

City of Fort Lauderdale

*City Hall
100 North Andrews Avenue
Fort Lauderdale, FL 33301
www.fortlauderdale.gov*



Meeting Minutes

Wednesday, October 10, 2018

12:00 PM

**Joint Workshop with Infrastructure Task Force Advisory
Committee
City Commission Conference Room**

CITY COMMISSION WORKSHOP

FORT LAUDERDALE CITY COMMISSION

***DEAN J. TRANTALIS Mayor - Commissioner
BEN SORENSEN Vice Mayor - Commissioner - District IV
HEATHER MORAITIS Commissioner - District I
STEVEN GLASSMAN Commissioner - District II
ROBERT L. McKINZIE Commissioner - District III***

***LEE R. FELDMAN, City Manager
JOHN HERBST, City Auditor
JEFFREY A. MODARELLI, City Clerk
ALAIN E. BOILEAU, City Attorney***

CALL TO ORDER

Mayor Trantalis called the Joint Workshop with the Infrastructure Task Force Advisory Committee (ITF) to order at 12:22 p.m.

ROLL CALL

Present: Commissioner Heather Moraitis, Commissioner Steven Glassman, Commissioner Robert L. McKinzie and Mayor Dean J. Trantalis

Excused: Vice Mayor Ben Sorensen

Infrastructure Task Force Members Present: Chair Marilyn Mammano, Vice Chair Ed Kwoka, Keith Cobb, David Orshefsky, Norman Ostrau, Jacqueline Scott, Fred Stresau, Roosevelt Walters and Ralph Zeltman

QUORUM ESTABLISHED

Also Present: City Manager Lee R. Feldman, City Clerk Jeffrey A. Modarelli, City Attorney Alain E. Boileau and City Auditor John Herbst

OLD/NEW BUSINESS[18-1109](#)

Infrastructure Task Force Status Report and Discussion

Chair Marilyn Mammano narrated an Infrastructure Task Force's (ITF) Status Report PowerPoint Presentation illustrating their work and recommendations to date.

A copy of this presentation is attached to these minutes.

Chair Mammano reviewed the history of the ITF established to review and advise on the status and needs of public infrastructure. The ITF has hosted 17 public meetings and four District Open Houses, receiving positive neighbor input on local infrastructure investment.

The ITF provided the Commission with four interim recommendations:

The elimination/phase-out of the annual Water/Sewer Return on Investment (ROI) transfer which has been included in the Fiscal Year 2019 Budget;

An equitable revised methodology for Stormwater rates using a “trip-based” methodology. The Commission has directed City Manager Feldman to develop a hybrid-rate methodology, “trip-based” and “area-based”;

The establishment of a minimum General Fund revenue source for Capital Improvement Projects (CIP) for roads, sidewalks and seawalls. The ITF will review and research this topic further; and

Analyze and update infrastructure fees on a regular basis to capture growth, related impact fees and the ongoing rate structure analysis.

Based upon the analysis of master planning studies and reports, there is an estimated three billion dollars in infrastructure needs over the next 20 years. Ms. Mammano expounded on details, confirming these are estimates and are being refined by consultants.

Mayor Trantalis commented on use of the recent \$200,000,000 bond. City Manager Feldman explained details associated with the bond. Further comments and discussions ensued.

Chair Mammano commented on ways to fund stormwater infrastructure. Comment and discussion ensued. She continued her review of necessary CIP projects over the next 20 years, commenting that funding for all the projects has not been determined. Further comment and discussion ensued on current estimated costs and future increases.

City Manager Feldman commented on sidewalk repair and expansion costs. Comment and discussion ensued on the current Ordinance that states adjacent property owners are responsible for sidewalks. He confirmed Staff’s recommendation to amend the Ordinance to make the City responsible for sidewalk maintenance. Commissioner McKinzie concurred, explaining his position. Further comment and discussion ensued.

Chair Mammano reviewed the ITF’s funding recommendations and options. These opportunities include:

- Increasing water/sewer rates, stormwater rates, the millage rate;
- Issuing general obligation and/or revenue bonds;
- Special assessments;
- Public/private partnerships;
- Federal and state grants; and
- State revolving loans.

Further comment and discussion ensued on raising the millage rate, and water/sewer and stormwater rates.

Chair Mammano confirmed monthly ITF meetings are scheduled through March 2020 and will focus on the following:

Critical infrastructure components;
Pros and cons of various revenue opportunities; and
Potential future risks (sea level rise, economic and regulatory concerns).

The ITF requested a Joint Commission Workshop in April 2019 to provide recommendations prior to the next budget cycle.

Board Member David Orshefsky discussed the recent March 2018 \$200,000,000 bond funding water and sewer infrastructure needs, commenting on the need for additional revenue to fund the balance of water and sewer infrastructure work. The existing rate base for stormwater infrastructure is not adequate. The funding amount listed in the ITF slide presentation assumes the stormwater hybrid rate structure will be adopted by the Commission. He commented on rate payer funding for infrastructure improvements and the need for alternative sources of revenue to address the shortfall.

City Manager Feldman discussed a proposed Parks Program Bond and a Police Headquarters Bond (Bonds). It was confirmed the Broward County Supervisor of Elections (SOE) will hold elections in March 2019 for other County municipalities. This would provide an opportunity for the City to work with the SOE to present a ballot initiative for the Bonds at a lower election cost. The Commission would have to act on this matter no later than the second meeting in December 2018. Further comment and discussion ensued on Staff outreach to each District Commissioner and amounts associated with the Bonds.

In response to Board Member Roosevelt Walters' question about a new Police Headquarters, City Manager Feldman commented on possible logistics to temporarily relocate Police Department Staff until a new Police Station is completed, noting the need for review and confirmation. Mayor Trantalis noted the need for further discussion on the location of a new Police Headquarters, expounding on the details. Commissioner Glassman commented on the need for the Commission to act expeditiously for the Bonds to be included on the March 2019 ballot. Further comment and discussion ensued on this topic.

Vice Chair Ed Kwoka commented on timeline requirements for a bond issuance. Comment and discussion ensued. He discussed ITF's

conversations about moving projects forward, confirming his view that the estimated costs of CIPs are conservative, expounding on the details.

Board Member Orshefsky commented on the costs of delay, citing annual capital improvement costs for older buildings and the savings associated with starting projects earlier. Chair Mammano noted the unknown cost of future bonding rates. Comment and discussion ensued on the need to move forward efficiently.

City Manager Feldman expounded on the timeline for building a new Police Headquarters and interim maintenance costs for the current Police Headquarters. Further comment and discussion ensued on having a separate Workshop to discuss a new Police Headquarters. City Manager Feldman confirmed.

Chair Mammano discussed other possible revenue funding sources including:

Federal/state/county agencies;
Broward County Penny Sales Tax (November 2018 ballot);
Broward County MPO; and
Broward County Traffic Mitigation Funds.

Further comment and discussion ensued on MPO projects addressing road infrastructure on Bayview Drive and Cordova Road. In response to Commissioner Glassman, City Manager Feldman confirmed all federal and state grants are being pursued, expounding on the details. Brief comment and discussion ensued on the significant amount of airport funding and the lack of federal funding for infrastructure.

City Manager Feldman recommended the ITF include 5G Broadband technology infrastructure on the CIP project list. This will serve to attract businesses and keep pace with other cities. Vice Chair Kwoka concurred. Further comment and discussion ensued. There was a consensus to add 5G Broadband to the ITF work plan.

Board Member Keith Cobb commented on the direction of internet upgrades and the need for underlying infrastructure. Further comment and discussion ensued on ways to fund 5G Broadband, the fast approaching timeline and its ability to attract hi-tech businesses.

Vice Chair Kwoka asked the Commission for feedback and direction on the presentation's revenue streams. Commissioner McKinzie commented on work to address rate increases for water and sewer, and stormwater infrastructure.

Board Member Walters commented on the need to retain the increased revenue streams. Further comment and discussion ensued on vetting previously reviewed revenue streams. Chair Mammano discussed funding sources traditionally used for water and sewer CIP projects. Discussions ensued on millage rates, bonding and debt service. Board Member Walters concurred on the need to raise rates for infrastructure improvements.

City Manager Feldman noted the need to get projects “shovel ready” in anticipation of the next down cycle to take advantage of lower pricing and job creation.

Chair Mammano discussed the current level of services and the ability to sustain them, noting the large percentage of the budget is dedicated to salaries and benefits. Vice Chair Kwoka commented on services.

Vice Chair Kwoka discussed the aggregate component of sea-level rise that includes other municipalities, counties and the state. Brief comment and discussion ensued on hardening infrastructure and partnering to avoid redundancy.

Board Member Cobb acknowledged the vast and complicated nature of addressing infrastructure needs. He recommended a dedicated Strategic Planning Team to model all solutions for each infrastructure need and provide cohesive, meaningful information. This would enable the Commission to efficiently address infrastructure needs. Mayor Trantalis confirmed Staff’s role in bringing infrastructure needs to the decision-making level, expounding on the ITF’s purpose which includes providing a community perspective.

Commissioner Moraitis gave a recap of ITF recommendations, including a Stormwater Ordinance, Sidewalk Ordinance, Police Station Bond, Parks Bond, and the addition of 5G Broadband. She inquired about the City/County Government Center public private partnership (P3). Mayor Trantalis responded that the County took the P3 off the table.

Board Member Walters commented on the professional efforts and contributions of the ITF, confirming Staff has been responsible and responsive.

Board Member Orshefsky discussed the Capital Budget, commenting on its traditional funding and its future bond funding. With future bonds, existing draws on the Capital Budget would be decreased. More revenue needs to be provided on an annual and recurring basis. He

recommended a minimum funding goal for CIP Line Item 331 which City/County Government Center needs to be maintained. Further comment and discussion ensued on project financing, current revenue, a revenue source for recurring projects and future financing of the CIP.

Board Member Ralph Zeltman commented on the superior materials available for replacing water and sewer infrastructure and the importance of staying on top of infrastructure maintenance and replacement.

Board Member Fred Stresau commented on the urgency of addressing sea level rise, commenting on its future impact. Mayor Trantalis confirmed ITF recommendations include a municipal component to address seawalls. Addressing sea level rise will require participation from multiple stakeholders including surrounding municipalities and counties in the region, the state and Port Everglades.

Mr. Stresau commented on his involvement with *Friends of Florida*, an organization working towards addressing sea level rise, expounding on the details. Further comment and discussion ensued on each area's numerous variables relating to sea level rise. Mayor Trantalis discussed the possibility of each area having a committee to address this concern. Further comment and discussion ensued.

Board Member Norm Ostrau said after circulation of ITF recommendations to residents, there was no objection to a tax increase. Mayor Trantalis commented on a possible tax increase after infrastructure needs and solutions have been honed. Chair Mammano commented on ITF discussions on raising the millage rate and dedicating all ensuing revenue to CIP Line Item 331.

Board Member Jacquelyn Scott commented on the productivity of this meeting, thanking City Manager Feldman for his input on the timeline for the proposed Bonds. She confirmed her support of increasing the millage rate and the ensuing revenue being dedicated to CIP Line Item 331.

Chair Mammano concurred with Mr. Walters' comments on Staff's cooperation and input. Chair Mammano requested confirmation that the ITF has been successful in conveying the complexity, cost, and importance of adequately determining a revenue source to fully fund all infrastructure needs, stating this will require significant policy decisions. She requested an additional Joint Commission Workshop prior to the next budget meeting. During that Workshop, the ITF will provide supplementary recommendations to raise additional revenues for the next budget cycle.

Mayor Trantalis thanked the ITF for their work and effort, encouraging the ITF to communicate with each Commission member.

Commissioner Glassman thanked the ITF, recommending budget discussions begin earlier. Vice Chair Kwoka recommended a Joint Meeting with the ITF and the Budget Advisory Board (BAB). City Manager Feldman discussed conversations with the Chair of the Budget Advisory Board (BAB) and the recommendation for an earlier conversation between the Commission and the BAB. He discussed the need for the BAB's work plan to focus on the budget. The BAB will have a meeting on October 17, 2018 to discuss their work plan. Commissioner Glassman concurred, expounding on the need to approach the budget process in a different manner. Further comment and discussion ensued.

Mayor Trantalis requested a Joint Workshop with the ITF in January 2019 in addition to the one requested in April 2019.

ADJOURNMENT

Mayor Trantalis adjourned the Joint Workshop with the Infrastructure Task Force Advisory Committee at 1:48 p.m.



Infrastructure Task Force (ITF) Status Report

October 10, 2018

ITF Where We've Been



- Established in March 2017
- Review and advise on the current state of, and needs for, the City's public infrastructure
- Hosted 17 public meetings
- Conducted four District open houses to seek Neighbor input
 - Received positive input from Neighbors on local infrastructure investment
- Provided the City Commission with four interim recommendations:
 1. Water/sewer – eliminate/phase-out Return on Investment (ROI) transfer
 2. Stormwater – revise rate methodology (“trip-based”) and commence Master Plan Phase II projects for seven (7) highest priority neighborhoods
 3. Roads/sidewalks/seawalls – establish minimum General Fund revenue sources for the City's CIP
 4. Impact fees – analyze and update City infrastructure fees regularly to capture growth



ITF Where We Are

- Based upon various master planning studies and reports, the City faces the potential for ***\$3 billion of infrastructure needs over the next 20 years:***

Infrastructure Item:	20-year Need (Plan):	Plan Date:	20-year Need ¹ (2018 \$'s)	Currently Approved Source:
Water/Sewer ^{2,3}	\$1,419,800,000	2016	\$1,455,400,000	Rate payer (CIP and \$200M bond)
Stormwater ⁴	\$982,900,000	2018	\$982,900,000	Rate payer (CIP)
New Facilities (City Hall and Police HQ)	\$300,000,000	2018	\$300,000,000	
Existing Facilities (including Fire Stations)	-	-	-	
Parks	\$150,000,000	2016	\$150,000,000	Park impact fees (partial)
Roads	\$50,300,000	2018	\$50,300,000	Gas tax (\$820,000 annually) and general capital
Bridges	\$35,100,000	2014	\$36,500,000	General capital
Public Seawalls	\$26,100,000	2018	\$26,100,000	General capital and stormwater rate payer (CIP)
Sidewalks	\$16,400,000	2014	\$12,500,000	General capital (via risk fund)
TOTALS-	\$2,980,600,000		\$3,013,700,000	

Other Master Plans⁵:

- Airport
- Mobility/Complete Streets/Walkability
- Information Technology
- Parking
- Neighborhood Projects
- Canals

¹ Inflated costs from planning year (CII) and updated completed/planned projects, as available

² Analysis underway by Hazen & Sawyer may identify additional water/sewer needs

³ The existing rate structure including 5% annual increases (by current Ordinance) projects to cover all/majority of the first ten years of water/sewer needs

⁴ A stormwater rate structure revision is underway; increased revenue will be required to cover an initial \$200 million bond and beyond

⁵ The totals above do not include all infrastructure components of expected 20-year needs

Estimated TOTAL > \$3 Billion

ITF Where Are We Going?



- The City Commission will have multiple options to fund the identified needs, including:
 - Increase water/sewer rates – rate study underway (FY 2019 consideration)
 - Increase stormwater rates – rate study underway (FY 2019 consideration)
 - Increase millage rate – each mill equates to \$35.0 million
 - Currently the City has the **fourth lowest** millage rate of all Broward County municipalities, and
 - The **third lowest** millage rate of the 25 largest municipalities in Florida
 - Bonding – revenue or general obligation
 - Special assessments
 - Public-private partnerships
 - Grants – federal and state
 - Loans – state revolving fund

Other non-City revenues to track:

- Federal/state/county (within their agencies jurisdiction to City benefit)
- Broward County penny sales tax
- Broward County traffic mitigation funds

ITF Millage Rate Opportunity



- Adopted millage rate FY 2019 = 4.1193
- Value of 1 mill = \$35,017,145
- FY 2019 revenue = \$144,246,125
- Millage rate is 35% less than median of *25 largest FL cities*
- Millage rate is 31% less than median of *Broward County cities*
- “What-if” scenarios:
 - \$100 million bond = 0.1547 mill (3.8% increase)
 - Assumed \$100 million, 3.5%, 30 years
 - Increase to median of 25 largest FL Cities:
 - 2.1825 millage rate increase (6.3018 total) generates additional annual revenue of **\$76.4 million**
 - Increase to median of Broward County cities:
 - 1.8805 millage rate increase (5.9998) generates additional annual revenue of **\$65.8 million**

Ranking	Municipality	FY 2018 Adopted Millage Rate	Population	County
1	Jacksonville	11.4419	878,456	Duval
2	Palm Bay	8.4500	109,162	Brevard
3	West Palm Beach	8.3465	108,896	Palm Beach
4	Miami	8.0300	456,089	Miami-Dade
5	Deltona	7.8500	86,290	Volusia
6	Hollywood	7.4479	146,155	Broward
7	Miami Gardens	6.9363	111,998	Miami-Dade
8	Miramar	6.7654	134,037	Broward
9	St. Petersburg	6.7550	259,906	Pinellas
10	Cape Coral	6.7500	170,474	Lee
11	Orlando	6.6500	271,752	Orange
12	Port St. Lucie	6.4000	178,091	St. Lucie
13	Hialeah	6.3018	233,431	Miami-Dade
14	Miami Beach	5.8888	91,026	Miami-Dade
15	Coral Springs	5.8732	126,264	Broward
16	Tampa	5.7326	365,124	Hillsborough
17	Pembroke Pines	5.6736	161,799	Broward
18	Lakeland	5.5644	102,507	Polk
19	Pompano Beach	5.4865	107,425	Broward
20	Davie	5.3220	96,830	Broward
21	Clearwater	5.1550	112,387	Pinellas
22	Gainesville	4.7474	128,612	Alachua
23	Fort Lauderdale	4.1193	179,063	Broward
24	Tallahassee	4.1000	189,675	Leon
25	Boca Raton	3.6788	96,114	Palm Beach
	Median	6.3018		
	Average	6.3787		

As of: June 7, 2018

Municipality	Ranking	FY 2019 Proposed Millage Rate
West Park	1	8.6500
Lauderdale Lakes	2	8.6000
Lauderhill	3	7.9898
Hollywood	4	7.4665
North Lauderdale	5	7.4000
Tamarac	6	7.2899
Cooper City	7	7.1347
Miramar	8	7.1172
Margate	9	6.5594
Coconut Creek	10	6.5378
Hallandale Beach	11	6.3191
Deerfield Beach	12	6.1267
Sunrise	13	6.0543
Dania Beach	14	5.9998
Oakland Park	15	5.9985
Wilton Manors	16	5.9837
Coral Springs	17	5.8732
Pembroke Pines	18	5.7275
Davie	19	5.6270
Pompano Beach	20	5.1361
Southwest Ranches	21	4.9890
Parkland	22	4.8000
Fort Lauderdale	23	4.1193
Lauderdale by the Sea	24	3.5989
Lighthouse Point	25	3.5893
Weston	26	3.3464
Unincorporated Broward	27	2.3353
Median		5.9998
Average		5.9396

Source: Broward County Property Appraiser's Office



ITF Utility Rates Opportunity



- Water/sewer rates – rate study underway (FY 2019 consideration)
- Stormwater rates: rate study underway (FY 2019 consideration) with hybrid-model which includes “trip-based” approach

ITF Summary: there appears to be an opportunity to increase the millage and/or utility rates for local infrastructure investment while remaining competitive in the region.

Table 6-12
City of Fort Lauderdale Water and Sewer System Monthly Residential Bill Comparison with Other Communities
Smallest Residential Service - 5,000 Gallons

	Water Total	Sewer Total	Total Bill
Davie	\$37.35	\$69.62	\$106.97
Wilton Manors	\$57.15	\$47.66	\$104.81
Dania Beach	\$35.00	\$58.82	\$93.82
Parkland	\$52.38	\$40.30	\$92.68
Oakland Park	\$45.81	\$43.53	\$89.34
Sunrise	\$38.61	\$47.19	\$85.80
Hillsboro Beach	\$41.00	\$43.92	\$84.92
Hollywood	\$26.92	\$54.28	\$81.20
North Lauderdale	\$32.30	\$47.25	\$79.55
Coconut Creek	\$41.90	\$32.24	\$74.14
Miramar	\$29.92	\$38.13	\$68.05
Cooper City	\$26.75	\$40.59	\$67.34
North Springs Improvement District	\$36.09	\$30.28	\$66.37
Tamarac	\$21.80	\$42.75	\$64.55
Broward County	\$23.62	\$40.20	\$63.81
Lighthouse Point	\$23.62	\$40.20	\$63.81
Fort Lauderdale	\$23.59	\$39.52	\$63.11
Coral Springs	\$21.29	\$40.53	\$61.82
Plantation	\$22.14	\$39.53	\$61.67
Hallandale Beach	\$24.36	\$34.76	\$59.12
Royal Utility	\$26.93	\$31.41	\$58.34
Margate	\$28.88	\$29.40	\$58.28
Lauderhill	\$20.37	\$35.69	\$56.06
Deerfield Beach	\$28.25	\$24.53	\$52.78
Pembroke Pines	\$24.13	\$27.93	\$52.06
Coral Springs Improvement District	\$25.01	\$25.01	\$50.02
Pompano Beach	\$24.08	\$25.76	\$49.84
Average	\$31.08	\$39.67	\$70.75

Notes:
Monthly water and sewer bills exclude drought rates or other surcharges and utility taxes.
Source: Stantec Consulting Services Inc prepared in September 2017. Fort Lauderdale FY 2018 rates shown, other municipalities may also adjust rates in FY 2018.

ITF Next Steps



- What are the Commission's expectations for the ITF moving forward?
 - Monthly meetings are tentatively scheduled through March 2020
 - Input for future focus:
 - Critical infrastructure components
 - Critical revenue opportunities
 - Potential threats (sea level rise, economy, regulatory, other)
- Recommended next Commission/ITF joint workshop in April 2019
- Discussion