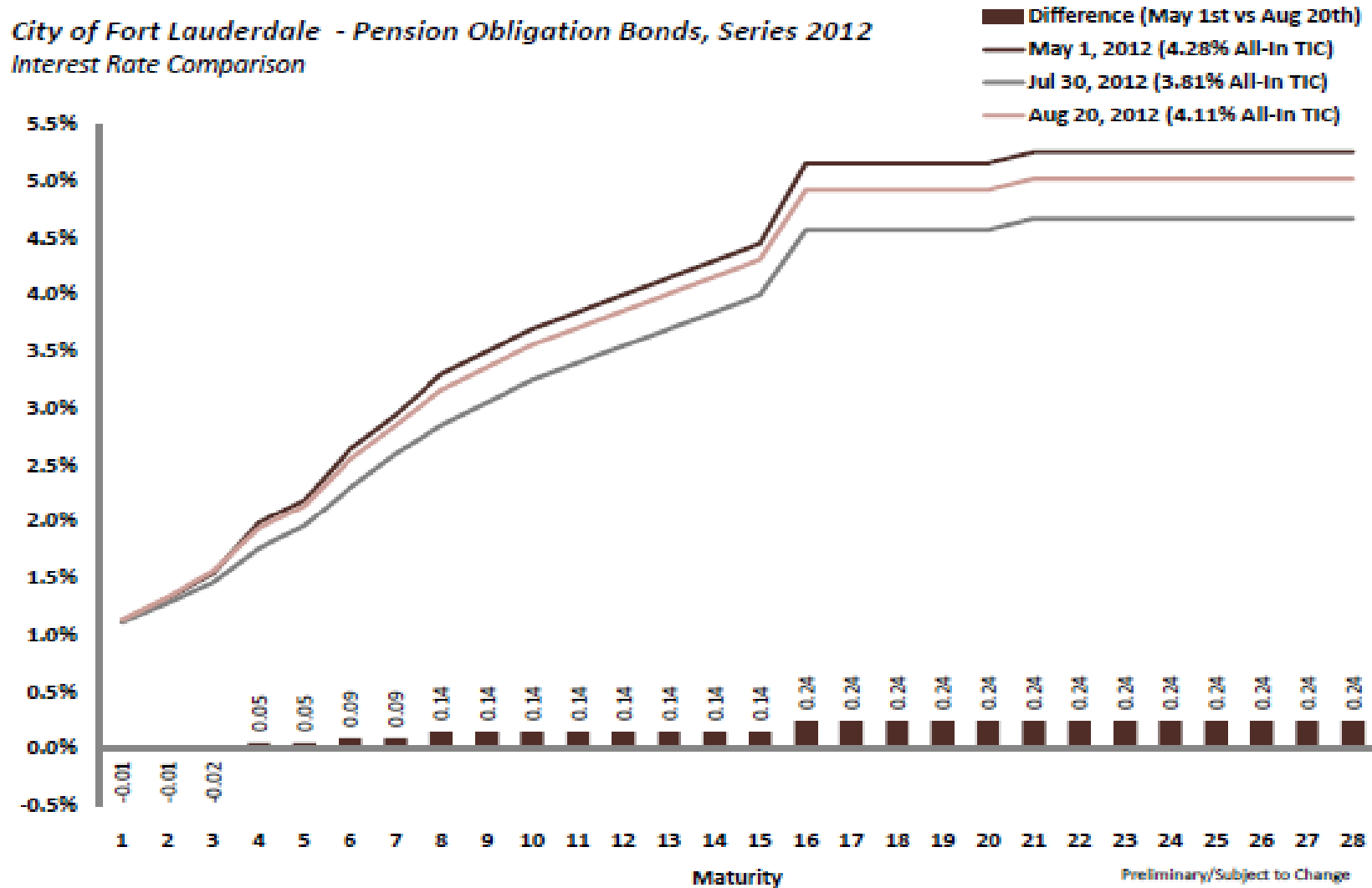
Historical Taxable Municipal Interest Rates

Wells Fargo Build America Bond Index Average Yield
Historical over Previous Year



CITY OF FORT LAUDERDALE, FLORIDA

Interest Rate Comparison on City of Fort Lauderdale POBs



CITY OF FORT LAUDERDALE, FLORIDA

Comparison of Pension Obligation Funding Options

	Scenario 1 POB Debt Closely Mirrors UAAL/Level Savings	Scenario 2 FY 2032 Maturity/Level Overall Debt Service
Pension Obligation Bond Par Amount	\$337,825,000	\$337,830,000
GERS	\$147,195,000	\$147,200,000
Police/Fire	\$190,630,000	\$190,630,000
Final Maturity	2040	2032
Approx. Estimated All-In Interest Cost	4.10%	4.11%
GERS	4.39%	4.42%
Police/Fire	3.80%	3.80%
Estimated Cash Flow Savings	\$96,599,005	\$95,515,124
GERS	\$62,574,125	\$61,490,244
Police/Fire	\$34,024,880	\$34,024,880
Estimated Present Value Savings*	\$84,475,068	\$83,990,343
GERS	\$41,885,649	\$41,423,588
Police/Fire (includes FY 2013 UAAL Repayment)	\$42,589,419	\$42,566,755
Total Series 2012 POB Debt Service	\$472,620,354	\$473,704,235
Max Annual Debt Service - Series 2012 POBs	\$28,912,078 (2023)	\$28,899,409 (2023)
Max Annual Debt Service – Non-Ad Valorem	\$30,998,830 (2014)	\$29,500,996 (2015)
Average Life	9.7 years	9.8 years

*The present value of a 0.01% (1 basis point) change in interest rates is estimated to be between \$255,000 and \$260,000.

Impact of Scenario 2 Savings on Possible OPEB Funding

FY	Scenario 1	Scenario 2	Savings for OPEB
2013	\$29,085,363	\$29,084,132	\$1,231
2014	\$30,998,830	\$29,496,306	\$1,502,524
2015	\$30,998,004	\$29,500,996	\$1,497,008
2016	\$30,997,910	\$29,497,304	\$1,500,606
2017	\$30,995,775	\$29,497,467	\$1,498,308
2018	\$30,377,409	\$29,499,907	\$877,502
2019	\$30,628,573	\$29,499,224	\$1,129,349
2020	\$30,616,426	\$29,499,208	\$1,117,218
2021	\$29,693,492	\$29,498,076	\$195,416
2022	\$30,091,581	\$29,498,040	\$593,541
2023	\$29,508,935	\$29,496,267	\$12,668

Comparison of Pension Obligation Funding Scenarios – Scenario 1

▪ **Description**

- The POB debt is structured like the UAAL in the respective plans in order to provide for relatively level savings from FY 2014 through FY 2042;
- Enables the City to achieve the desired FY 2013 budgetary savings
- Modified slightly to provide for \$3.5 million in additional savings in FY 2013, which will:
 - Provide the City with sufficient monies for the retirement of the Series 2011 Taxable Note;
 - Provide funding for the prepayment of the remaining FY 2014 ARC contribution.

▪ **Positives**

- Closely mirrors the amortization of the existing UAAL and creates near uniform savings
- Structure provides for additional savings in FY 2013 to allow for the full repayment of the Series 2011 Taxable Bank Loan and prefunding of the remaining FY 2014 ARC for the Police/Fire pension

▪ **Negatives**

- Does not account for the possible shortening of the GERS UAAL in the future
- Does not provide savings for the reduction of OPEB liabilities

Comparison of Pension Obligation Funding Scenarios – Scenario 2

▪ Description

- The POB debt is structured to provide savings versus the UAAL in order to produce overall level debt service for the City's non-ad valorem debt;
- Enables the City to achieve the desired FY 2013 budgetary savings
- Modified slightly to provide for \$3.5 million in additional savings in FY 2013, which will:
 - Provides the City with sufficient monies for the retirement of the Series 2011 Taxable Note and the prepayment of the remaining FY 2014 ARC contribution

▪ Positives

- Shortens the final maturity of the POBs by eight (8) years and would account for the possible shortening of the GERS UAAL in the future;
- Provides more financing flexibility for the City by providing an overall level debt structure at a lower debt service payment versus Scenario 1 – savings could be used for OPEB;
- Structure provides for additional savings in FY 2013 to allow for the full repayment of the Series 2011 Taxable Bank Loan and prefunding of the remaining FY 2014 ARC for the Police/Fire pension
- The difference in overall debt service between Scenario 1 and Scenario 2 can be used to reduce OPEB obligations.

▪ Negatives

- Although it shortens the maturity of the POBs by eight (8) years, it increases the average life of the POBs slightly
- Slightly higher interest costs as a result of the longer average life.

Summary of Potential Impact of POBs

- Based upon preliminary numbers on Scenario 2 as of August 20, 2012
(subject to change based on the movement of interest rates):
 - **GERS**
 - FY 2013 UAAL Amortization without POBs - \$20.0 million
 - FY 2013 UAAL Amortization with POBs – Approx. \$5.0 million
 - **Savings in FY 2013 – Approx. \$3.1 million**
 - **Savings over life of POBs – Approx. \$61.5 million**
 - **Present Value Savings over life of issue – Approx. \$41.4 million**
 - **Police/Fire**
 - FY 2013 UAAL Amortization without POBs - \$22.5 million
 - FY 2013 UAAL Contribution with POBs - Approx. \$5.6 million
 - **Savings in FY 2013 - Approx. \$3.7 million**
 - **Savings over life of POBs – Approx. \$34.0 million***
 - **Present Value Savings over life of issue – Approx \$42.6 million***
 - **Total**
 - FY 2013 UAAL Amortization without POBs - \$42.5 million
 - FY 2013 UAAL Contribution with POBs - Approx. \$10.6 million
 - **Savings over life of POBs – Approx. \$95.5 million***
 - **Present Value Savings over life of issue – Approx \$84.0 million***

* Assumes pensions earn the projected rate of return on the investments

Summary

- The Pension Obligation Bonds are being proposed to:
 - Reduce the City's outstanding Unfunded Actuarial Liability
 - Provide budgetary savings for the FY 2013 Budget and beyond
 - Reduce the interest rate paid on the UAAL from 7.50%/7.75% to less than 4.50%
 - Provide enough budgetary savings in FY 2013 to payoff the Series 2011 Taxable Note and to prefund the FY 2014 ARC for the Police/Fire pension
 - In Scenario 2, the additional savings will be used to fund OPEB obligations
- There are risks to the City in issuing Pension Obligation Bonds:
 - The Pension Plans do not produce investment returns greater than the interest rate paid on the bonds
 - A fully funded pension plan could put pressure to provide additional benefits to City employees
 - The increased debt burden may have a modest impact on the City's future financing flexibility should the City wish to substantially increase borrowing beyond projected in its current Five Year plan.
- The City will need to provide authorization to pursue the amortization schedule proposed in either Scenario 1 or Scenario 2