

City of Fort Lauderdale

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



Meeting Minutes

Tuesday, August 29, 2017

6:30 PM

Joint Workshop with Budget Advisory Board

City Commission Conference Room

CITY COMMISSION WORKSHOP

FORT LAUDERDALE CITY COMMISSION

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

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

ROLL CALL

Present 5 - Vice Mayor Bruce G. Roberts, Commissioner Dean J. Trantalis, Commissioner Robert L. McKinzie, Commissioner Romney Rogers, and Mayor John P. "Jack" Seiler

QUORUM ESTABLISHED

Budget Advisory Board Members Present: Chair June Page, Vice Chair Drew Saito, Josias N. Dewey, Gregg McKee, Frederick H. Nesbitt, David Orshefsky, Wesley Parker, and Johnnie Smith

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

No e-comments were submitted for this meeting.

Call to Order

Mayor Seiler called the Commission Joint Workshop with the Budget Advisory Board to order at 6:34 p.m.

BUSINESS UPDATES

None.

Commissioner Trantalis arrived at 6:36 p.m.

Commissioner Rogers arrived at 6:37 p.m.

Budget Advisory Board Member Josias N. Dewey arrived at 6:45 p.m.

BUDGET ADVISORY BOARD COMMUNICATION TO THE COMMISSION

[17-1045](#)

Motion I - Support of the FY 2018 Proposed Budget

August 17, 2017

*Honorable Mayor and City Commissioners City of Fort Lauderdale
100 N. Andrews Avenue
Fort Lauderdale, FL 33301*

Dear Honorable Mayor and City Commissioners:

During the regularly scheduled Budget Advisory Board meeting on August 16, 2017, the Board unanimously passed one (1) motion

related to the FY 2018 Proposed Budget.

Motion I - Support of the FY 2018 Proposed Budget

The Budget Advisory Board has reviewed the FY 2018 Proposed Budget presented by the City Manager and recommends adoption by the City Commission.

The Board recognizes and appreciates the hard work and transparency of the Budget/CIP and Grants Team to ensure a thorough budget process and review.

Thank you for the continued opportunity to serve in this capacity. Please contact me directly should you have any questions or comments.

Sincerely,

*June D. Page, Chair
Budget Advisory Board*

*c: Lee Feldman, City Manager
Stanley D. Hawthorne, Assistant City Manager
Jeffrey Modarelli, City Clerk
Laura Reece, Budget Manager
Budget Advisory Board*

[17-0752](#)

Presented by June Page, Budget Advisory Board Chair

Chair Page discussed the August 17, 2017 Budget Advisory Board's (BAB) communication to the Commission, recommending approval of the proposed FY 2018 Budget with one exception. Chair Page confirmed the BAB was not supportive of the Budget Modification Request submitted by the Transportation and Mobility Department (TAM).

In response to Mayor Seiler's question, Chair Page explained that TAM did not comply with the City Manager's initial request to provide the BAB with performance data and metrics. Chair Page said all other departments had complied. Last week City Manager Feldman made an additional request for TAM to present to the BAB. At that meeting, ideas were discussed but no performance data was presented that would allow

the BAB to determine justification for six requested new positions.

In response to Mayor Seiler's questions on this issue, City Manager Feldman explained a sub-Neighborhood Survey (Survey) is needed to determine the necessary transportation data. Mayor Seiler stated additional TAM budget requests would be put on hold until performance data metrics are provided to the BAB.

Chair Page commented if traffic is the number one concern, BAB needs to understand what the need is based on. She recommended waiting until the survey comes back and not spend funds until the data is presented. Board Member David Orshefsky commented on the need to develop data and experience over time. Further discussions continued on the need for metrics and checks and balances.

City Manager Feldman commented on the direction given at the Commission's May 9, 2017 Goals Setting Session. This direction included adding positions to TAM for working relationships with County, State, and Federal personnel as well as a position to address Public Information needs.

City Manager Feldman confirmed TAM's additional budget requests deal with implementing Neighborhood Plans adopted by the Commission, and equipment and materials for gathering data such as pedestrian and bicycle counts that will serve to demonstrate performance in the future. In response to Mayor Seiler's question, City Manager Feldman reviewed TAM's Budget Modification Request amounts. Further discussions continued on this topic.

A copy of the TAM's Budget Modification Request is attached to these minutes.

Board Member Johnnie Smith also commented on the lack of tangible, measurable metrics to justify adding the six new requested positions. Commissioner Rogers recommended separating budget requests into programs and people, citing the 17th Street Mobility Plan Meeting as an example. Commissioner Rogers also discussed the need for a Destination Traffic Study.

Vice Chair Saito confirmed BAB includes an area on the Budget Modification Request to list expected outcomes. TAM left those areas blank. Chair Page said this has been the case each year. The BAB would like to know the expected outcome of the Budget Modification Requests for the short-term, intermediate and long-term. Discussions continued on ways to attain performance measures.

City Manager Feldman acknowledged the need to monitor TAM. This will include freezing the six requested budget positions until an agreement can be reached with BAB on performance measures. Unfreezing TAM's requested positions would occur at the appropriate time. Commissioner Trantalis commented on the community's perception of TAM and their concern over its direction.

City Manager Feldman said Survey results will illustrate the communities' desires. Discussions ensued on the proposed modifications to Fourth Street and the initial language presented to the Commission for the Sunrise Gateway Resolution. Commissioner Trantalis emphasized the importance of neighborhood feedback driving TAM decisions and plans. Vice Mayor Roberts and Commissioner Rogers concurred. Commissioner Rogers stated the City is a leader in many area transportation initiatives, citing *Complete Streets* as an example.

In response to Commissioner Trantalis's question, City Manager Feldman confirmed outside consultants are still being utilized for TAM projects. He also discussed *Vision Zero* and pedestrian and vehicular fatalities. Commissioner Trantalis commented this issue is tied to education, citing what is being done in California to address this issue.

Mayor Seiler agreed on the need to address BAB's concern regarding TAM's Budget Modification Request by freezing the six requested TAM positions. The 17th Street Master Plan should move forward. Next month TAM will present a more in-depth presentation to BAB. City Manager Feldman confirmed the Survey data will be available in early October and metrics would be developed by early November for presentation to BAB.

Mayor Seiler questioned transportation projects that should not be delayed such as the 17th Street Mobility Plan. City Manager stated the Neighborhood Mobility Plans should not be delayed. Mayor Seiler requested any additional critical transportation projects should be brought before the Commission prior to TAM's presentation to BAB in November.

Mayor Seiler recognized Diana Alarcon, Director of Transportation and Mobility, who spoke about the need to purchase software to capture pedestrian, bicycle and vehicle counts critical to *Vision Zero* data used in determining metrics. Board Member Fred Nesbitt confirmed BAB was primarily focused on the requested six new positions. There was a consensus on freezing those six positions and moving forward with programs.

WALK-ON ITEM Other Budget Related Items

Vice Mayor Roberts discussed concerns related to infrastructure and the need to address critical infrastructure problems listed in the State of Florida Department of Environmental Protection's Consent Order (Consent Order) and City Manager Feldman's March 29, 2017 Memo (March Memo). He expressed his dismay over infrastructure projects that have been funded and delayed. Vice Mayor Roberts requested all issues in the Consent Order and the March Memo be reconciled.

A copy of the March Memo from the City Manager and the Consent Order between the State and City is attached to these minutes.

Vice Mayor Roberts directed City Manager Feldman and City Attorney Everett to deal with the delayed infrastructure projects within the next six months. Vice Mayor Roberts discussed the communities' perception on this issue, recommending the Consent Order be advanced to 2019 rather than 2020.

Vice Mayor Roberts recommended tasking the Infrastructure Task Force with addressing the conflicting infrastructure data provided to the Commission. Vice Mayor Roberts also suggested advancing the current budget, freezing programs and personnel, in addition to the six new positions requested by TAM. Exceptions to this include ten new firefighter-paramedic positions, necessary hiring for Public Works personnel and the purchasing of Public Works equipment. He also suggested reallocating funds from other departments for funding infrastructure needs. Vice Mayor Roberts discussed issuing bonds for funding infrastructure needs over the next five to ten years, and raising the millage rate.

Vice Mayor Roberts stated he is not ready to support the current budget recommendations until issues related to infrastructure are researched, reviewed and addressed. He confirmed there is adequate time to address infrastructure funding issues between the first and second readings of the FY 2018 Budget (Budget). Commissioner Trantalis concurred with Vice Mayor Roberts' comments on infrastructure, giving a brief historic overview of what has transpired over the last four years on this issue.

Vice Mayor Roberts reiterated the need to reconcile the March Memo and the Consent Order. These documents were passed out to members of BAB by City Clerk Modarelli. The Police hiring process and hires for the Night Time economy positions were briefly discussed. Chief

Maglione responded to Commission questions regarding the Police hiring process.

In response to Mayor Seiler's question about funds available in the current Waste Water Fund, City Manager Feldman stated the consultant, Mike Burton, will present a model to address Water and Sewer Fund revenue funding. Further comments and discussions ensued on this topic and reasons infrastructure projects are not moving forward.

In response to Commissioner Rogers question about the lengthy timelines, City Manager Feldman commented on the current rate structure and recommending the issuance of a water and sewer revenue bond in the first quarter of 2018 that would cover capital needs including requirements listed in the Consent Order. This should be approached in a manner similar to the *Water Works Project* and be administered via consultants. City Manager Feldman stated using the existing rate structure with projected increases will allow the issuance of \$1,000,000,000 worth of debt over the next ten years.

Mayor Seiler commented on the positive financial position of the City and the importance of infrastructure projects moving forward. He stated his position not to raise taxes. Vice Mayor Roberts reiterated he is not opposed to raising the millage rate to address the infrastructure issues noted in the March Memo and the Consent Order. He commented on not continuing to use the ROI funds from the Water and Sewer Funds in other areas.

Commissioner Trantalis asked City Manager Feldman about his previous comment that the income derived from the Water and Sewer Assessment would be sufficient to fund a bond that includes items already approved by the Commission. City Manager Feldman responded the Water and Sewer rate structure adopted in 2012 builds in an automatic five percent rate increase each year if five criteria are met. Discussions continued on this issue.

City Auditor John Herbst gave an overview of his department's annual review of major revenue and expenditure line items that addresses significant variances in dollars and percentages, noting the subsequent action taken to address certain criteria. He commented on this year's review and analysis for regular returning revenue and expenditures are reasonable and materially correct.

Mr. Herbst discussed a funding gap related to the Las Olas Marina Parking Garage budget and its impact on the Budget. Questions and comments ensued on this topic, including bookkeeping items and the

impact on the City's Fund Balance. As a legal formality, the Budget will need to be reduced to reflect a lower carryover. Subsequently a bond can be issued to replace this budget reduction. Discussions ensued on the balance and use of Parking Funds.

Mayor Seiler discussed resolving this issue by doing a Consolidated Budget Amendment at the September 6, 2017, Commission Meeting by appropriating funds from the Parking Fund to balance the Budget. City Auditor Herbst confirmed this would resolve the issue, discussing required public advertising. Discussions and comments ensued on allocated parking projects.

City Auditor Herbst discussed additional issues and recommendations noted in his August 25, 2017 memo (August Memo) to the Commission. City Manager Feldman commented on actions taken on CRA matters raised in the August Audit Memo. City Auditor Herbst gave his recommendations and comments on CRA issues related to credits, expiring collective bargaining contracts and debt service on pension obligation bonds. Questions and comments continued on collective bargaining contracts.

Board Member David Orshefsky commented on amortization of pension obligation bonds and efforts to reflect those additional costs as part of employment operating costs. City Auditor Herbst expounded on bookkeeping aspects of this issue and re-characterization to allow more transparency. Discussions and comments continued on accounting aspects and allocation of pension and retirement costs. City Manager Feldman confirmed the outstanding amount owed on the pension obligation bonds is approximately \$275,000,000.

Mayor Seiler confirmed consensus agreement among the Commission and the BAB on City Auditor Herbst's findings, recommendations and management's response.

A copy of City Auditor's August Memo is attached to these minutes.

Mayor Seiler confirmed consensus for Mr. Burton to review only the water and sewer portion of the Stantec presentation. Michael Burton, Stantec Consulting Services, Inc., presented the water and sewer portion of the Financial Sustainable Interactive Model Presentation.

Mr. Burton explained the financial details of the annual five percent rate increase, aspects of the operating fund, cash in and cash out financials, debt service coverage, and the reserve fund balance over the next ten

years for infrastructure funding.

Questions, comments and explanations ensued on the presentation and the baseline for the annual CIP funding levels. Mayor Seiler commented on the need to advance infrastructure projects as recommended by Vice Mayor Roberts. It was confirmed the CIP is based on Staff input presented to and approved by the Commission. This presentation is based on this input going forward for five years.

In response to Board Member Orshefsky's question, Mr. Burton confirmed the presentation included the current methodology of the ROI leaving the fund and being transferred to the General Fund. Further discussions continued on this topic.

As requested by City Manager Feldman, Mr. Burton presented an interim analysis of what \$2,000,000 in debt service would fund for water and sewer infrastructure. Mr. Burton expounded on and explained the interim analysis, wrap around debt, level debt service, and available bond issues. Questions and comments ensued on this topic. In response to Commissioner Roger's question, Mr. Burton explained the nominal growth in usage. City Manager Feldman commented on forthcoming smart water meters that will replace current water meters.

In response to Vice Chair Saito's question, City Manager Feldman explained the wrapped debt service for bond issuances. Comments and discussions continued on this topic. City Manager Feldman confirmed the plan to borrow \$200,000,000. Mr. Burton continued with the presentation.

Mayor Seiler requested Mr. Burton recalculate the numbers in the presentation based on advancing water and sewer infrastructure projects to 2018. Adjustments were made to accommodate Mayor Seiler's request and were presented. Discussions continued on the recalculated numbers. Mr. Burton commented on necessary adjustments to the recalculation, level debt service and what the City can afford to borrow.

Mayor Seiler asked City Auditor Herbst and City Attorney Everett to confirm debt wrapping is in compliance with State Statutes. City Auditor Herbst commented debt wrapping is common, explaining how debt wrapping works.

Mayor Seiler suggested BAB have additional time to review and digest the financial aspects of Mr. Burton's presentation related to wraparound debt. Mr. Burton cautioned that he was making correlations with the financial advisor's schedules. These correlations need to be reviewed

with the financial advisors to ensure the correlations hold true through the term of the debt.

Mr. Burton presented the adjusted financial presentation to illustrate level debt, stating not as much infrastructure work could be accomplished. Discussions continued on the impact of changing interest rates and utilizing level debt.

Commissioner McKinzie commented on the need for the City's financial advisors to review and give their input on the projected financials in Mr. Burton's presentation. Mayor Seiler commented the adjusted presentation numbers address funding for expedited infrastructure projects.

Mr. Burton acknowledged the large amount of work necessary by numerous parties prior to the City issuing bonds. This presentation is to give the Commission a sense of what will be required to address the immediate water and sewer infrastructure needs. Further comments and discussions continued.

Mayor Seiler confirmed the existing rate structure allows the City to move forward with prioritizing water and sewer issues. He also emphasized the need to expedite these projects within quicker timeframes. Further discussions continued on bond funding for infrastructure projects in subsequent years, issues relating to the City's Fund Balance, and the popularity of the City's bonds.

Mr. Burton continued reviewing aspects of his presentation. Mayor Seiler commented on the need for an increase in front-end spending for infrastructure projects to address items in the Consent Order and the March Memo. Mr. Burton confirmed the presentation addresses these issues. Mayor Seiler noted the ability to amend the Five-Year CIP, confirming this discussion can take place at the Commission's September 6, 2017 Meeting. Discussions continued on getting infrastructure projects moving forward.

Mayor Seiler reiterated the need for the presentation's recommendations to be reviewed and analyzed by the City Auditor Herbst, City Attorney Everett, and the BAB for input, guidance, and approval. At the September 6, 2017 Commission Meeting, Budget Amendments can be presented to address issues related to the Parking Fund, the CIP and a plan going forward to expedite infrastructure projects. There was a consensus on Mayor Seiler's recommendation.

City Manager Feldman confirmed work is ongoing for drafting the

Request for Proposal (RFP) from consulting engineers to address infrastructure issues in the Consent Order. Vice Mayor Roberts reiterated his desire to advance issues in the Consent Order. Chair Page asked about the timeline to review and analyze Mr. Burton's presentation. Mayor Seiler confirmed September 6, 2017. Comments and discussion ensued on this timeline. City Manager Feldman confirmed a budget plan addressing the Consent Order will be available between October 1, 2017 and the end of the calendar year. The bond would then be issued in January 2018.

Mayor Seiler emphasized the infrastructure implementation plan should be on a parallel path with the issuance of the bond in order to be shovel ready. Further discussions and comments ensued on this topic.

Mayor Seiler stated budget amendments could occur between the first and second reading of the budget.

City Manager Feldman discussed his plans to get the infrastructure projects completed, time constraints due to State Statutes and the solicitation process. Mayor Seiler directed City Manager Feldman to use existing competitively procured engineers for all infrastructure projects addressed in the Consent Order and the March Memo for infrastructure projects under \$1,900,000.

A copy of the Stantec Consulting Services, Inc. presentation is attached to these minutes.

OLD/NEW BUSINESS

None.

ADJOURNMENT

Mayor Seiler adjourned the Commission Workshop with the Budget Advisory Board at 8:37 p.m.