

**UTILITY ADVISORY COMMITTEE
CITY OF FORT LAUDERDALE
CITY HALL 8TH FLOOR CONFERENCE ROOM
100 NORTH ANDREWS AVENUE
FORT LAUDERDALE, FLORIDA 33301
MARCH 23, 2010 – 6:30 P.M.**

Cumulative
January 2010-
December 2010

| <u>Committee Member</u> | <u>Attendance</u> | <u>Present</u> | <u>Absent</u> |
|--------------------------------|--------------------------|-----------------------|----------------------|
| Bunney Brenneman, Chair | P | 3 | 0 |
| Maria Canady | P | 3 | 0 |
| L. Thomas Chancey | A | 2 | 1 |
| Robert Cole | P | 2 | 1 |
| Don Larson | P | 3 | 0 |
| Dr. Magdalene Lewis | A | 0 | 3 |
| Ruchel Louis | P | 2 | 0 |
| Terri Murru | P | 2 | 1 |
| Frances Smoot | A | 1 | 2 |
| Stephanie Toothaker | P | 2 | 0 |
| Jay Weiss | A | 2 | 1 |

Staff

Hal Barnes, Engineering Design Manager
Brigitte Chiappetta, Recording Secretary, Prototype, Inc.

Appointed members to the Board: 11
Needed to constitute a quorum: 6

Communications to the City Commission

Motion made by Ms. Murru, seconded by Vice Chair Cole, to strongly recommend that the City Commission consider a threshold of 80% approval, rather than the suggested 66%, from the mail-out to the entire community [as to Undergrounding]. In a voice vote, the **motion** carried 6-1 (Mr. Larson dissenting).

I. Call to Order

Chair Brenneman called the meeting to order at 6:40 p.m.

II. Roll Call

Roll was taken and it was noted a quorum was present.

III. Self-Introductions

The Committee members, Staff, and guests introduced themselves. Mr. Barnes explained he was sitting in for Mr. Partington, who was not present this evening.

IV. Minutes of February 23, 2010 Meeting

Ms. Louis noted a correction on p.2: she has previously served as Vice Chair of the City's Economic Development Advisory Board.

Motion made by Mr. Larson, seconded by Ms. Louis, to approve the minutes of the February 23, 2010 meeting as corrected. In a voice vote, the **motion** carried.

V. New Business

- **Election of Vice Chairman**

Ms. Murru nominated Mr. Cole for the position of Vice Chair.

Motion made by Chair Brenneman, seconded by Ms. Louis, to close the nominations. In a voice vote, the **motion** carried.

Mr. Cole was confirmed as Vice Chair of the Committee.

- **Draft City Undergrounding Ordinance**
 - **After 3/16/10 First Reading at Regular Commission Meeting**

Chair Brenneman stated the Undergrounding Ordinance has passed its first reading on March 16, 2010, and is tentatively scheduled for a second reading on April 6. The main questions raised by the City Commission involved the City's financial liability, should they engage consultant services and hold a public hearing that ultimately does not approve the project. Mr. Barnes estimated these figures will be in the \$100,000-150,000 range.

Another question involved the terms of how the project could be financed: for example, through a 20- or 30-year bank loan. The City Commission was also interested in what other cities are doing with regard to undergrounding. Thus far, no other cities have been found that have drafted a specific Ordinance to address undergrounding. The public will be invited to listen or speak at the second reading.

Mr. Barnes advised that several cities are “looking at” undergrounding, and a statewide committee, the Municipal Utility Undergrounding Consortium, has been established to review FPL guidelines and credits. Many communities are asking what is involved in the undergrounding process, and “five or six” Fort Lauderdale neighborhoods are actively pursuing this effort.

He stated that interested neighborhoods would make a request to the Public Works Director, and Staff would compile the utility estimates for undergrounding an entire neighborhood. These prices are returned to the neighborhood, and the City would then declare the terms of financing the project. The Ordinance states that once the neighborhood has received this information, they must work through their neighborhood association to show a 66% approval rate among all property owners. This majority must be reached within 180 days of being given the information. The City will take no action unless this percentage has been reached.

If this threshold is reached, Staff would prepare an item for the City Commission stating what would be involved in taking the design phase “to the next level.” Easements would be addressed, and consultants would be involved. Mr. Barnes clarified that the neighborhoods would make no any financial investments until the full design phase has been completed and required easements have been executed. If the City Commission approves the project at a public hearing, the community must then reimburse the City for its costs. These reimbursements would be “rolled into” the final cost of the project. This would be the first expenditure by the community itself.

Should the 66% threshold not be reached, or if the City Commission does not approve the project, Mr. Barnes clarified that City funds will have been used to fund the early stages of the prospective undergrounding.

Ms. Murru asked how the 66% majority would be reached. Mr. Barnes explained that on previous special assessments, the City prepares a petition, pulls the individual property records for the area in question, and mails this information to the owners, who must fill it out and mail it back to the City. Any marketing of the program or building of support must be done by the neighborhood itself.

While this has never been successfully done for undergrounding, Mr. Barnes noted that he has administered some special assessments through this manner in the past five years. Chair Brenneman stated that Sunrise Intracoastal paid for its security and guardhouse and Sunrise Key funded its safe neighborhood improvements through special assessments. Mr. Barnes added that Harbor Beach also repaired its roadways, Harbor Isles funded its streetscape project, and Bridgeside Square completed its revitalization project in this manner as well, among other examples.

Mr. Barnes added that at the first reading, it was clarified that a community is ultimately relying on the feeder lines coming into that community: should those lines experience an outage, the community's power would go out as well. FPL has also noted that in a windstorm, undergrounding is "much better," while in a flood, aerial lines are still preferable, as they may be repaired more quickly.

He continued that the reason the 66% majority was established is due to the magnitude of undergrounding costs, which would be between \$15,000-20,000 per property, as well as an additional \$2000-5000 for private undergrounding services on an individual property itself. This would be a heavy financial liability to place on individual property owners.

Mr. Barnes also explained that the City takes into consideration what kind of response rate follows the petition. For undergrounding, the 66% is based upon all property owners, which means non-respondent owners are automatically considered "a 'no.'" At the recent reading, he reported, some neighborhoods lobbied to use a higher percentage than 66%, while others felt a lower percentage should be used.

He added that the Mayor had been "vocal" in support of using a higher percentage of approval.

Vice Chair Cole asked who explains the costs to neighborhoods making the first request. Mr. Barnes replied Staff provides this information, although the City Commission does not intend for Staff to "devote a lot of time to these [undergrounding] projects" until the community can demonstrate a high percentage of approval. He felt there would be "an education process" to inform neighborhoods of what is involved with undergrounding, including costs, time frame, and other basic facts.

Vice Chair Cole stated his concern is that "most people don't understand" the undergrounding process. Mr. Barnes agreed, and continued that a package would be assembled with basic information on undergrounding and its costs. If the neighborhood wishes to pursue the effort, they must appoint a neighborhood representative to follow through with the City. At this point the neighborhood may be given a "ballpark estimate" of the cost.

Vice Chair Cole asked which utilities are included in the estimate. Mr. Barnes replied that "all overhead utilities" are included in the estimate: electricity, telephone, and cable are considered, as well as the possibility of relocating or adjusting lines already in the ground, such as water, gas, and sewer lines.

Vice Chair Cole asked if the package would address the fact that some components of undergrounding will have to be located on private property. Mr. Barnes stated the initial package would make it clear that not all equipment can

be located in rights-of-way: easements on private property, from 10x10 to 20x20, may be necessary. Ms. Murru commented that this was the issue that had led to her own neighborhood turning away from the idea of undergrounding.

Motion made by Ms. Murru, seconded by Vice Chair Cole, to strongly recommend to the Commissioners and Staff that they move from 66% to at least 75-80% in keeping with best practices of wise use of tax dollars.

She pointed out that some very small neighborhoods have only 10-15 homes in an area, and it could be simple to reach a high percentage. However, in the current economy she felt the City should ensure a neighborhood is serious about undergrounding before putting tax dollars to use for an estimate.

Mr. Larson remarked that many homeowners would not be able to afford the individual expense of undergrounding; he believed it could be financially unfair to these individuals.

Mr. Cole stated there should be a better way to “get this information out” at a minimal cost, and that neighborhoods should come up with the requested percentage rate before tax monies are invested.

Ms. Toothaker asked what happens if the 66% majority is achieved but homeowners are unwilling to have equipment placed on their properties. Mr. Barnes responded that “all easements would be voluntary,” and advised that some individuals may change their votes on the favorability of a project based on where transformers may be located.

Mr. Barnes clarified that no up-front design is done for a prospective project, which means theoretically no tax dollars are spent until the community comes back to Staff with a petition. By the time this public hearing is convened, the City may have spent \$100,000-150,000 in design fees, but the community retains the right to change its mind. He added that this hearing could be 12 to 18 months into the process.

Should problems develop with the project during the design phase, such as lack of viable locations for transformers, the project can be brought back to the City Commission before the public hearing, and the City Commission can decide not to spend any additional monies.

Mr. Barnes explained that the process is likely to work as follows:

- A neighborhood association makes an informal request to the City for information regarding undergrounding.
- The City provides this association with “a standard package” of information, which tells them “what it takes to underground.”

- The association may then vote to pursue the project. They must send the City an official letter stating they would like to do so.
- At this point the information package specific to the particular neighborhood, with “high-level” cost estimates, is triggered. Prior to this time, no funds have been spent on consultants. This information given to the community includes the possibility that transformers may be placed on as yet undetermined private property.
- At this point, the community “acts upon the official petition,” and the 180 days required to reach a 66% majority begin. If this goal is reached, the neighborhood reaches out to the City once more, at which point the “serious” design phase begins.

Mr. Barnes concluded that prior to reaching a 66% majority, Staff time spent on the effort is “minimal” and the cost, including that of a consultant, is roughly \$2000-3000. It is the second request that triggers “the big-ticket items.” He noted as well that a small group may have made the original decision at the neighborhood association level, but “the mail-out goes to everybody” before funds are spent.

Mr. Larson proposed that the information package state the required percentage is from all property owners in the area, not from the neighborhood association. It was noted that many neighborhood associations only reflect the votes of those present at their meetings. Mr. Barnes explained this is why the City pulls information on all property owners for the petition phase.

Mr. Larson asked if financing for the project over a 20-30 year period would be done through an ad valorem tax, or if these costs would generate a separate statement. Mr. Barnes advised that for previous assessments, separate statements have been sent out; for this prospective Ordinance, the City is considering rolling these costs into the Broward County tax bill. He added that the City does not consider this to be a tax, and the expense is not deductible.

With regard to the petition phase, Mr. Barnes continued that although a homeowner may return the petition document in support of the project, the petition is not binding. He explained this is because an individual may originally be in favor of the project, but upon learning of the locations of the transformers or other considerations, that homeowner may change his or her mind. The assessment does not become binding until the public hearing is held, at which final approval is given. Once it becomes binding, assessment liens are placed on properties.

Mr. Larson observed that a neighborhood that requests undergrounding and then “backs out” after the design phase has begun should be made to reimburse some of the City’s costs. Mr. Barnes advised this question is being addressed, although it is not known whether such a policy could be enforced.

Ms. Murru pointed out that the most the Committee can do with regard to the issue of fiscal responsibility would be to “raise the bar” to a higher majority.

She stated she would **amend** the **motion** to require an 80% majority. Vice Chair Cole **seconded** the **amendment**.

In a voice vote, the **motion** carried 6-1 (Mr. Larson dissenting).

Mr. Larson asserted that he felt an 80% majority is too high, and would prohibit undergrounding from going in. Ms. Toothaker stated while she supports a higher percentage than 66%, she agreed that 80% is too high.

Chair Brenneman noted that her own neighborhood consists of roughly 1800 residences, and could not achieve 50% no matter what they were voting on.

Ms. Murru stated she wanted to avoid wasting tax dollars on communities’ undergrounding efforts unless the neighborhoods are “serious about what it would take,” as this would mean 100% of residents will eventually share responsibility for the costs.

Mr. Larson suggested the City could show “suggested or supposed” locations for transformers on both public and private easements, which might help a neighborhood make decisions early and keep expenses down.

Chair Brenneman stated she had been “uncomfortable” with the suggestion of an 80% majority, but noted that the Committee’s intent was to have the City “watch our tax dollars.” She added that they would also like to protect individual homeowners who “would literally be forced” to share the cost of undergrounding, whether they can afford to or not. She pointed out that these individuals could be on fixed incomes, or experiencing severe financial stress in a time of economic difficulty.

Motion made by Ms. Murru, seconded by Vice Chair Cole, to strongly recommend that the City Commission consider a threshold of 80% approval, rather than the suggested 66%, from the mail-out to the entire community [as to Undergrounding]. In a voice vote, the **motion** carried 6-1 (Mr. Larson dissenting).

Chair Brenneman thanked Mr. Barnes for contributing his background knowledge and expertise to the Committee’s discussion.

- **“People and Planet Fair”**
 - **Revisited: 2010 version of Green Expo**

Chair Brenneman explained that the Green Expo has “morphed” into a “People and Planet Fair,” featuring an Earth Day 5-K run, on April 17 at Snyder Park. Co-sponsors include the UAC, the City of Fort Lauderdale, and the Kids’ Ecology Corps. The new event requires no participation from the UAC.

She added that the educational message will involve informing the general public on what they can do to “become green” as part of their day-to-day activities. She also provided a diagram of Snyder Park. Admission to the event is free for City residents. There is a small parking fee for each “carload” of non-residents. Monies raised by the event would go back into the Kids’ Ecology Corps.

Ms. Murru asked how the event is being funded, and whether there will be a cost to the UAC. Chair Brenneman stated that the event has sponsors who will assume most of the costs. While FPL cannot act as an official sponsor due to time constraints, Chair Brenneman planned to request the use of a “character” from the utility.

Chair Brenneman noted that the Committee cannot discriminate, and must also invite AT&T, Comcast, and Teco to act in this capacity. Ms. Murru pointed out the City had recently signed a 30-year franchise agreement with FPL that will give the utility “millions of additional funds,” which is not the case for all the utilities mentioned. She agreed that all utilities should “give serious consideration to sponsorship,” but felt FPL in particular should do so.

Ms. Murru asserted that the Committee should “strongly consider” asking FPL to add the event to their budget one year in advance, as well as opening up the request to all the City’s partner utilities.

Ms. Louis departed the meeting at this time (7:45 p.m.), and requested that in her absence, her vote be counted toward the approval of such a motion.

Motion made by Ms. Murru, seconded by Vice Chair Cole, that the Committee recommends that FPL and other partner utilities consider making the sponsorship of the “green event” or Green Expo for the year 2011 part of their yearly budget for sponsorships. In a voice vote, the **motion** carried unanimously.

While it was determined that this would not be a communication to the City Commission, Chair Brenneman advised she would like to advance this request to the City Manager for consideration in advance of the 2011 event. The Committee agreed to this by consensus.

- **Other New Business**

None at this time.

VI. Unfinished Business

None at this time.

VII. Good of the Committee

None at this time.

VIII. Announcements

- **UAC Next Regular Meeting: Tuesday, April 27, 2010 at 6:30 p.m.**

It was also noted that Water Matters will be celebrated with the County on March 27, 2010.

IX. Adjournment

There being no further business to come before the Committee at this time, the meeting was adjourned at 7:51 p.m.

[Minutes prepared by K. McGuire, Prototype, Inc.]