City of Fort Lauderdale

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

Tuesday, August 20, 2019

11:30 AM

Joint Workshop with Budget Advisory Board

City Commission Conference Room

CITY COMMISSION WORKSHOP

FORT LAUDERDALE CITY COMMISSION

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

CHRIS LAGERBLOOM, City Manager
JOHN HERBST, City Auditor
JEFFREY A. MODARELLI, City Clerk
ALAIN E. BOILEAU, City Attorney

CALL TO ORDER

Commission Members Present: Commissioner Heather Moraitis, Commissioner Steven Glassman, Vice Mayor Robert L. McKinzie (arrived at 11:59 a.m.), Commissioner Ben Sorensen, and Mayor Dean J. Trantalis

Budget Advisory Board Members Present: Chair Brian Donaldson, Vice Chair David Orshefsky, William F. Goetz, Jeff Lowe, Gregg McKee, Prabhuling Patel, Johnnie Smith, and Christopher Williams

Not Present: Eric Metz

QUORUM ESTABLISHED

Also Present: City Manager Chris Lagerbloom, City Clerk Jeffrey A. Modarelli, City Attorney Alain E. Boileau, City Auditor John Herbst, Deputy City Manager Rob Hernandez, Interim Assistant City Manager Rhoda Mae Kerr, Interim Finance Director Linda Short, and Budget Director Laura Reece

BUSINESS UPDATES

BUS-1 19-0843 Business Updates Provided by the Budget Advisory Board - (Commission Districts 1, 2, 3 and 4)

Chair Donaldson commented on updates to this year's budget process. The proposed budget presented today includes Budget Advisory Board (BAB) amendments discussed and approved at their August 14, 2019 Meeting. He acknowledged the efforts of BAB and commended Staff for their efforts during the Departmental Budget Meetings.

Chair Donaldson confirmed the focus on the following key departments: Finance, Fire Rescue, Police and Transportation and Mobility (TAM).

Finance Department:

Chair Donaldson commented on the BAB challenge to Staff to increase P-Cards usage from 30 percent to 50 percent. Chair Donaldson also noted Staff efforts to reduce the number of P-Cards for better control. Additional conversations with Staff included vendors who do not accept P-Cards. These include insurance companies and utility companies.

Chair Donaldson noted extensive BAB discussions regarding credit card

merchant/convenience fees (Convenience Fees) currently incurred by the City. He discussed Convenience Fee recovery and the rationale of the BAB position regarding the City absorbing this cost.

Board Member Prabhuling Patel commented on the goal of having residents pay bills through direct debit from their bank account (Direct Debit). He discussed the total amount of Convenience Fees from all City services. Mr. Patel discussed the opportunity to motivate residents to utilize Direct Debit to avoid charging a Convenience Fee. He expounded on related details. Mr. Patel confirmed Broward County assesses a convenience fee of 2.55 percent. He acknowledged the anticipated push-back, noting that taxpayers should not be absorbing these costs.

In response to Mayor Trantalis' question, City Manager Lagerbloom confirmed that customers could have their water bills debited directly from their bank account. Further comment and discussion ensued.

Commissioner Glassman noted that multi-family buildings pay water bills by check. Chair Donaldson pointed out the additional processing costs related to this form of payment, confirming the ideal form of payment is Direct Debit. He confirmed this is a Commission policy decision. Further comment and discussion ensued on how other municipalities and States address this topic.

Chair Donaldson noted that Convenience Fees are included when paying parking fees. Mr. Patel confirmed his focus for reimbursement of Convenience Fees for recurring monthly bills. In response to Mayor Trantalis, Mr. Patel confirmed those include water and sewer bills. Chair Donaldson commented on parking fees and related details.

Laura Reece, Budget Director, reviewed the breakdown of Convenience Fees. Board Member David Orshefsky discussed his perspective, commenting on the nature of governmental entities as opposed to vendors in the restaurant industry. He commented on other vendors that charge varying prices depending upon the form of payment to recover Convenience Fees. Mr. Orshefsky discussed giving the customer a choice to pay by check, direct debit, or credit card (including the Convenience Fee), explaining the rationale.

Commissioner Moraitis said that she could not support charging District I residents a Convenience Fee this year. She cited the ongoing water audit discussions, changes to the water and sewer rate structure, noting the possibility of incentivizing payments made by direct debits. She recommended further research and revisiting the topic with residents next year.

Board Member Robert McGrath commented on administrative costs associated with payment by check and noted that there is only one vendor for water and sewer services.

In response to Commissioner Sorensen's question regarding the number of residents using Direct Debit for water and sewer services, Ms. Reece confirmed she would research and provide this information.

Vice Mayor McKinzie arrived at 11:59 a.m. Mayor Trantalis updated Vice Mayor McKinzie of the topic of discussion.

Chair Donaldson commented on the lengthy BAB discussion and their vote on the Convenience Fee. He requested further discussion and review by the Commission for a consensus policy decision, acknowledging Commissioner Moraitis' earlier comments.

Mr. Patel commented on the credit card industry's position on government entities charging a Convenience Fee. Further discussion ensued on this topic.

Commissioner Sorensen commented on utilizing vendors who accept P-Cards. Chair Donaldson reiterated that P-Card usage has increased to over thirty percent (30%). He confirmed the challenge by BAB to increase P-Card usage to fifty percent (50%). He reconfirmed entities such as insurance companies, large legal firms and utility companies do not accept P-Card payments, citing examples. Mr. Orshefsky noted that some vendors do not wish to absorb processing charges.

Commissioner Glassman concurred with Commissioner Moraitis' earlier comments regarding timing and the need to educate residents. He noted his position to address with residents next year.

Chair Donaldson discussed the BAB's in-depth review of delinquency rates for water services, expounding on details regarding collection efforts from property owners versus renters. He suggested a policy that when a tenant signs up for water service, the landlord would be ultimately responsible and could address payment from the security deposit. This would provide recourse to the City for payment of unpaid water bills. Further comment and discussion ensued.

In response to Mayor Trantalis' question, City Attorney Alain Boileau confirmed he would need to research establishing lien rights under this scenario.

City Auditor John Herbst discussed his experience as Finance Director in another municipality where this policy was implemented. He said it was challenged and it was unsuccessful, expounding on details. Further comment and discussion ensued. Mr. Orshefsky commented on having the landlord agree to the contractual obligation (lien).

Mayor Trantalis requested City Attorney Boileau and Staff research a methodology to address this topic.

In response to Commission Moraitis' question regarding the delinquent water bill timeline for property owners, Chair Donaldson confirmed that these could not be addressed until the property is sold, i.e., collection of liens.

In response to Mr. McGrath's inquiry regarding other municipalities being in arrears, Linda Short, Interim Director of Finance, explained details regarding not being able to charge Broward County, the Broward County School Board (School Board) and certain government entities for stormwater services. She confirmed the amount that could not be collected. Efforts are ongoing to draft material allowing these charges to be written off. In response to Vice Mayor McKinzie's question, Ms. Short confirmed that these entities would no longer receive bills.

City Attorney Boileau confirmed that Florida Statute states that these government agencies have sovereign immunity regarding stormwater billing. He expounded on recent court decisions on this topic, stating that an amendment to the Florida Statute would be needed to allow stormwater billing to these government entities.

Fire Department

Chair Donaldson confirmed the policy decision of the Commission at the BAB June 18, 2019 Joint Workshop for Fire Assessment Fee full cost recovery. This would add approximately $4,600,000 to the budget.

In response to Commissioner Trantalis' question, City Manager Lagerbloom explained details regarding full cost recovery. City Manager Lagerbloom said Staff would request Commission input on accelerating Capital Improvement Projects (CIP) or placing the funding into reserves to address bond funding. He expounded on related details.

Mayor Trantalis asked about utilizing this funding for an Emergency Medical Services (EMS) Station. City Manager Lagerbloom confirmed, noting that these funds would go into the General Fund.

Commissioner Moraitis noted her support of having the Reserve Fund at 25 percent (25%) to keep bond interest rates low.

In response to City Manager Lagerbloom's question regarding adding three percent (3%) to the Reserve Fund Balance on the bond market, City Auditor Herbst commented on the impact on bond ratings, expounding on details.

In response to Commissioner Sorensen's question regarding bond rating evaluations, City Auditor Herbst explained bond rating companies look at a multitude of items, including resiliency (i.e., sea-level rise) and management of pension obligations when evaluating governance, expounding on details and noting the inability to make predictions with any certainty. Further discussion ensued on CIP spending.

Mr. Orshefsky commented on BAB discussions regarding CIPs for streets, sidewalks and bridges that do not have a dedicated funding source. It currently comes out of General Revenue. The concept was to use this additional revenue to fund some of these improvements on an ongoing basis. He commented on the auditor's recent letter regarding the ability to fully fund infrastructure, noting that this is a "live" issue.

Mayor Trantalis commented on the future opportunity to assist with infrastructure resulting from the continued elimination of the Return on Investment (ROI) that would go towards water and sewer CIPs.

Mayor Trantalis requested City Manager Lagerbloom return to the Commission with recommendations for the use of the Fire Assessment Fee. Ms. Reece explained details regarding the twenty-two percent (22%) Fund Balance. She said that the proposed budget includes the $3,000,000 increase from the Fire Assessment Fee that has been transferred to the Fund Balance to achieve the twenty-two (22%) percentage.

In response to Mayor Trantalis' question, City Auditor Herbst confirmed the minimum percentage in the Fund Balance is sixteen percent (16%).

Police Department

Chair Donaldson discussed Fire Rescue overtime and the recently negotiated reductions. He commented on the impact of past vacancies on overtime, confirming a significant decrease in vacancies. The projected overtime in the proposed budget was negotiated down to $1,400,000 and should not impact service levels.

In response to Mayor Trantalis' question regarding School Resource Officer staffing impacting Police overtime, Chief Rick Maglione confirmed, stating that the City was reimbursed one hundred percent (100%) by the School Board. However, the reimbursement does not appear on the overtime expenditures. Chair Donaldson confirmed the BAB request for notation of this point.

Chair Donaldson reviewed the amount of Police Department overtime in 2014 was $3,600,000. In 2019 it was $7,500,000. This year the original amount was $7,200,000 but was amended down to $6,000,000. Discussion ensued on this topic. Chair Donaldson said that not all overtime events are reimbursed, i.e., Spring Break.

Chair Donaldson discussed the impact of the Family and Medical Leave Act (FMLA) on overtime, i.e., "baby bonding" time. Chair Donaldson said that City Manager Lagerbloom would be revising the current FMLA policy. City Manager Lagerbloom confirmed, expounding on overtime trends, which are indicators that these items need to be addressed. City Manager Lagerbloom explained FMLA details and its use intermittently and concurrently. He also discussed aspects related to the number of people required for minimum staffing versus the number of people allowed to pre-select a day for vacation, noting the need for further research.

City Manager Lagerbloom commented on overtime trial situations that have been maintained and the need to address overtime costs. He cited examples and efforts to research operational public safety audits to optimize opportunities. Staff will continue to focus on this and advise the BAB should a different recommendation be needed. Chair Donaldson confirmed the reduction of almost $2,000,000 in overtime for both the Police Department and Fire Rescue Departments.

In response to Commissioner Moraitis' question regarding FMLA, City Manager Lagerbloom confirmed revisions would apply to the entire organization. Commissioner Moraitis discussed her concerns regarding the policy to mandate concurrent use of FMLA. City Manager Lagerbloom confirmed the revised policy would only apply to "baby bonding".

Chair Donaldson confirmed the $3,000,000 noted in the budget for an EMS Substation, commenting on the lengthy discussion of this topic. Mayor Trantalis noted that would not be the total cost. Chair Donaldson agreed, noting it would be a "place card". The amount budgeted for the Police Department salary and overtime is $61,000,000. Vacancies have been reduced from 52 openings to six.

Chair Donaldson commented on the Detention Program and related details. He discussed Chief Maglione's recommendation to ramp up the use of reserves, expounding on details and the goal of managing these costs towards a lower number.

Commissioner Glassman commented on not receiving referenced budget amendments. Ms. Reece confirmed these amendments would be part of the backup information for the September 3, 2019 Budget Hearing.

Mr. Orshefsky commented on the reduction in the Police Department and Fire Department overtime since 2014, stating that this downward trend should continue.

Transportation and Mobility (TAM)

Chair Donaldson discussed the new initiative with the Broward County Metropolitan Planning Organization (MPO). Due to this being a policy decision, BAB did not pursue this department in-depth.

City Manager Lagerbloom discussed the proposed formalized partnership with the MPO, confirming the goal is to enhance, support and optimize the budget. He expounded on details and the need for regional solutions and enhancements. He said that efforts would be made to retain TAM Staff in other areas.

City Manager Lagerbloom confirmed his attendance at an upcoming meeting with the Fort Lauderdale Council of Civic Associations to explain the Interlocal Agreement with the MPO.

Commissioner Glassman noted his concerns, including the presentation and communication of this topic, and input from constituents. He commented on additional questions and concerns.

City Manager Lagerbloom discussed scheduling conflicts that impacted the timing of the MPO presentation and budget discussions.

Commissioner Glassman commented on the implementation of a similar association in another municipality. He commented on concerns regarding addressing local needs in an efficient, hands-on, timely manner.

Mayor Trantalis confirmed his position that the City would benefit from the efficiencies of the MPO by having their full attention, expounding on

related details. Further comment ensued.

Commissioner Glassman noted the need for a structural plan to implement this integration and a better overall understanding. He suggested City Auditor Herbst do an audit as to the projected savings. Further comment and discussion ensued.

Commissioner Glassman suggested a meeting with Greg Stuart, Executive Director of the MPO, for a fuller understanding of all ramifications.

Vice Mayor McKinzie explained his experience as a member of the MPO Board and the prioritization of City projects. He said the added layer of resident input would not be lost. Vice Mayor McKinzie recommended Commissioner Glassman meet with Mr. Stuart to review projects in District II that could have been delivered in a timelier manner.

City Manager Lagerbloom confirmed the Interlocal Agreement with the MPO would come before the Commission in September, expounding on related details.

Commissioner Moraitis noted that Commission members, who do not sit on the MPO Board, have interaction with TAM Staff to move projects forward in their respective Districts. This maintains input on the micro-level. She discussed the need for a TAM Master Plan.

Commissioner Moraitis recommended replicating a position similar to the City's current Chief Education Officer at the MPO to provide the necessary synergy, expounding on related details.

Vice Mayor McKinzie commented on integration savings the MPO would provide and other benefits moving forward. Mayor Trantalis concurred.

Commissioner Sorensen expounded on his MPO integration research, noting the increased ability to get local projects accomplished and other details. It will provide a local and holistic perspective in addition to funding sources. He commented on the key difference in what another municipality experienced. Further comment and discussion ensued.

David Orshefsky noted previous comments regarding TAM interdepartmental challenges for funding CIPs, noting benefits MPO would bring to the table. Discussions ensued on personnel and restructuring of TAM should the Interlocal Agreement with the MPO move forward.

Chair Donaldson confirmed a $10,000,000 reduction in ROI within the FY 2020 Budget, acknowledging Staff's efforts to meet this goal. Budget modifications of $13,000,000 were requested and $4,000,000 were approved by the City Manager.

Chair Donaldson confirmed City Manager Lagerbloom, in partnership with BAB, addressed funding all goal-setting session items. He requested the Commission review these areas and opportunities, expounding on details and recommending that the Commission challenge the City Manager on these items, citing examples.

Chair Donaldson thanked Staff and members of the BAB for their time and effort put into the preparation of the FY 2020 Budget.

Chair Donaldson requested the Commission submit their BAB appointments to allow for a full team of ten BAB members. Further discussion ensued on property value increases and trends, and challenges impacting the FY 2021 Budget should the Commission not raise ad valorem taxes next year.

Board Member William Goetz commented on bond funding and debt service going into the future, noting recommendations. Mayor Trantalis acknowledged Mr. Goetz's comments regarding bonds, commenting on Parks Bond funding over time and the Public Safety Facilities Bond.

BUS-2 19-0844 Budget Advisory Board - Communication to the City Commission - (Commission Districts 1, 2, 3 and 4)

No discussion.

ADJOURNMENT

Mayor Trantalis adjourned the meeting at 4:13 p.m.