

**MEETING OF THE FORT LAUDERDALE
COMMUNITY REDEVELOPMENT AGENCY
8TH FLOOR CONFERENCE ROOM
CITY HALL**

TUESDAY, JANUARY 6, 2004

Mayor Naugle called the meeting to order at approximately 3:35 p.m. Roll was called and a quorum was present.

Present: Chairman Naugle
 Commissioner Teel
 Commissioner Trantalis
 Commissioner Hutchinson
 Commissioner Moore

Absent: None

Also Present: Acting City Manager
 City Attorney
 City Clerk

2004 CRA Bond Issue Proposal from SunTrust Bank, N.A.

Motion made by Commissioner Hutchinson and seconded by Commissioner Moore to accept a loan commitment from SunTrust Bank, N.A. for the 2004 Northwest-Progresso-Flagler Heights (NPF) Bond Issue.

Mayor Naugle asked what the interest rate would be if there was a bond issue.

Terry Sharp, Finance Director, stated they had received the proposal from SunTrust Bank late on Friday. He stated that the interest rate on a traditional bond would have been approximately 4.7%. He reiterated that they were saving money by going this route. He added that the recommendation was to go with the variable rate because the spread was very good at this time.

Commissioner Moore stated that he was surprised with the variable rate, and was also happy that SunTrust was stepping up to the plate to do the transaction in this manner. He commended staff on their hard work in connection with this effort.

Commissioner Trantalis asked for some further clarifications regarding the rates. He asked under what term was this bond going to be issued. Mr. Sharp explained it would be for a 10-year period, and after that they would have to look for additional financing. He reiterated that this was for interest only.

Frank Hall, Co-Financial Advisor to the City, explained it was for a 10-year term with a 20-year amortization, and during the 10-year period they would be paying both the principal and interest.

Commissioner Trantalis further asked what were the proposals for after the 10 years and how would they obtain the balloon money. Mr. Hall explained they would refinance. Commissioner Trantalis asked how paragraphs A and B differed from each other. Mr. Hall stated there were two series of bonds being proposed. One series was for non-AMT bonds and a series of AMT bonds. He explained AMT bonds were bonds subject to alternative minimum tax.

Commissioner Trantalis asked if the adjustable rate feature was adjusted on a monthly or annual basis. Mr. Hall replied it was adjusted on a monthly basis, and there was no cap. He advised that one could be purchased, but they were expensive and he advised against doing that. He stated they should keep in mind that they could opt to start in a variable rate mode, and could switch to a fixed rate at any time with little advance notice and with no penalty. Commissioner Trantalis stated he was concerned if this was a 10-year note and they were going on a variable rate, if there was a point in time where the rate exceeded the income of the TIF, who would be responsible for the difference. Mr. Hall replied that if that occurred the way the deal was structured, the City was covenant to make up and cure any deficiencies in the amount of revenue. Commissioner Trantalis stated there was a built-in risk involved.

Commissioner Moore stated there were risks involved in everything. He asked what were the projections for the increment in that area.

Ms. Jackson replied there was quite a bit of room available. She stated that last year it was \$2.3 Million. Mayor Naugle stated that theoretically with redevelopment and construction taking place in later years, there would be sufficient TIF to pay a higher interest rate if necessary. Ms. Jackson stated it would be unlikely that the interest rate would out pace the tax increment growth.

Mr. Sharp stated that in working on this deal initially, they had used 6% as an evaluation for this deal. Mayor Naugle stated he normally preferred a fixed rate but if this could be converted, then there appeared to be no down side to this.

Mr. Hall stated that the thought process was even if they opted for a fixed rate now, there was sufficient revenue to cover the transaction, but if they went to the variable rate it was unlikely that the City would ever have to cure a deficiency.

Roll call showed: YEAS: Commissioners Trantalis, Moore, Hutchinson, Teel and Chairman Naugle. NAYS: None.

Update – CRA Staffing

Ms. Jackson stated that their engineer, Helen Gray, had resigned to accept a position with the City of Pompano as City Engineer. She stated that she and Mr. Castro had been discussing how the City could fill-in in the interim since there were a lot of active projects at this time.

Ms. Jackson further stated that another staff member who had been affected by the budget cuts was Eve Bazer who had been moved into Code Enforcement. She stated that with these two changes about 25% of their staff had been taken out of operation. She advised that Ms. Bazer's duties would be shared by other personnel.

Commissioner Moore asked if Ms. Gray's position was going to be filled. Ms. Jackson advised they were going to advertise and they would have to wait and see what type of response would be received. She stated the position was funded and could be refilled, but there was a time lag involved. Commissioner Moore asked if there was the possibility of contracting out the engineering work because he was very concerned about the staffing situation. He asked if there was some type of methodology that would enable the City to contract with an engineering firm to fill in staffing with the money approved in the budget.

Mr. Castro stated that this point was well taken, but the problem they had in contracting this out was that it would be more expensive than the salary and benefits package that would be offered at this level in the CRA. He stated it was possible, but their first attempt would be to cover the work with in-house staff and try and recruit for the positions.

Commissioner Moore stated he realized that was how they had done things, but his recommendation was that due to the TIF and how well it was working, they needed to have the necessary staffing. He stated that he had great empathy for the situation Mr. Castro was in at this time. He felt that possibly they could find a retired engineer who would help out temporarily and benefits would not have to be supplied. He reiterated that he was fearful of engineering's workload. He felt they needed to be creative in filling these voids. He added that if the City Commission had not been in the Sweetings Estate over the last 10 days, he urged them to go there because the retirement home was vacant and ready to be demolished. He stated that the Bob Young and Lennar projects were out of the ground, and everyone involved was elated. He stated further that he would hate to have their department overextended.

Mr. Castro stated he appreciated Commissioner Moore's concern and added that he had lost 2 more engineers this week because of resignations. He stated they would talk with the professional organizations.

Commissioner Hutchinson asked about the engineers which had been moved to WaterWorks 2011. Mayor Naugle stated that they had been moved over because there were no CIP projects. Mr. Castro explained further that the engineers did not transfer over by themselves, but they went as a design team. He reiterated they were working on the problem, and he made the commitment that they would do their best to retain what they had and augment the existing staff. He added that he had committed to helping the CRA.

Commissioner Hutchinson asked if the two engineers who had resigned would be replaced. Mr. Castro replied that he was assuming those positions would not be frozen, but the matter would have to be addressed with personnel.

Ms. Jackson advised that they were going to close on Henry's Retirement Home tomorrow.

Stan Brown, Chair of the CRA Advisory Board, stated that they were happy with how things were proceeding.

Mayor Naugle stated that he was happy with the loan commitment instead of the bond.

There being no further business to come before this Board, the meeting was adjourned at 3:50 p.m.

OLD/NEW BUSINESS

SECTION I

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY (CRA)
3:30 P.M. (TIME APPROXIMATE)**

(CRA)

The City Commission shall meet as the CRA Board of Directors for the following items:

ROLL CALL

2004 CRA Bond Issue Proposal from SunTrust Bank, N.A.

Motion to accept a loan commitment from SunTrust Bank, N.A. for the 2004 Northwest-Progresso-Flagler Heights (NPF) Bond Issue, as amended by staff, pursuant to further negotiations.

Exhibit: Memo No. 04-48 from the Acting City Manager/Acting CRA Executive Director

ADJOURNMENT

**CLOSED DOOR SESSION
(4:00 P.M. OR AS SOON THEREAFTER AS POSSIBLE)**

The City Commission will hold a closed door session for the purposes of collective bargaining discussions pursuant to 447.605, Florida Statutes.
