

**City of Fort Lauderdale
Infrastructure Task Force Committee
June 26, 2017 – 3:00 P.M. – 5:00 P.M.
8th Floor City Commission Room – City Hall
Fort Lauderdale, FL 33301**

1. **Call to Order:**
- **Roll Call**

MEMBERS		PRESENT	ABSENT
Marilyn Mammano	P	4	0
Ed Kwoka	P	3	1
Ralph Zeltman	P	4	0
Keith Cobb	P	3	1
Leo Hansen	P	2	1
Roosevelt Walters	P	4	0
Fred Stresau	A	3	1
Norm Ostrau	P	2	0
Dave Orshefsky	P	1	0

Staff Present

Meredith Shuster, Administrative Assistant
Paul Berg, Director of Public Works
Laura Reece, Budget Director
John Herbst, City Auditor
Linda Logan-Short, Deputy Director of Finance

Mr. Orshefsky suggested the following changes to the agenda be made: approval of the agenda second, approval of previous meeting minutes third, funding sources and other new business 4 A and B, member comments fifth and public information sixth.

Motion made by Mr. Orshefsky, seconded by Mr. Hansen, to make the aforementioned changes to the agenda. In a voice vote the motion carried unanimously.

Mr. Walters believed the approval of minutes and the agenda should be separate. He noted the attendance records appear to be incorrect.

2. **Approval of Previous Meeting Minutes**
- **June 5, 2017**

Mr. Orshefsky recommended that action on these minutes be deferred until the next meeting.

Chair Mammano indicated that the consensus was to defer approval of the minutes until the next meeting.

3. Old Business

Chair Mammano asked if any Board members had any comments prior to beginning discussion.

Mr. Orshefsky indicated he would like an agenda item to come back under New Business regarding the 40,000-foot level aggregation of the City's capital needs.

4. New Business

A. Funding Sources - Overview

Mr. Herbst provided a Power Point Presentation regarding potential funding sources for infrastructure projects. He mentioned some of the things they use, what restrictions there are, and what potential they may have going forward. He commented on the following:

- Regulatory and usage fees (i.e park impact fees used for improvements to park/open space, water/sewer capital expansion fees- new development is based on the impact to water/sewer by proposed development)
 - Park Impact Fees:
 - 2015 \$2.3 M
 - 2016: \$1.5 M
 - 2017 \$2.9 M
 - Water/Sewer Impact Fees
 - 2015: \$3.0 M
 - 2016 \$2 M
 - 2017 \$2.8 M
 - tied to amount of new development - unpredictable
 - Impact fee may not be substantial enough to complete needed project and must be kept separate and used only for resolution of the impact. May need to hold until enough has accumulated
 - Not a predictable solution for funding-affected by economic factors
 - Certain prescribed approach to how regulatory fees are calculated and need to be uniform
- Various taxes (sales, alcohol, gas etc.)
- General fund revenues, main operation fund, special revenue funds,
- General obligation bonds, which require voter approval (Such as the Fire Bond)
- Limited purpose general bonds (such as the court house) more difficult to convince the voter
- Grants. (Usually specialized such as police body cameras, are competitive and actively pursued by the City especially for scheduled projects. On occasion may pursue new project because grant funding is available. Some

include city matching funds. Grants are not a major solution to funding problems.

- Proprietary fees directly or indirectly related to consumption (considered to be review based bonding) pay off bond over useful life of project: i.e. pump station over expected life of 30 years. Effective mechanism paying for bond by those using asset as opposed to paying up front with future users reaping benefit.
- Public/private partnerships (P3). Need to have revenue for private partner recoup investment/profit. Las Olas Marina – Private developer builds out, restaurants etc. City contributes land. Both benefit.
- Stormwater and sewer fees are based on “standard household” and “commercial” with some control by consumer based on usage
- Energy performance contracts.

Chair Mammano questioned if a list of Return on Investments (ROI) could be provided.

The Board members discussed educating the public, health and safety, the sewer stormwater system, baseline prior to rearranging “priorities”, 2018 CIP projects, water and sewer master utility plan, Infiltration inflow (I/I); I/I study, services provided to neighboring cities, and funds for wastewater.

1 mill rate property tax increase equals approximately \$29M based on current property values

Due to size of dollar amounts needed to resolve problem, amount of all revenue does not add up to a solution to problem.

Can look at revenue to equate into bonding capacity i.e \$20 M in water/sewer revenue ROI could equate into approx. \$300 M in bonds

Millage vs increase in rates: millage rate increase has greater impact on lower economy. Water and sewer rates are paid by those who do not pay property taxes – more widespread- equitable.

Public education will be needed for any revenue increase to some extent

Paul Berg: informed board of the 30” force main break and the Emergency Declaration to do a design/build project with redundant structures to repair this major line but until finished; trucks used to bypass about 100 M gallons per day with all the rain. Impact on pump stations and impact on traffic. Approach used to minimize health and safety of community. At peak had 53 pump stations out of 186 maxed out and various states of repair needed.

Maintenance of Traffic issue is reviewed and City follows same procedures as other entities.

City can negotiate for new development to put in infrastructure.

The CIP over the next five years that are funded are the needs but many projects that are “wants” are listed but not funded. Review of unfunded projects needed to see if any priority is being missed as the infrastructure continues deterioration.

Other municipalities that use City’s infrastructure are charged user rates for water and wastewater – costs are appropriated to user cities. Yearly review takes into account use and maintenance and rate then set for the year.

Major conveyance pipes from other municipalities to George T. Lohmeyer Wastewater Treatment Plant (GTL) and any projects on those conveyance systems are reviewed yearly and that gets entered into the financial model for setting rates on an annual basis. Currently Town of Davie contract (usu: 30 years) being negotiated and other municipalities in about 5 years.

Lengthy discussion ensued regarding wastewater and the following comments were made:

- Inequities need to be considered.
- Replacement or repairs to pipes.
- The stormwater plan is about 30% complete.

Chair Mammano opened the floor for public comments.

Abby Laughlin - She mentioned the general fund revenue, new construction and the open grants category. She noted that some type of true up would help build community support and confidence and would show exactly how the money is being spent.

John Bordeaux – He recommended this Board consider approaching the City Commission with a moratorium on new developments until the infrastructure issue is resolved.

Chair Mammano suggested a moratorium discussion be placed on a future agenda.

Paul Chettle - He mentioned the Comprehensive Utility Strategic Master Plan and noted that every CIP project was identified versus the needs. Projects are being funded and the need is not being kept up with.

Ira Futterman - One of the biggest problems is infiltration into the sewer and the lines and pump station need to be repaired at the same time. He mentioned bonds that can be used for anything.

Ms. Reece clarified when bonds are refinanced it is for lower interest rates and the duration is kept. There is no added time.

B. Board Member Comments

Discussion ensued regarding the following priority projects: water and sewer and non-water and sewer.

Mr. Berg advised that a report can be provided showing the 40,000-foot view, how much there is, and how much is already in the system. He stated that projects identified and priorities can be shared as well as those that are unfunded.

5. Adjournment – Next Regular Meeting – August 28, 2017

There being no further business to come before the Committee at this time, the meeting was adjourned at 5:26 p.m.