

**MEETING OF THE CITY COUNCIL
PLANTATION, FLORIDA**

June 5, 2013

The meeting was called to order by Councilman Robert A. Levy, President of the City Council.

1. Roll Call by City Clerk:

Councilmember:	Jerry Fadgen Ron Jacobs - telephone Robert A. Levy Lynn Stoner
Mayor:	Diane Veltri Bendekovic
City Attorney:	Donald J. Lunny, Jr.
Absent:	Chris P. Zimmerman

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2. The invocation was offered by Councilman Fadgen.

The Pledge of Allegiance followed.

3. Approval of Minutes of Meeting held February 13, 2013.

The minutes of the City Council Meeting held March 20, 2013 was approved as printed.

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ITEMS SUBMITTED BY THE MAYOR

Mayor Bendekovic introduced Commissioner Martin Kiar, Board of County Commissioners, Broward County, Florida.

Commissioner Kiar commented that many people do not know what their Elected Officials can do for them and he found that the best way to meet people is by going door to door. He noticed Ericks Consulting in the area and in his opinion they are by far the best advocates in Tallahassee. Not only are they incredibly honorable, they are extremely persuasive and get a lot accomplished. He represents most of the Western portion of the County and almost all of Plantation is in his District. As a County Commissioner he deals with local issues that affect everyone. He truly has respect and admires the Council's decision with regard to the 911 issue. He tells people that Plantation is taking a very prudent and methodical approach to really look at it and determine what happens so they can determine what is in the best interest of Plantation.

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Mayor Bendekovic introduced Ericks Consultants. Not only are they our consultants but they also have a long history in the City of Plantation.

Mr. Ericks advised that there were not many great unfunded mandates. Internet sales tax was on the list but they want the Feds to take care of it. Communication services tax, which is very important, was up there and they are trying to replace it with a wireless paid card; however, that hit some snags. They were able to get a mandate on texting; it is a secondary offense. With regard to pensions, Plantation has not had some of the problems other cities have had with 175 and 185; we can still collectively bargain, not for any extra benefits but how we are going to pay for the ones already given. He will be back in the Fall to get an early start on some issues. Sievers (sic) may be coming back. There was a community budget regarding late water money. The City goes through a lot of hoops to get ranked for grant money and other water projects, which are done for a reason. In the past when there was money they would run down the list and pay for as many as possible. Because they had not seen money in six years, this year they picked one from Column A and one from Column B for no real reason and at the same time a lot of them were vetoed by the Governor. He wants to make sure that the Representatives know what you want and that they get into the proper hands so we can get on the list.

Councilman Levy stated that our biggest need in Plantation for the next few years is rehabbing old infrastructure. We would be interested in acquiring any funds you know of in that way.

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Mayor Bendekovic made the following announcements:

- The Plantation Historical Museum has an exhibit, “500 Years of History”, starting on May 28, 2013 to October 26, 2013.
- This year’s theme for the Summer Reading Kick-off is “Picture Yourself at the Library”, which starts on June 10, 2013 from 7:00 p.m. to 8:00 p.m. at the Helen B. Hoffman Library.
- The Friends of the Library Book Sale is June 14 and 15, 2013 and June 28 and 29, 2013; Fridays from 9:00 a.m. to 5:00 p.m. and Saturdays from 9:00 a.m. to 4:00 p.m., at the Helen B. Hoffman Plantation Library.

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CONSENT AGENDA

Item No.’s 11 and 12 were removed to be discussed separately.

Mr. Lunny read the Consent Agenda by title.

4. Approval to purchase yearly maintenance for FileNet.
5. Request authorization for a one-year extension of the City of Plantation contract (RFP No. 072-13) for supply and delivery of zinc orthophosphate at a cost of \$0.578/per pound from American Water Chemical, Inc.
6. Request for approval of a work authorization to Hazen & Sawyer, PC in an amount not to exceed \$89,200 to replace the carbon steel tubing with fiberglass tubing at the East Water Treatment Plant Injection well.

7. Request to approve a purchase order to Layne Inliner, LLC in the amount of \$21,875 to TV and rehabilitate 622 linear feet of sanitary sewer mains at three locations.
8. Request to approve a purchase order to Rock Line Vac Systems, Inc. in the amount of \$24,500 for the total clean out of the Gulfstream Master Lift Station.

Ordinance No. 2481

9. **ORDINANCE** Second and Final Reading pertaining to the subject of Comprehensive Planning; adopting the annual amendment to the Capital Improvements Element of the Comprehensive Plan.

Resolution No. 11692

10. **RESOLUTION** pertaining to the subject of the Police Officers' Retirement System, approving a change in actuary assumptions implicit in the Board of Trustees' February 28, 2013 policy concerning the replacement of beneficiaries by a retiree receiving an optional joint survivor benefit.

Motion by Councilman Fadgen, seconded by Councilperson Stoner, to approve tonight's Consent Agenda as printed. Motion carried on the following roll call vote:

Ayes: Stoner, Fadgen, Jacobs, Levy
Nays: None

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Resolution No. 11693

11. **RESOLUTION** approving agreement with Guidant Management, Inc. to continue providing management services for Plantation Preserve Golf Course and Club Management for a five-year period beginning October 1, 2013 in form attached hereto as Exhibit "A", having the appropriate City officials execute same and authorizing the City Administration for City Attorney to make minor revisions thereto; and providing an effective date therefor.

Councilperson Stoner requested clarification that Mr. Romano has gone over the numbers, reconfirmed and adjusted where possibly lower could be. One of her concerns is that Guidant Management, Inc. not only receives a base, which is basically their profit, but they are being reimbursed for all of their payroll costs and benefits. During the last budget session she specifically asked about the increases, the 401K and the payroll and Mr. Scott informed her that those had not been given to the employees. She is concerned when we say the City contract says we are paying for all of the payroll taxes, full time, part time, insurance premiums as required, preapproved travel expenses and mileage at the current City rate per mile; those things should be included in their multiplier. She understands reimbursement of specific expenses but this is not a specific project; this is an ongoing job and we should not be paying travel expenses. She has concerns why we are paying a base plus salary and everything that already reflects some type of multiplier and reimbursing for insurance premiums; that is the cost of doing business. In looking at the budget we were given for the period ending April 30, 2013 for the golf course, under revenue \$813,333 of which we are seven months into the budget year, they have not collected anything towards that additional budget. The golf course budget last year was just shy of being doubled.

Mr. Romano indicated that Parks and Recreation does a monthly report through Rec Trac and it calculates all of the revenues we have for the golf course. That report is submitted to Administration. As far as the budget is concerned, the original budget was put together by Guidant Management, Inc. when they came in under our direction of what we expected this golf course to look like and to operate as. Through the years that formula did work and we do have a wonderful golf course. To date, it is a destination golf course for the City of Plantation for people who are golfers. With regard to the way the budget was set up, the 401K's and the insurance for the employees was set up from the original negotiation probably about eight or nine years ago. Those numbers were built into the budget. The golf course has been in the black since day one. Up until this past year our bond increased because now we are not only paying for the interest of the bond, we are also paying the principal of the bond. The bond payment went from \$360,000 a year to \$600,000 a year so the payment almost doubled and yet the golf course is still in the black. Currently we are looking at \$250,000 to \$300,000 per year in the black.

Councilperson Stoner questioned what percentage of the principal investment has been paid back at this point.

Mr. Romano advised that the principal investment is the last two years; the first five years was all interest. This project was \$10 million or \$11 million.

Mr. Lunny indicated that there were two different transactions. One was an acquisition transaction and the other was the development/management piece. The debt was a non ad valorem payback and there was never any allocation in either the 2002 or 2003 issue as to what would be assessed to this operation; that has been handled administratively and through the annual approved budgets of the Council each year. This particular agreement has some restrictions on it in terms of how it can be structured because of the fact that the course was developed with bond funds. Every year the Council has to approve the budget for this operation. The agreement says that if the Council wishes to pair back the budget in terms of its reimbursables that it is an ongoing conversation and Mr. Scott's company has the right to say they can no longer do this. Every year when Council approves that aspect of the golf course there is a special series of meetings that occur between the management company and Administration and Mr. Romano to come up with the particular budget for the year.

Mr. Romano indicated that there is a line for salaries and benefits. They provide a certified payroll as backup; there is a listing of all of the employees and what their salaries, taxes, etc. are. The payroll company is Prime Pay.

Councilperson Stoner noted that one of her previous comments was that she does not want to necessarily give our consultants' employees a raise when we are not giving the City employees a raise and if we budgeted for their increases why are we passing it along when we are not taking that into consideration for the City employees.

Mr. Romano stated that is a valid point and a point that he and Mr. Scott had discussions about many times. Short of a couple of promotions there have not been any across the board raises to the golf course staff.

Councilperson Stoner mentioned that the numbers for payroll match up to what is budgeted so in reality the numbers that have been set forth in the budget for the 401K, etc. that have not been paid are still left in the budget unused.

Paul Scott, Guidant Management, Inc. was present. He explained that they do not submit the budget and then get paid what the budget is. They submit the budget and get paid what they actually spend other than the management fee. The City does not reimburse or pay any money that he does not actually pay; there is not a

spread where he has a budget to spend over the course of the year where he makes a profit. They get the management fee and the City pays whatever it costs to run the golf course on the City's behalf. With regard to the 401K program, it had been in the budget since the very beginning but it was not instituted until about two years ago because he wanted to make sure that the business itself was going to be successful prior to putting people on retirement programs. After the first five years the business was successful and continued to be successful he instituted those programs.

Councilperson Stoner questioned whether 100% of the insurance is paid for the employees.

Mr. Scott indicated that the employees pay about \$81 per month for their health insurance. He bills the City for the full amount but it is deducted from the payroll; the City only pays for the amount they pay. They do not pay for dependent coverage.

Councilperson Stoner questioned the contribution on the 401K.

Mr. Scott advised that the company puts 50% of what the employee contributes up to 3% and them putting in 6%. If they put in more than 6% the company still matches 3%.

Councilperson Stoner mentioned that the budget the Council received for the period ending April 30, 2013 shows an adopted budget amount for total revenue for the golf course as almost \$4.8 million versus the prior year of \$2.5 million.

Mr. Scott stated that the number is a whole year number and the other number is a seven-month number. With regard to the \$813,000 number, that is a non-operating sources number that he has no control over. He believes that is what Finance plugs into the budget on the assumption that after depreciation we will need that amount of money to be transferred to make the fund break even. He cannot generate that revenue, it is not his to generate.

Councilperson Stoner commented that even if that was removed there is still an increase of \$1.5 million from one year to the next in the budget.

Mr. Scott indicated that the prior year to date number shows \$2,515,000.

Councilperson Stoner stated there is a prior year to date and then the adopted budget for the year.

Mr. Scott explained that the adopted budget should not be looked at because that is a 12-month adopted budget and the prior year to date budget is only through April of that year. Year to date for this year shows revenue as \$2,491,000 and the revenue for last year through the same period of time was \$2,515,000. The \$800,000 disappears at the end of the year.

Councilperson Stoner questioned whether Mr. Scott was fairly confident that they will make the budget numbers minus the \$813,000.

Mr. Scott commented that if they do not make the budget numbers they will reduce the expense numbers accordingly. They usually come in a little below expense on the budget. Typically the golf course brings in about \$3.8 million or \$3.9 million and it costs about \$2.9 million to run it. With cash flows before the debt service it is probably about \$900,000.

Councilperson Stoner mentioned that our debt services increased and questioned when the increase occurred.

Mr. Romano advised that the debt service increased last year. Hopefully we can redo the bond so we could lower the amount to \$300,000 or \$350,000.

Councilman Fadgen indicated that there is roughly a 2.5% increase in the monthly fee and prior to this agreement there was never an increase during the five years.

Mr. Scott stated that each year at the beginning of the new fiscal year the monthly fee went up \$250 throughout the life of the loan. He decided to bring it up to \$250 and leave it the same for this five-year period.

Councilman Fadgen questioned whether the number of rounds and the number of the dollars have been growing.

Mr. Scott noted that they have gone down the last two or three years mostly because there have been a couple of private clubs that turned public. The best year they ever had was probably 2008 when they played 56,000 rounds and they are probably playing about 50,000 rounds now.

Councilman Fadgen questioned whether there is a remedy or if it is going to get worse with other clubs going public.

Mr. Scott advised that he would have to discuss that in person because there are a lot of things about the golf industry that they will combat going forward.

Councilman Fadgen commented that we have the approved budget. Even though you know what costs are going to be incurred you get a flat fee. He questioned how we know that we really spent the appropriate amount but not too much on the operation.

Mr. Scott explained that typically they go through the expense items and everything during the budget and they have always spent less than what the budget was overall for all of the departments. He was not sure whether they ever had one department go over the budget over the course of a year. There were line items in a department last year that went way over and batteries in the golf carts had to be replaced because they wore out before the end of the year. Since batteries had to be replaced in 75 golf carts he was not going to spend \$50,000 on batteries and give them back to the company on a trade for new golf carts. The carts are going on the fourth year and they are not very nice looking but they run great.

Councilman Fadgen questioned how the golf academy operates and who get the profits it makes.

Mr. Scott indicated that Barry Fitzpatrick with BF Golf pays a monthly amount for the use of the back of the driving range and typically it is supposed to be 20% of whatever he takes in. Originally it was a much more complicated formula; they wanted to get 20% of whatever he took in as revenue and once he hit \$75,000 he would pay a percentage over the top of that.

Councilman Fadgen questioned how the Pro Shop works and whether that is the City or the golf course.

Mr. Scott stated the Pro Shop is the City. They cannot have any interest in the profit areas; the restaurant, the Pro Shop, etc; it is by the Bond Covenence.

Councilperson Stoner questioned the areas of their budget that are increasing.

Mr. Scott advised that equipment repair, fertilizer, fuel and other things are increasing; things that they do not have a lot of control over. They are seven years into the project and they try to replace the real equipment about every four years. Other equipment they have made last this long is starting to cost more money to take care of and that is an item that has become of concern because he does not think they have enough money in the budget in that line item to cover what they will spend. He knows they will not have enough this year and does not think there will be enough next year but they will make up for it with one of the other line items.

In response to Councilperson Stoner, Mr. Scott stated that Mr. Fitzpatrick runs the summer golf camp and it is full. They work with 15 or 20 children; five or six at a time; so it stays busy in the summer. He stated that there is a Father's Day Brunch; however, it is not as big as Mother's Day.

***Motion by Councilman Fadgen, seconded by Councilperson Stoner, to approve Resolution No. 11693.
Motion carried on the following roll call vote:***

Ayes: Stoner, Fadgen, Jacobs, Levy
Nays: None

Mr. Romano thanked Mr. Scott and all of the employees running the golf course. It is truly the diamond of Plantation and is a destination point for people to come to from around the country. He thanked Council for extending their contract five more years.

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Mr. Lunny read Item No. 12.

Resolution No. 11694

12. **RESOLUTION** pertaining to the subject of Finance; authorizing a contract for Financial Advisory Services between the City of Plantation and Public Financial Management Group, Inc. (PMF) consistent with the terms and conditions for these services as outlined in the Request for Proposal (RFP) and such firm's response thereto; authorizing the Mayor or Chief Administrative Officer to execute same, and providing an effective date therefor.

A memorandum dated May 29, 2013, to Mayor and Members of City Council, from Kristi Caravella, Finance Director, follows:

REQUEST: Authorize an agreement for financial advisory services.

ANALYSIS: The Administration and Finance Services Departments are evaluating various public financing alternatives. Some of these include calling some of the 2003 bonds and refinancing a portion of this debt to achieve savings, pursuing financing discussed last year for storm water projects, and pursuing financing for necessary utilities infrastructure investments. As the elected officials are aware, the municipal public financing markets have been extraordinarily influenced by external and internal forces (e.g. experiencing a well-publicized investor risk premium in the municipal revenue bond market caused by municipal bankruptcy proceedings during the height of the recession, and the Federal Reserve Bank's current monetary policy). It is prudent to retain a financial advisor who can evaluate proposed "business terms" of alternative financings in the current public markets, and advise the City as to whether such business terms are currently favorable or not.

The City requested proposals (RFP-103-13-0-2013) for financial advisory services. Four (4) firms sent proposals for financial advisory services. The deadline for proposals was April 30, 2013. The proposals were evaluated by Kristi Caravella, Finance Director; Mary Beazley, Controller; Gary Shimun, Chief Administrative Officer; and Priscilla Richards, Strategic Operations Administrator.

During the evaluation it was determined which respondents were more qualified than others to perform the services, two firms were short listed and interviewed by the committee. After considering both qualifications and pricing, the two top firms were as follows:

- Public Financial Management, Inc. (PMF)
- Dunlap and Associates

The Evaluation Committee recommends entering into an agreement with Public Financial Management, Inc. (PMF) for financial advisory services. Copies of all quotes are available in the City Clerk's office for your review.

The scope of services in the agreement includes:

General financial advisory services
Bond pricing
Escrow structuring
Arbitrage rebate
Debt management
Strategic consulting (pension/workforce management)
Investment management

RECOMMENDATION: Approve the Resolution authorizing an agreement for financial advisory services with Public Financial Management, Inc. (PMF).

Councilperson Stoner questioned what they are trying to accomplish.

Ms. Caravella advised that they are looking to refund our bonds. Hopefully they will be bringing forward the utility bonds as well and the Finance Advisor would assist in those projects.

Councilperson Stoner stated that in briefly speaking with Mr. Shimun he indicated that we have an increase in the Community Center bond.

Mr. Shimun indicated that they were discussing the amount of money that has not been spent yet and whether or not Council wants to roll it back into the principal and reduce the overall amount while we are doing these refinancings or not.

Councilperson Stoner commented that Mr. Shimun mentioned there was an increase in one of the bonds because we went over the time.

Mr. Shimun explained that they were talking about arbitrage, which is a payment that has to be made while we are holding onto that bond.

Councilperson Stoner questioned whether it is a penalty.

Mr. Lunny explained that when you have tax exempt financing you have to keep it somewhere so when Ms. Caravella gets the proceeds of the tax exempt financing she will invest it. The rules are that you cannot make, in your investments, a certain amount of money over the tax exempt imputed rates. Arbitrage is a calculated use so that you refund certain money to make sure you are not using tax exempt money to make income. It is not a penalty; it is a function of the revenue code when you have money in your bond proceeds fund after a certain point and time. There are some misconceptions about having money more than three years and there is a penalty. The three-year rule is not a rule; when you close the bond issue you have to size the bond issue with projects that you have a good faith intent on performing within three years. A certificate is signed at the time we do these projects that says we have that intent. Over three years things change and we may not be able to get them all done. It does not mean there was a flaw in the financing, it does not mean that we are in violation, but it does mean that after a certain time we have to do the calculation and pay rebate if we have earned money to make sure that we are not making money on tax exempt financing because that is not what the public policy of tax exempt financing is about. It is not a penalty as if we did something wrong; it is one of the things you do to make sure that you are complying with your revenue covenants. It is a calculation to make sure that as you are holding this money you are not impermissibly making money on the investments of the funds. When you sell bonds you sell the promise to pay the money back and you get money in and you have to do something with the proceeds and they are restricted in terms of what you can do with them. As a matter of Administrative business, for years we do the calculation and pay what we need to pay just like a tax return.

Councilperson Stoner mentioned that started in 2003 so this bond has gone on for ten years and we were supposed to spend the money within a certain amount of time.

Mr. Lunny reiterated that when you close an issue you have to have the present intent as of the closing that you are going to get through the projects within three years. That does not mean that is going to happen.

Councilperson Stoner stated that it has not happened and we chose not to pay it all back and finish it and close it.

Mr. Lunny indicated that is a different issue; that is a question of the Council, the Mayor and the budget and what you all do with the funds. If the question is if we can take the money in the proceeds fund and use it to retire outstanding debt service the answer is yes. You can call some of the bonds that are up for being called.

Councilperson Stoner questioned the number for the arbitrage and whether we are incurring that on each of these existing bonds. She also questioned how many bonds we are looking to refinance.

Ms. Caravella did not know the arbitrage calculation off hand; the calculation is done every three years. It is part of the debt service number and it is allocated into the different areas that pay the debt service. We only have the 2003 bonds left.

Councilperson Stoner questioned what additional dollars are going to be added to the budget if this is not refinanced.

Ms. Caravella indicated that it depends on what the calculation is on the investments. The calculation has to be done every three years to figure out that number. We have an estimate and then put that into the debt service amount that is budgeted at the department level.

Mr. Lunny commented that if we do not refinance the debt then the debt service we presently have will be the budget number. It does not increase because it is already fixed and determined.

Mayor Bendekovic stated that if we refinance we are going to be saving money rather than spending money.

Councilman Levy believes the question is, "What it will cost to refinance based on today's rates and is worth it or would it be better to start paying it down rather than refinance?"

Ms. Caravella introduced Sergio Masvidal, with Public Financial Management, Inc.

Mr. Masvidal mentioned that all of the costs are looked at in a refinancing prior to making a decision to refinance. In taking a preliminary look at the 2003 bonds they estimated, based on current market conditions, that the City could realize about \$3 million in net present value savings; real savings over time would be greater. With regard to arbitrage, the technical term is arbitrage rebate. It is a rebate to the Federal Government. You borrow funds on a tax exempt basis, reinvest it on a taxable basis and make money. The Tax Reform Act did away with that and now there is a provision where every three years you have to calculate your arbitrage, what you earned that was above that you could invest that money on, which is called the arbitrage yield, and whatever you earned above the arbitrage yield has to be rebated to the Federal Government. Their firm will look at that calculation and make sure that it has been calculated in the most aggressive manner possible. If you earned less than the arbitrage yield, that "deficit in earnings" can be counted towards prior rebate.

Councilman Fadgen commented that if you do not make the yield on the arbitrage whether there is a census as to what type of a credit there might be.

Mr. Masvidal stated that is one of the services they provide that is not in his particular scope. They have not looked at the calculation yet; therefore, he would hate to provide a number at this time.

Councilman Fadgen questioned whether selecting this firm over the other was not based on price but on other considerations.

Mr. Shimun advised that they looked at the qualifications of each firm, interviewed two of them, and it just so happened that their price is better as well. They also looked at the qualifications of the individuals who work for them and that is what the basis was made on.

In response to Councilman Fadgen, Mr. Shimun stated that four requests were made for the RFP.

In response to Councilman Fadgen, Councilman Levy indicated that the fee is \$15,000 no matter what.

Mr. Masvidal noted that it is a sliding scale depending on the size of the transaction and the minimum fee is \$15,000. He believes that the 2003 refinancing would qualify for a minimum fee.

Councilman Fadgen questioned what else the company would be looking at along with the refinancing.

Mr. Shimun stated that they will be looking at additional advice in various portions of the financial operations because when the firm was interviewed they had looked at other parts of our operations to give some recommendations and we may be doing some of that.

Mr. Masvidal advised that financial advisory and debt advisory is just one segment of their practice, they also work in asset management and management budget consulting, which includes anything from pension consulting, labor negotiations, union negotiations, etc. One of the things discussed during the presentation was that they had developed a financial forecasting model that allows City, State and County Governments to plug in the assumptions to see what the forecast looks like over the next five years of their budget.

Councilman Levy questioned whether the firm also looks into various ways of financing newer projects, not just the usual way of floating a bond issue but working with local banks or pension funds where they can loan the money at a better rate with less complications.

Mr. Masvidal replied absolutely. They are an independent financial advisor and they only serve public sector clients. They do not underwrite any securities. Publicly offered bonds are “the typical” or it might be a direct bank placement; that could be a competitive process or a negotiated process. Something else would be a State Revolving Fund Grant, which they also work with.

Councilman Levy noted that their scope is much broader than just bond transactions, which he liked.

Mr. Shimun indicated that they have the expertise to look throughout the entire financial system to see what the best deal would be for us and bring it back.

Councilperson Stoner questioned whether we really need three years and a three-year option.

Mr. Shimun believes that would be good because we are looking at refinancing the one bond issue and doing with the water system so there are a variety of opportunities coming up.

Dennis Conklin, resident, was present. He referenced the memo for this topic that is about whether to employ the services of this financial analyst. It mentioned the storm water project and with the recent development of the storm water department utility, which he stated his objections to. Last month another Federal Court ruled against the EPA in assessing tax on that sort of project they are forcing through the States upon smaller forms of government. He stated that the EPA has now had two defenses wiped out as it is not justifiable and they have no jurisdiction to tax.

He also mentioned the second page of the memo under the scope of services; strategic consulting (pension/workforce management). When he went through the backup that was not mentioned and he wants to make sure it will be included.

Motion by Councilman Fadgen, seconded by Councilman Levy, to approve Resolution No. 11694. Motion carried on the following roll call vote:

Ayes: Stoner, Fadgen, Jacobs, Levy
Nays: None

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ADMINISTRATIVE ITEMS – None.

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LEGISLATIVE ITEMS – None.

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QUASI-JUDICIAL CONSENT AGENDA

Mr. Lunny read Item No. 13.

13. APPROVE BROWARD COUNTY NEW RIVER GREENWAY STOP SPOT RIGHT-OF-WAY ENCROACHMENT AGREEMENT.

A memorandum dated May 20, 2013, to Mayor and Members of City Council, from Brett Butler, City Engineer, follows:

Broward County, with assistance from FDOT, has constructed the New River Multi-Purpose Greenway within the SFWMD New River Canal right-of-way. The Greenway traverses along the north side of the canal and incorporates proposed stop spots at various locations along the route. One proposed stop spot is located adjacent to New River Canal Road City right-of-way opposite the Trellises residential neighborhood. Broward County staff advised the City that the proposed stop spot footprint cannot be completely contained within the SFWMD canal right-of-way due to SFWMD restrictions. The County has requested permission from the City to encroach into the City's right-of-way for New River Canal Road for a distance of 3.5 feet to accommodate a portion of the stop spot footprint.

Staff evaluated the County's request and determined that the requested encroachment will not adversely impact the function of the roadway. Recognizing that the proposed stop spot is located opposite the Trellises neighborhood, staff instructed the County to present the proposed improvement to the Trellises Homeowners Association (HOA) for input. The County secured the attached letter of no objection from the HOA.

City staff, with assistance from the City Attorney, has negotiated the attached Right-Of-Way Encroachment Agreement between the City and Broward County to facilitate the County's request to encroach into the City's right-of-way for the specific purpose of constructing, operating and maintaining the proposed stop spot. Exhibit "A" to the Agreement provides a graphical representation of the proposed stop spot and corresponding encroachment into the City right-of-way. On May 14, 2013 the Agreement was approved and executed by the County Commission.

Staff requests City Council approval to authorize the requested encroachment and execution of the Agreement by the appropriate City officials. Should have any questions, please do not hesitate to contact me. This item is now ready for City Council action.

Mr. Butler advised that they are working in cooperation with the County on a need that they have; this is a minor encroachment and we can accommodate it.

Councilperson Stoner questioned how far it goes in.

Mr. Butler indicated that it is 3.5 feet. There will be a false perception because of the foliage; 3.5 feet is not going to adversely affect us.

Motion by Councilperson Stoner, seconded by Councilman Fadgen, to approve Item No. 13. Motion carried on the following roll call vote:

Ayes: Stoner, Fadgen, Jacobs, Levy
Nays: None

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QUASI-JUDICIAL ITEMS – None.

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COUNCILMEMBERS' COMMENTS

Mayor Bendekovic wished all of the fathers a Happy Father's Day.

She reminded everyone that there will be a Workshop on June 25, 2013 starting at 6:30 p.m.; the regular Council meeting will be on June 26, 2013; and on July 10, 2013 the millage will be set.

Ms. Slattery advised that there is a Council meeting on Wednesday, June 12, 2013.

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Councilperson Stoner mentioned that all of the Council members received copies of a letter from the FOP regarding their most recent meeting last Friday, May 31, 2013, which she attended as an observer, not a participant. This letter basically gave a timeline of how things have progressed in the negotiations for almost one full year.

Mayor Bendekovic commented that she has not seen that letter; therefore, she cannot respond to anything.

Councilman Levy questioned when we will actually come to a vote.

Mayor Bendekovic indicated that she was going to have another Executive meeting and bring it back to Council as of July 10, 2013. She will bring back the final and last offer for discussion and then there can be another meeting with the Collective Bargaining Units at that time.

Councilman Levy questioned if there is a request by the FOP to have some meetings between now and then whether that will happen.

Mayor Bendekovic did not see any reason why that could not happen.

Councilperson Stoner commented that the City said at the meeting last time that they were done. When Mr. Klausner was here you were very specific on no impasse and that there was no financial urgency. Her recollection of events that are reflected in this letter are very accurate.

Mayor Bendekovic stated that some of the accuracy they have indicated during Collective Bargaining is not accurate.

Councilperson Stoner expressed concern that the meeting before this made a mention of \$4.5 million deficit and after a presentation all of a sudden it is \$5.5 million. On Friday it became \$6.5 million and in checking after the fact it was learned that number was just thrown out there, which she does not think is particularly good faith in bargaining. There were also comments that they had marching orders from Council, which she does not believe were represented accurately.

Mayor Bendekovic indicated that she will dispute that. She is not going to discuss this right now because of the fact that it is Executive. She assured that nothing was presented that was not discussed at the Executive Session. There was a consensus but some of Council did not agree with parts of it and some did.

Councilperson Stoner argued that is not true. While at the meeting a specific number was given and that number was never discussed in an Executive Session.

Mayor Bendekovic advised that the Executive Session discusses what we are offering to those individuals and what the cost savings to the City would be. A value has been discussed for each item and when you add that value that shows what the cost savings is to the City. It also shows where we have moved on different items because some things were changed. Maybe the way we have moved is not to their liking but we have moved on certain things as have they. We have always given Council a dollar number with the item that was given to the negotiation team. She can bring back exactly what was done last time and if Council wants to change it or tweak it that would be fine. Three votes are needed, not five.

Councilman Levy would like to have this issue finished before voting on a budget for next year. If a Workshop is in July, maybe this can be completed in time to vote on the final budget in September. He cannot see us going another year's budget without knowing all of the ramifications cost wise in the Police contract. Whatever needs to be done to get this moving and get it out of the way should be done.

Mayor Bendekovic did not know if that would be possible unless there is another Executive Session with Council to go back and do this because we cannot come to some type of an agreement. She would be more than happy to have a contract but not at the cost it is to this budget and with what we need to do for the budget.

Councilman Fadgen questioned if there is any chance of having the meeting before July 10, 2013.

Mayor Bendekovic indicated that she would ask Ms. Moale if that would be possible but it would have to be a special meeting and it would have to be on another day, not on a Wednesday.

Councilman Levy advised that he would be back from vacation by June 25, 2013.

Mayor Bendekovic stated that if Council would like to come in around 4:30 on June 25, 2013 maybe she could have Mr. Klausner come in at that time or it could be done on June 26, 2013 before that meeting.

Councilperson Stoner commented that July 10, 2013 is three weeks after that and that is too long. She would like to do this quickly and correctly but try to reach whatever solution or resolution there is prior to having to vote on the budget because he believes that it has huge ramifications for us financially. She does not see us having a clear head to evaluate everything without having this in place. She agrees that it has been too long.

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Councilman Fadgen mentioned that the June 12, 2013 will probably be a well attended meeting from what he is hearing dealing with the utility infrastructure rate increase.

Mayor Bendekovic advised that June 12, 2013 is the first hearing on the water rate increase. The second hearing is on June 26, 2013.

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Councilman Fadgen commented that in place of the Applebee's we may have another bank. It is also his understanding that Carrabba's is going to be leaving after their lease runs out. If there is going to be another bank he believes we should have a moratorium and questioned how fast that could be put into place. There are a lot of people who are upset about Applebee's leaving and they are not pleased about a bank two parcels away from another bank.

Mr. Lunny clarified that the Applebee's is proposed as a bank; it went to Planning and Zoning Board. As far as a moratorium, we would have to adopt an ordinance.

In response to Mayor Bendekovic, Councilman Fadgen stated that there seems to be a consensus. Perhaps we could bring this up when we have a full Council.

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Councilman Fadgen heard of a resident paying her utility bill online automatically and that she has requested that the City not send her a return envelope. He questioned if there is any way to eliminate the thousands of return envelopes sent out.

Chuck Flynn, Utilities Director, advised that they are currently working with IT and negotiating with Summation 360 to interface with our Hansen software for electronic bill paying. We currently do not have a system for taking online payments. As far as not sending return envelopes to those who do not need them, he will check into this and get back to Council.

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PUBLIC REQUESTS OF THE COUNCIL CONCERNING MUNICIPAL AFFAIRS

Dennis Conklin, resident, was present.

Mayor Bendekovic commented that if this discussion is about the pension, Mr. Klausner was here last week and provided an excellent presentation.

Mr. Conklin stated that he was told that he could not speak at that meeting.

Mayor Bendekovic advised that meeting was a Workshop.

Mr. Conklin made the following comments:

- He urged Council not to have a Workshop and go outside to find people that have actually done conversions.

- He was disappointed to see that the people doing it were present; these people get paid for having interest of the assets on your management.
- The mentioned the five-year smoothing and the problem did not begin five years ago.
- In order to offer a defined benefit of a normal retirement of 82.5% at 2% and 3% rates the City's contribution would be astronomical but with assumptions at 7% and 8% it goes through.
- The problem has not been solved with a Tier 1 and Tier 2 solution.
- He suggested stopping the accrual on the existing plan and beginning the Defined Contribution Plan.

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SEALED COMPETITIVE SOLICITATIONS – None.

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WORKSHOPS – None.

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Meeting adjourned at 9:25 p.m.

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 Councilman Robert A. Levy, President
 City Council

ATTEST:

 Susan Slattery
 City Clerk

RECORD ENTRY:

I HEREBY CERTIFY that the Original of the foregoing signed Minutes was received by the Office of the City Clerk and entered into the Public Record this _____ day of _____, 2013.

 Susan Slattery, City Clerk