

**City of Fort Lauderdale
 Infrastructure Task Force Committee
 8th Floor City Commission Room – City Hall
 Fort Lauderdale, FL 33301
 The Infrastructure Task Force *Special Meeting Priorities Workshop*
 September 18, 2017
 1:00pm to 5:00pm**

1. Call to Order:

- **Roll Call**

MEMBERS		PRESENT	ABSENT
Marilyn Mammano	P	6	0
Ed Kwoka	P	5	1
Ralph Zeltman	P	6	0
Keith Cobb	P	5	1
Leo Hansen	P	4	1
(absent from 3:02 to 3:44)			
Roosevelt Walters	P	6	0
Fred Stresau	P	5	1
Norm Ostrau	P	4	0
Dave Orshefsky	P	3	0

Staff Present

Lee Feldman, City Manager
 Laura Reece, Budget Director
 John Herbst, City Auditor
 Linda Logan-Short, Deputy Director of Finance
 Paul Berg, Public Works Director
 Alan Dodd, Deputy Public Works Director
 Meredith Shuster, Administrative Assistant
 Jamie Opperlee, Prototype-Inc. recording secretary

2. Approval of Agenda

Motion made by Mr. Zeltman, seconded by Mr. Stresau, to approve the agenda. In a voice vote, the motion carried unanimously.

3. New Business

- A. Organizational and Priority setting of infrastructure tasks

Chair Mammano mentioned the purpose and duties as follows:

- To review the existing city infrastructure including but not limited to roads, sidewalks, airports, seawalls, water, wastewater, distribution, collection, treatment, well fields, parks, and all city facilities and structures and examine their current condition.

- To review and identify repair or replacement and identify funding sources and financing alternatives for these infrastructure approvals.
- To receive input from members of the public and to provide a report to the Commission.

There needs to be a plan with deadlines to adhere to. It is believed that part of the urgency is a function of what funding mechanisms are available. Perhaps starting with funding sources would help break this down. It was noted that a few of the Commissioners wanted the Committee to deal with things underground. The original and current direction is to deal with everything. The problem is that there is not information to deal with everything. Members do not have the 40-year plan or inspections. The Committee was advised that the 40-year inspections are ongoing. The Committee requested one piece of information and that is a date within 90 days plus or minus when the 40-year inspections will be completed.

Further discussion ensued regarding water and sewer. First, most of the critically urgent wastewater projects are being addressed in the Consent Order but not water or stormwater. The Committee was advised that the wastewater projects and the priority projects in the Consent Order were mutually agreed upon and are the most urgent needs for the City to accomplish. Staff should identify and look at those items in wastewater and water that fall outside of the Consent Order that are needs, not wants, that are probably inside of the next five-year timetable.

The second thing that should be on the agenda is stormwater, which is also in progress in some of the critical areas. Then the seawalls should be looked at. If there is additional time, perhaps infrastructure can be looked at from a standpoint of sidewalks and roads. It is unrealistic unless the Committee's timetable is going to be extended and made an ongoing Committee. The Committee was told that the master plans that address all the urgent needs and the Reis report, the Comprehensive Utilities Strategic Master Plan, lay out where the priorities should be for the next 20 years. They are still working on the stormwater master plan, which they should have in December. It was mentioned that wastewater and water are in the recommendations and wastewater in the Consent Order. It looks like wastewater is addressing a concern with the sanitary collection system. It is unknown what is being done with the water; if certain systems are being upgraded or if they are taking the full picture with the priority being to meet fire flow protection.

There was a question why there was an increase in fees and not in millage. As understood, the \$200 million bond can go to the Commission between now and January. There are several alternative sources of existing dollars that could conceivably come in and be at least short-term band-aids until an answer can be given as to what is needed for the next 30 years. The bonding capacity is not the only source of immediate dollars. The Consent Order requires, a physical assessment be done of all the city forcemains within 18 months to determine whatever remediation needs to happen whether it is repair, rehab, or replacement. The costs captured is the highest probable cost, which means if a complete replacement is being done this captures what it will be. This is a "not to exceed" amount and if it is not a total replacement the costs will be less. The highest possible cost will be adjusted once the physical inspection is completed over the next 18 months. It was noted there is a little overlap between what is in the Consent Order and what is already in the CIP. The Committee was advised that the way it is written, the

overall requirements within the utilities strategic master plan was \$1.4 billion over 20 years of which it recognized there was approximately \$223 million already in the CIP leaving a deficit or an amount that had not been funded yet of about \$1.2 billion. If broken down into five-year sections, the numbers on the bottom of the CIP list reflect how much additional funding is needed to fully accomplish all the requirements the City has in the water wastewater program. When looking at the first five-year period, there is approximately \$296.8 million which has been identified as unfunded requirements above and beyond what was already in the CIP in the first five years. Of that \$296.8 million, the projects were broken into high priority needs, which is about \$257 million, and then other things that would be nice to have but not necessary, which is approximately \$39.8 million. When looking at the five-year period, \$93 million would be CIP type projects and \$164 million is repair rehabilitation maintenance type projects for \$164 million.

A \$332 million bond would cover everything in the Consent Order plus the Reis report projects for the first five-years. The Consent Order has a completion date of 2026. It is a ten-year program. Of the \$117.5 million within the Consent Order approximately \$44.9 million is already funded, leaving a deficit of \$70 million, which will be spread over a ten-year period. It is anticipated approximately \$30 million of the \$70 million for projects would be done in the first five-year period and the balance would be in the second five-year period for the rehabilitation or replacement of major pipes after the inspections. The Consent Order is approximately \$117.5 million. It was questioned if the City went to Wallstreet to get \$332 million, which is about 30% of the \$1.5 billion, if that would cover the entire Consent Order. The City clarified that it would cover the entire Consent Order. All the projects within the Consent Order are identified within those first five-year priorities.

It was discussed that if the ROI was not done for five years there would be another \$100 million; therefore, a \$332 million bond would not be needed; only a \$232 million bond would be needed. Perhaps that should be discussed to determine if that is a wise thing to recommend. It was noted that \$300 million can be funded at this time with the current revenue. Based on the status quo, the City should be able to support a \$300 million debt. That is a 50% increase in water and sewer rates over the next ten years; at 5% a year over ten years. When going out to the bond market there is typically a three-year period to spend the money. The projects have a ten-year life span and going out for \$300 million up front does not make sense because the money must be spent within three years or the City would be subject to arbitrage. It would be better to take a series bond and take \$100 million, \$100 million, and \$100 million versus going out for \$300 million at one time. The debt capacity has to do with bond issues from 2003 going forward. As those bonds retire, the debt capacity goes up. There is about \$200 million left of almost \$300 million from the Waterworks 2011 that was funded.

The \$332 million was mentioned and there was a question as to how much is covered under the Consent Order. The Committee was advised that \$117.5 million is covered under the Consent Order. Overhead for the consultant who is going to be doing the analysis is not included in that amount. It was questioned whether plans are needed if the City has bonding capacity. The City indicated that they could consider a different type of construction methodology including the design-build following physical inspection of the forcemains. A comment was made that Fiveash rehabilitation has been on the books for years.

The Committee reviewed the CIP for the fiscal years 2018 to 2022. Part of the difficulty with dealing with CIP's is unless there is a written contract those CIP dollars can go anywhere the Commission wants them to go, which is what happened to the funding for the Fiveash Water Treatment Plant (WTP). \$263 million was unspent and it was questioned why that money can't be repurposed. If the Committee or Commission comes to the decision that water and sewer is a higher priority than some of the other things, let's reallocate the dollars before going to Wallstreet until we know what is being built. The Committee would like to know where the unspent funds are and of those unspent funds, what is available to be repurposed for other needs. The first answer to the question is the unspent balance by line item. Money is sitting in investment accounts. It is allocated. While looking at the \$263 million, some of those funds are restricted. It was questioned what amount of that money is restricted and cannot be used, committed or repurposed and what line items of that money can be repurposed. There are consequences for repurposing because people are waiting for those projects.

The concern is that the Consent Order is going to be used as an instigator to pulling out \$300 million of funds. It was noted there are significant fund balances inside the Enterprise funds. There has to be a more efficient way to use these funds. The City Charter says that until such time the project is abandoned or completed, the money cannot be used for something else. All of these funds are obligated because they have been committed to these projects legislatively and are allocated until such time the Commission abandons the projects.

In terms of funds obligated under specific contracts, that is a more complex question. The City would have to run the financial transactions to see what the obligated amounts are for each contract. If the Commission so determines, there is an out with most of those contracts. There was a question as to what the policy was for fund balances. The policy for water and sewer is not 16%. It is 90 days of operating expenditures. It was explained that over time more than 5% would generate and that could be used for bonding capacity. That is what is demonstrated in the model shown. A real-time analysis can be done on the rate model of what happens if the fund balance is sent to the bonding capacity or to pay as you go. There are two approaches. One is to go to debt and the other is to pay as you go, which is an issue this Committee will have to try to recommend. It was questioned whether it is realistically feasible that abandoning the projects and taking the money to repurpose would occur legislatively. It was not believed that would happen. Fiveash WTP was repurposed with the Consent Order.

The Committee needs to discuss what to do about the ROI. There is \$100 million in ROI that was taken. Infrastructure is not negotiable to go into the general fund. If the City goes out for \$300 million in bonds and continues to pull the 5% ROI annually, where will the City go to pay back that \$300 million. It is leveraged against revenues for water and sewer. Infrastructure is not negotiable; parks and open space are negotiable along with a new police department. It was noted that the political exposure of the reallocation with the CIP dollars is very real. Does it matter that the CIP dollars have been sitting in the CIP account for ten years and have not gone anywhere as opposed to one year? If the funds have been around for years then let's spend them. There was a question whether the problem is that they do not have the money or if they do not have the capacity to get the projects done. Beyond the dollars, what is the impact on the environment?

The Federal Aviation Agency (FAA) allows airports around the country to charge airports with a reasonable cost allocation fee. The Fort Lauderdale Executive Airport (FXE) does not use an ROI; a Payment in Lieu of Taxes (PILOT) method is used. The FAA requires that it understand the methodology behind the PILOT. Once clarified and the approach adjusted in response to some objections the FAA had; substantially, most all the charges assessed against the airport were reimbursed. There is probably a minimal amount that will not be recouped. There was a question if there is any return to the City beyond the cost recovery. The City was not implying there was. The City clarified FXE uses the PILOT method. When the City Manager came here, he looked to implement a different approach than the PILOT which they had traditionally done with the Enterprise Funds. The City Manager was asked if using the PILOT method was permissible and was told that to the best of his knowledge this is done in other places, although not common. There is case law that validates the approach, which is reasonable, consistent, and in compliance with adjudicated case law. It is prudent. There are two philosophies; if the millage rate is increased and ROI is decreased, the taxpayers, who are funding 40% of the government property taxes, will be burdened. Just to offset the \$16 million received in the water and sewer fund would require a half million dollar increase in property taxes. For a median priced home of \$240,000 in Fort Lauderdale, that would be a property tax increase of \$194 per year. Going with an ROI also captures other entities that are not paying taxes yet benefit from the municipal services provided. It was questioned if there was a way to charge them differently than homeowners and make sure they pay a higher amount for water and sewer. If the millage rate is raised, residents would get the hit but if water and sewer rates are raised, everyone gets the hit. It was asked if it was assumed that the water and sewer were two different entities why the City is entitled to a profit participating in the water and sewer fund. The City advised that generally with an Enterprise Fund a rate structure is sufficient to doing the cost of business; it is a self-supporting activity. If costs are going to be covered partially or substantially through the General Fund it is not set up as an Enterprise Fund. As the owner of the utility established in 1927, the City is entitled to a return on the equity in that utility. A suggestion was made to charge everyone who is served what it costs. It was mentioned that there is another issue of equity and fairness. The Committee should not lose sight of the fact that they cannot just keep raising water rates because that is what it costs because some people cannot afford it. It was questioned how long the partnership would pay out a dividend if the City was to do a P3 (Public/Private Partnership) on the wastewater and treatment water system. The City indicated if there were a purchase or contract of the utility they would probably do a 50-year contract with them. It was questioned where the rationale is in the City collecting the ROI for 90 to 100 years if the standard contract is 50 years. A comment was made that the P3 idea is selling the water system and whatever it costs, it costs and money will be made.

The cost of the pipes in the ground is a function of a series of bonds over time. If the City Commission is pulling a \$300 million bond, it is being invested in infrastructure that is going to last for 30 to 50 years. The typical payback on a bond is 30 years. Rate payers are tied to the consumption of the property asset. If they are benefiting from it for 30 years then they should pay for 30 years. If the plan to fund wastewater infrastructure is borrowing \$300 million then the ROI should not go to the General Fund; it should go back to paying the bond. There is no reason for those dollars to flow out of the Enterprise Fund, which is why the Enterprise Fund was created in the first place. It was to fund the operations in the Enterprise Funds. There was a question as to how many members would recommend to the Commission that they stop taking the ROI out of the Enterprise Fund and use the money for capital construction. The majority

was in favor. It was noted that 80% of government costs are salaries. It was discussed that about a 30% to 50% increase to the capacity of the wastewater treatment plant was due to water intrusion. It was questioned how a rate increase can be justified. That is going to be a hard sell to justify that a rate increase is needed because the City system is essentially polluting and adding more costs to treat. It was noted that the City is taking an aggressive approach to inflow and infiltration. Sand coming in the system is self-destructing to the wastewater system. That sand grinds in there and needs to be addressed. The service life of the wastewater facilities is not the normal 30 to 50 years; it is being reduced and we are losing that on our infrastructure.

It was understood that this meeting was for the Committee to regroup and decide how to tackle the infrastructure issues. One item deferred from the last meeting is scheduled for the October meeting, which is a presentation from the rate consultant contracted by the City. It was recommended that the Committee wait for that presentation to see how the rate structure is set up in terms of capital dollars coming in prior to voting on the recommendation. The water and sewer system is well funded and can raise a billion dollars of capital in a ten-year period by issuing debt so the cost of the improvements can be repaired by the users at the time. The City is preparing to go to the market on \$200 million worth of debt, which they should have in their hands by February. In looking at the Consent Order in terms of projects and the capacity of what can be done, there was no need to borrow money to sit in the bank and pay interest on while it is not being used. The bonds would be incurred in increments of \$200 million over the next ten years as the money is needed. The City plans to hire a consulting firm to be the project manager and use their staff to help to run the projects. City staff will be increased to work with the consulting firm. It was questioned whether resources are available this fiscal year that could be used to reduce the amount of the initial bond so that a better handle can be gotten on the longer term overall cost of the infrastructure capital. It was stated that sometimes when debt is issued you do not always get all the money at once. One of the first things the consulting firm will do is help with the cash flow in terms of project needs. It was questioned if a design-build can take care of everything. Staff explained there are two parts. The first part is to manage the program, which will be the consulting firm. When overseeing the projects, they will use a design-build company to build the project because it is a faster methodology and probably would be a lower cost. The City does hire financial advisors and they will help to structure the proposal. When there are Enterprise Funds that are rate based with the issue of revenue bonds based upon rates coming in, that does not require voter approval. It requires authorization from the City Commission. When talking about general government projects such as roads, police stations, etc., it requires a referendum under state law. When getting to items like stormwater, the recommendation is that it be rate based.

Stormwater rates were reviewed to see if sufficient funds can be generated, which will help with Phase 2 projects, which would be somewhere between \$140 million to \$240 million. The City will know that number closer to December. General obligation bonds can also be issued for stormwater improvements or for water and sewer improvements. Special assessments can be done for stormwater but the problem is who is going to pay for it. A lot of entities are exempt from special assessments but not from utility fees. It was questioned if there is a way to make a differentiation between the residential payers and all other payers. The Committee was advised that the rate structure for everyone is based upon three categories of customers; residential, commercial, and industrial. Commercial and industrial are currently subsidizing the residential.

Under Florida law, we are allowed to charge a 25% surcharge on uniform rates for people who live outside of the City for both water and sewer, which the City does. The surcharge money is kept in the utility and it comes out as part of a return on investment. It was noted that the Committee needs additional information and this issue will be revisited.

High priority, critical projects, and seawalls were mentioned. It was indicated that ROI belongs on that list; high priority outside of the Consent Order would be any wastewater or stormwater projects that have been in the CIP that have not been accomplished. Seawall infrastructure is of importance. The Committee has to acknowledge what can reasonably be accomplished within the next 12 months. Discussion ensued regarding placing high priority on health and safety factors and on parks and recreation. Twenty and forty year inspections were mentioned and probably this Committee should be part of the review process. Staff advised that the schedule of 40-year inspections should be completed by December 11, 2017 and anticipates it will take a month or so over the holidays to review the reports. By January or February, the City should be in a position to start acting on the inspections. The Fiveash project was on the book for several years and the design is being reviewed to bring it up to the new Florida code and will submit through the permitting process, which will take about a year. The \$200 million bond was mentioned and there was a question as to whether that money would be put back into the Fiveash project and if there is enough money in the bond. The City advised that would be included as one of the high priorities.

It was mentioned that the Committee only has 12 more months. There is no way to deal with the issue of replacing or repairing a building. It was believed that the Committee should not be here to solve this building and that pipe; members should be looking to staff for the root of the problem. The Committee should be looking for the problem in the big picture, not just in the individual systems. Every capital piece of equipment has a service life and any time beyond that useful life is a waste of money. How do we find out what is going on within the City that says we are not getting the useful life and why are projects being tied up? It was believed that the Committee should focus on a much higher level. The City stated in the last year they have hired a senior project manager to specifically oversee the Consent Order. In the mid-year budget amendment in April or May four more project managers were approved specifically within the water and sewer program to help with managing the projects and looking at the capacity imbalances. It is believed two of them will begin working in the next two weeks. A position was also created for a procurement specialist to help with contracting. It is a long process to do an analysis and determine the projected work load for the next couple of years. A consultant with a team of subconsultants were hired to design a master plan for the stormwater system, which will be completed in December, 2017 along with having complete construction drawings to go to bid right away for the seven primary basins. That will be very similar to the process used on the Consent Order. The City will be ready by the first of January to put that out there as soon as funding is secured.

The City has been working on changing the rate structure for two years on how they deal with stormwater so there is a rate structure that can support debt. Rates have slowly been increased to fund capacity. Compared to Miami Beach, Fort Lauderdale rates come up to \$10 per residential unit per month, which is on the water sewer bill as well as sanitation. Miami Beach rates are \$28 per residential unit per month. The Commission has asked that this Committee help give direction regarding stormwater. There was a question as to how much would be

generated if stormwater rates went from \$10 per month to \$20 per month. The current rate structure is based upon single family residential units. The impervious area is calculated on a typical single-family unit then the impervious ration is applied to every other property that exists. Users of the stormwater system such as apartment buildings and office buildings that are vertical; Currently 200 units are paying what three residential units would pay. If it is tied to roads and trips it would be a better way to calculate stormwater rates. All single family units generate the same number of trips. An apartment building and shopping center generate a certain number of trips based on how many square feet of retail there is. A trip is how many times you go back and forth. It was indicated that the stormwater funding was not part of the \$200 million for wastewater/sewer. The purpose of stormwater should be tied to roads and trips. Properties should be charged by trips. Sustainability, equity, and transparency were mentioned. The stormwater fund has \$15 million in cash which is almost the exact amount of the total capital investments in that fund. The City advised they have been saving knowing they will need money for Phase 2.

There is \$8.5 million planned for seawall improvements, which will come from the proceeds of the sale of the compost facility. If there is \$15 million sitting in the fund why are we waiting for the sale of a piece of property? Why not do the seawalls with that money? It was questioned how many other commitments are riding on the sale of that piece of property. It was noted there are \$14 million worth of projects. The commitments are \$1.2 million for the aquatic facility and \$3 million for building a new EMS station somewhere downtown. The City indicated they are working on the design of the seawalls right now. The seawalls are going to be raised; that is a done deal.

Note: Mr. Hansen left at 3:02 p.m.

It was questioned how the Committee will engage the public in this discussion. Outreach was defined as when the public is invited to come to a meeting and in-reach is defined as when we go to community meetings. Before doing any of that, the Committee needs to be sure that the purpose of this meeting is to totally iron out priorities because we do not need to go out without knowing what we are talking about. The Committee needs to have the resources to respond to public questions. There was a consensus that some sort of draft product was needed. When we get to the point where there are draft recommendations or consensus then we can publish any way we want. There was a recommendation to set up a couple of workshops with the public and use City Hall if the space is available. The key is to have something to take out to the public. It was mentioned that the problem is none of members knew about the \$200 million bond the City is anticipating going out to look for. Two or three other things also came up that members did not know about such as the report on the condition of the City facilities was going to be due on the 17th. Instead of taking out consensus opinions why not make up a series of questions? A draft report is just information. How about providing a series of questions to get people talking. Perhaps the information has to be broken up. Maybe one meeting will be water and sewer, which is the most critical. Then there could be a meeting for stormwater, and then public facilities and parks. The Committee keeps saying water and sewer is the most important but the public will have a slightly different take on this. The Committee would invite the public and ask them what is most important by way of infrastructure. It was mentioned that the Committee start with the Neighborhood Survey where the most important thing was traffic. It was believed that sewers and traffic are the most important to the public because their main

intent is to slow down or stop development. The Committee has identified that the ROI discussion is important when talking about the big picture. Is the bigger picture at what level the City should be building? There was a question as to whether new development is paying their fair share, which is one of the questions Chair Mammano previously asked. The Committee is hoping for an answer by October 2, 2017 as to how to calculate capital construction fees and how much was collected in capital construction fees in the last five years. Most of the infrastructure is probably not as bad as what we are seeing at the surface. Is the argument that you don't like what is going on with the sewage or is that you don't want building? The Committee needs to engage the public sooner, not later, and needs to hear what the public is most concerned about and discuss it with the City. Fundamentally it is not just sewer, sidewalks, or traffic; it goes back to more people that don't want Fort Lauderdale to become New York City. The Committee needs to deal with the issue of new development paying its fair share.

Developers are building infrastructures and do not put in all the infrastructure they could. It was questioned how builders are building infrastructure. These are the problems that need to be discussed. That is what is going to solve the problems in this City 50 years from now, not the \$300 million bond that will be pulled in the next five years. The City stated that as part of the approval process through DRC an analysis is done to determine what the projects overall impacts are and an impact fee is assessed for needed the capital improvements. The capital impact fees help long term when the size of pipes needs to be increased or changes need to be made. Impact fees have averaged about \$2 million per year for the past five years. If traffic is going to be addressed how are they going to put in a new road or service it? That is difficult because traffic mitigation fees are paid to Broward County. It was questioned how much money Fort Lauderdale contributed to Broward County Traffic Mitigation in the last five years and where it went. It was noted that no new roads have been added and there are not any new roads planned; however, they continue to create buildings and businesses especially downtown. How do we compensate for that?

Either we listen to the public and react to their priorities or we discuss our recommendations. We should ask the City for use of the Chambers for an open session and formulate a guideline as to what that session is so it is not a free for all. City staff will not be present and should allow the public to say what they want to say to this Committee. There should not be an engagement between City staff and the public at that meeting. There should be no back and forth between the public and City staff.

Paul Chettle, resident, mentioned the ROI and stated this has never been about the rates and who is being charged. With regard to public input, he believes there has to be some parameters to the meeting and the Committee should say what they are considering and they need to figure out a way to pay for those. Perhaps the public could be invited to try to sway a vote. Traffic has nothing to do with the Task Force. There needs to be a hierarchy to say these are things we are considering; this is the Consent Order at \$117.5 million; this is the CIP that will handle the additional projects; these are the projects we have; these are projects that are not ready but we need to start thinking about stormwater. Hazen and Sawyer's preliminary reports identified \$148.2 million is needed for stormwater. The Public Works Director suggested that the number will probably be closer to \$150 million to \$200 million. In 2012, \$1.5 million was allocated for

two areas and the preliminary from Hazen and Sawyer was about \$29 million versus the original \$1.5 million.

Craig Fisher, resident, suggested creating a website for the Infrastructure Task Force so they can receive emails and comments and can provide updates to the public. There could also be a comments section. He thinks having a public hearing or meeting will have a lot of people who don't really know everything. He thinks interacting with the public is a wonderful thing.

Chair Mammano advised that they are working on a comment box on the web page.

Distributing a questionnaire to the members of the Council of Civic Associations was suggested. An outline of infrastructure categories was mentioned to see which ones the public would hit on. The key is that the Committee listens. It is not the Committee's responsibility to report to the public. The Consent Order is a done deal and does not need to be discussed. Discussion also involved structuring public comments other than just inviting the public to tell us their concerns. It was suggested to give the public a framework of what the Committee has been discussing and tell them we want their thoughts and recommendations. Perhaps going by the items on the list so the public can comment on specific items. The meeting could be targeted in January.

It was questioned if there is some kind of box on the web page or comment as a useful approach to solicit more questions from the public. Further discussion arrived that a survey should be assembled that could be distributed through the Civic Associations and compiled by the ITF Board. This would avoid a conflict of interest with the City. The Civic Associations would serve as a method of getting the word out that this is a survey prior to the meeting in January. A survey could be approved and voted on at the October meeting for distribution and allow the Civic Associations time to collect the completed surveys through the end of November. Through that time, the ITF Board could advertise that their intention to get public input and an outreach meeting in January, which gives Ms. Shuster time to coordinate with the City when the space downstairs is available.

Mr. Kwoka volunteered to create the survey. The survey would be put together and posted on Survey Monkey so there would be no violation of the Sunshine Law and nothing has to be passed back and forth. Chair Mammano stated she would work with the Civic Association to get them on board at their meeting. In addition to prepping the survey the most important thing to do is obtain a date in January from Ms. Shuster. It was suggested that a second meeting be held further down the line so it is not a single shot. There is an initial input and when we get closer to a recommendation there could be another meeting so we could get the feedback.

Note: Mr. Hansen returned at 3:44 p.m.

It was suggested that after the January meeting the Committee will put out a draft with their recommendations/suggestions. Everyone was in agreement, Mr. Kwoka will work on a survey, Chair Mammano is going to work on getting it distributed, and Ms. Shuster is going to work on getting a room in January. It was noted that everyone should email Ms. Shuster with any dates that do not work in January. The meeting will be held in the evening and will have a cut off. There was a comment that the meeting could be from 6:00 p.m. to 10:00 p.m. It was mentioned that the meeting needs to be held in the Commission Chambers or somewhere accessible and

downstairs. The worst thing to do is put people in a place they cannot find. It was questioned if the Committee was going to tell the Commission that they gave us a broad outline and we only have 12 months. Alternatively the Committee could list its top three priorities.

The presentation scheduled for the October 2nd meeting will be on the Stormwater Rate Study based on number of trips. The consultant will be present at the October 2nd meeting to discuss the ROI or bonds and that will take an hour. The first 30 minutes will be about sorting out the minutes. When considering the discussion, the survey and the planning of this meeting that will use of 30 minutes and that's the meeting.

It was suggested that the Committee dig deep into the ROI conversation in November. It was questioned whether the cost be pushed off over the next 30 years and have the current users pay for the current infrastructure. The flip side from this perspective is who paid for all the infrastructure that is done already? What about the \$20 million a year in ROI or other sources of dollars? How do you pick smaller projects that could be funded with cash flow? It was mentioned that there is another source of funds. There is a CIP every five years. This year if 20% of all the money in the Enterprise Funds was dedicated to the CIP, the number will come down. There was a question as to whether Fort Lauderdale residents have been paying for infrastructure on a credit card or is the new infrastructure on layaway. It was noted that residents have been paying all along for the maintenance that should have happened. Residents have been paying less than the true costs to run the system. There is a probability of inefficient use of available cash.

At the end of each year for the last five years, the City has had \$125 million to \$150 million in fund balances. Discussion was whether the circulation of that money is too slow and is fundamentally one of the largest issues is to accelerate and jumpstart some of these projects. Debt is not outrageous when spread out over 30 years. Staff was asked if it would take a recommendation such as encouraging the City to accelerate projects that can utilize available funds to reduce the need for long term debt. It was noted that the City lost a lot of employees as well as institutional knowledge. The water and sewer fund were referenced on page 9 of 14 of the list of CIP projects, which are projects that have money sitting in the bank. They are all valid projects. A recommendation should be that if a project stays on the CIP list longer than five years the dollars must be reallocated or review the project. A recommendation could be that we recommend to the City to accelerate the implementation of projects that can be funded with cash reserves. There is a requirement that the City Commission goes back and reviews the line item and decides whether to reallocate it or whether that project is still something they want to move forward.

Instituting the design-build method for the larger projects may save money and time between the normal consultant and contractor. Staff said the City is hiring one company to do project management and then the individual projects will be bid out separately. There will also be a company doing oversight of those companies for quality control. Staff does not have to increase; they just have one person to manage the company.

Two suggestions from Ms. Shuster were provided regarding dates in January for the public meeting: January 18, 2018, Thursday, from 7:00 p.m. to 9:30 p.m. in the first floor Chambers or January 30, 2018, Tuesday, starting at 6:30 p.m. in the first floor Chambers.

The Stantec presentation about revenue was mentioned and the objectives were questioned. It was understood that the Stantec presentation was given to the Commission and the Commission referred it to Budget Advisory Board (BAB) for review, The BAB voted to recommend it to the Commission and then the Commission had some concern about the nature of the implementation of the methodology. The understanding was that a part of the concern was potential litigation because the methodology was not been used before. It was believed that the Commission's concern about the impact on development could make development much more expensive. Using the number of trips method does not mean the fee needs to stay the same; it could be lowered.

Paul Chettle, resident, mentioned the ROI. The ROI in current form is regressive now. You are charging for water and sewer and are you are not maintaining water and sewer. Money is being moved to the general fund to something that is prioritized as higher than failing infrastructure. It seems like the \$200 million bond is becoming a done deal. He referenced the Stantec presentation and questioned if there is any chance they can provide different variables in the model ahead of time so that the Committee has something going into the meeting, as that would be very helpful.

It was questioned whether the Committee wants to entertain a concept or discussion about whether there should be a moratorium on new development until there is some improvement of the infrastructure. It was noted that a moratorium would be more from the Health Department. As long as the City Manager and City Commission can fund improvements outlined, there does not seem to be a need to establish a moratorium. The Committee is not about growth management. The Committee is looking at what new development pays as their fair share of future needs. If it is felt that \$200,000 a year in capital construction fees is peanuts compared to the impact new development is having on the systems, perhaps this needs to be discussed. The recommendation for the City Commission do a new rate study for a new impact fee was discussed.

It was suggested that if a general topic were known a month in advance for each of the meetings that a lot of the items could be reviewed. In October, the topics are parking and the airport. Seawalls should be discussed at the November meeting since there will be a presentation of the stormwater fees in October. The Committee is going to look at everything they were asked to look at.

It was noted that the Mayor keeps saying taxes have not been raised in a long time and that the City of Fort Lauderdale ranks 23rd or 24th in the state of the largest cities in our tax rating. Fort Lauderdale has the lowest millage rate of the 25 largest cities in Florida at 4.1193. One-half (.5) mill generates about \$16 million. Each mill is worth about \$33 million to \$34 million. The median value of a house in Fort Lauderdale is \$287,000 and one mill is about \$400 a year. There are 59,000 residential water and sewer accounts. The City water fee is a base charge. A flat fee is charged, which is based on 5,000 gallons. There is a tiered rate structure and the concept is you should be paying more as you consume more. It also depends upon the size of the water pipe; larger commercial users will have a bigger pipe coming in and they have a different rate structure associated with the larger pipe. They encourage conservation and there

was a point where people were doing so well and conserving so much that it impacted revenues.

The Committee asked staff to provide the following:

1. Date when the 40-year inspections schedule will be completed.
On or about December 11, 2017 Page 8 of these minutes
 2. How do we calculate capital construction fees and how much did we collect in the last five years? **[June 26, 2017 Minutes under "New Business" addresses three years of impact fees]**
- B. Task Force Members questions and information needed from/directed to:
- City Staff
 - City Commission
 - Other Sources

Adjournment – Next Regular Meeting – October 2, 2017

View this meeting at: <http://www.fortlauderdale.gov/departments/city-clerk-s-office/advisory-boards-and-committees-agendas-and-minutes/infrastructure-task-force-committee>

There being no further business to come before the Committee at this time, the meeting was adjourned at 4:33 p.m.

Any written public comments made 48 hours prior to the meeting regarding items discussed during the proceedings have been attached hereto.

[Minutes prepared by C. Guifarro, Prototype, Inc.]