

City of Fort Lauderdale  
Infrastructure Task Force Committee  
October 1, 2018  
2:00 p.m. to 5:00 p.m.  
8th Floor City Commission Room – City Hall  
Fort Lauderdale, FL 33301

**1. Call to Order at 2:04 P.M.:**

• **Roll Call**

<b>MEMBERS</b>		<b>PRESENT</b>	<b>ABSENT</b>
Marilyn Mammano	P	17	1
Ed Kwoka	P	13	3
Ralph Zeltman	P	17	1
Keith Cobb	P	11	7
Roosevelt Walters	A	16	2
Fred Stresau	P	14	4
Norm Ostrau	P	15	1
David Orshefsky	P	15	0
Jacquelyn Scott	P	3	0

**Staff Present**

Christopher Lagerbloom, Assistant City Manager  
Paul Berg, Public Works Director  
Joseph (Joe) Kenney, Assistant Public Works Director  
Laura Reece, Budget Manager  
Meredith Shuster, Administrative Assistant  
Raj Verma, Staff Liaison

**2. Approval of Agenda**

**Motion to approve the October 1, 2018 Agenda with alterations made by Mr. Orshefsky and seconded by Mr. Stresau.**

Discussion: to move Item #5 “Informational Items” on this Agenda to a permanent place on this and future agendas to follow “New Business” and before “Public Comments.”

**Motion approved unanimously by voice vote.**

**3. Approval of Previous Meeting Minutes (September 6, 2018 meeting)**

**A. Motion to approve the minutes for the September 6, 2018 meeting as revised by Mr. Orshefsky and seconded by Mr. Kwoka.**

Discussion: Add the timestamp from the video tape to the minutes to indicate the beginning of each Agenda Item and Motions, if convenient.

1 of 7: Correct the attendance, Fred Stresau was Present

3 of 7: Add any attachment referenced in the minutes even if it has already been posted as part of the backup [I/I Maps]

5 of 7: Additional paragraph breaks added to separate thoughts

6 of 7: The reference to the inquiries in the studies: change “bond issue” to “Consent Agreement.”

**Motion approved unanimously by voice vote.**

**4. General Discussion and Comments by Committee Members (10.00 minutes)**

Ms. Scott raised a concern that more than one meeting per month may be required due to the workload. It was deferred to be addressed under Agenda Item #6 B. *Old Business, Determination of Future Agenda Topics*; however, it was raised that should the monthly meeting need to be continued in order to complete a given agenda, the Committee can do so on an as needed basis.

This raised discussion on the need for the Committee to continue if the City Commission is not receptive to its recommendations. There was disagreement as to whether the City Commission has been receptive to the recommendations already made. Comments ranged from the recommendations being disregarded, to some action taken albeit not exactly as recommended such as: The ROI is being phased out, a hybrid of the stormwater rate structure and impact fees are being studied.

As a point of consideration, the more rigorous analysis now being done on infrastructure capacity for a new 700 unit project in the downtown area, indicates that the capacity for water is reaching the maximum allowed to be withdrawn by Fort Lauderdale. It was pointed out that the idea that there is “plenty” of water available may not necessarily be so. It should be taken as consideration of the seriousness of the infrastructure needs.

Possible solutions such as using desalination plants was discussed at the “Big Idea Conference” attended by Mr. Kwoka and suggested as a possible solution. It was decided this discussion will continue at a future meeting when water is the agenda item.

This led to discussion on the difficulty in finding \$5 Million dollars to cut in lieu of raising the ad valorem tax rate. The cost of building a desalination plant costing hundreds of millions when a commitment to raise taxes to cover \$5 Million was rejected, raised the question if there was a commitment to address the infrastructure needs. If not, some members questioned the purpose for the Committee to continue.

**5. Informational Items** (to be addressed between New Business and Public Comments.)

**6. Old Business (20.00 minutes)**

**A. Joint Workshop with City Commission on October 10, 2018**

Suggestions on how to approach and/or address the Joint Workshop included:

- Verifying there is a commitment on the Commission's part to raise taxes or explore other revenue sources to fund the needed infrastructure improvements and repairs.
- Present the "big number" meaning a ballpark total cost of current identified infrastructure needs to impress the gross need and emergency status of the City's infrastructure.
- To get "buy-in" from Commission that it will recognize this Committee as the representation of the public, their constituents

Discussion included whether to listen more than to speak in order to find out what direction the Commission wants the Committee to move or to proactively tell the Commission the direction it needs to move forward. In this context, Item #6 B. *"Determination of Future Agenda Topics"* should be deferred until after the Joint Workshop.

It was agreed to present a ball park but credible "big number" and to discuss how to make it plausible. It was also agreed that cutting capital projects was the least desirable method to replace ROI dollars.

Staff advised that many costs are known. Staff provided a ball park of \$2.65 Billion. The large number is adequate for the purpose of getting a commitment from Commission to move forward; however, it was brought up to the current Commission by both the ITF and the Budget Advisory Board not to cut capital improvement projects and yet that is what this Commission did to cover the \$5 Million not being received via the ROI. If raising taxes is "not on the table", it was again asked if the commitment of the Commission to address infrastructure needs is there. Part of the conviction is not only to raise taxes or issue bonds, it also has to be not raiding the capital improvement funds by cutting capital projects.

The "sticker shock" factor was countered with the reminder that the \$3 Billion figure needed for infrastructure improvement and repair has been published repeatedly in the Sun Sentinel and may not be such a shock. There was some thought that there are no numbers the Committee can give the Commission that aren't already provided [or could be provided] by staff.

The following were suggested: That a strategic planning consultant be hired to answer to the Committee and come up with discreet numbers on a macro scale to identify the costs of the infrastructure needs and help the City develop [if it doesn't have one now] a long term strategic planning model.

It was brought up that there is no planning going out 20-25 years. The plans are for five years. Mr. Lagerbloom explained that figures become unreliable after about five to maybe seven years. An example would be the cost of building a fire station now as opposed to when the fire bonds were passed. Public Works is an example of taking this huge \$2.65 Billion number and breaking it down into "bite size, manageable" pieces.

Besides repairing or replacing infrastructure, consideration needs to be given to the ongoing operations of the City. Even if the entire amount of money was secured, only so much of the City can have projects going at any given time.

The City has made decisions in the past to continue using deferred maintenance at the expense of addressing the infrastructure needs. In some cases, these decisions have cost the City more than fixing the problem. Removing a nonrecurring expense to provide for a recurring expense is not a long term solution. Trying to fund this “big number” using the current millage rate will not work. The City cannot cut its way out or use deferred maintenance to address a need for \$2.65 Billion.

It was confirmed by staff that the next Priority and Goal Setting meeting for FY 2020 will be held in May, 2019. It was suggested that prior to that meeting, the Committee provide its recommendations to the Commission. In conversation it was determined that the “big number” could be readied for the Joint Workshop. The master plans have dollar figures and funding sources. Staff offered to put together a presentation of the numbers we have today to arrive at the ball park number the Committee is looking for.

Fort Lauderdale has the 4<sup>th</sup> lowest millage rate of comparable cities considered by some members to be due to artificially depressed tax rates. The City also has a triple A bond rating. This leaves capacity on both the revenue and the debt sides of the funding equation. The question came up as to how much room is there in debt and taxation capacity. How much can be funded with taxes? Every mill is approximately \$35 Million. If taxes go up, the debt capacity goes up. By holding down the tax rate, it also holds down capacity to add debt.

Putting funding ideas on the table is part of the mandate of the Committee. In the face of the need, going from AAA to AA bond rating may be the way to go. Macro financial management should be the level of this Committee. Models can be done to program out debt and tax capacity. Mr. Berg responded, it has been determined that the Water/Sewer rate structure can fund up to \$900 million in bonds. The City would have to double its water/sewer rate to charge what is the median rate of comparable cities in spite of the current annual 5% increase.

The Committee discussed how best to address the Commission. The consensus approach to the Joint Workshop will be a presentation on:

- Where we [Infrastructure Task Force Committee] have been
  - The Interim Report was at the “5,000 foot” level, the need now is at the “30,000 foot” level
- Where we are today
  - Get the understanding that the Commission is willing to follow the Committee’s recommendations as representatives of their constituents
- Where we need to go

- Time needs to be productive
- Committee and Commission need to be on the “same page”
- Move forward in resolving the infrastructure issues and the funding
- Come to a consensus on how the Commission and Committee can work together to solve infrastructure needs
- An understanding that without a commitment from the Commission, the Committee is willing to disband

It was agreed to meet again on Monday, to have a working lunch from 11:00 to 1:00 p.m. October 8<sup>th</sup> to review the data the City Staff will provide.

**Motion made to continue this meeting to October 8, 2018 from 11:00 a.m. to 1:00 p.m. at the same location [City Hall 8<sup>th</sup> floor, 100 N. Andrews Ave.] by Mr. Kwoka, seconded by Ms. Scott.**

**Motion approved unanimously by voice vote.**

Chair asked if the Committee would be in attendance at the Workshop. All confirmed their attendance.

## **6. Old Business**

### **B. Determination of Future Agenda Topics**

Came up in discussion under 6 A. to defer this item until after the Workshop on October 10<sup>th</sup> with the City Commission

## **7. New Business**

### **A. Discussion of Alternative to Wave Study**

### **B. Penny Sales Tax**

[This item was discussed in the course of conversation regarding funding arising in General Discussion #4 with the following explanation of why it was on the Agenda.]

The topic of the impending Penny Sales Tax to be voted on at the upcoming election was raised as a possible revenue resource. Although it is a County issue, it was added to the Agenda because the funding would cover many infrastructure projects being addressed by the Committee, should it pass.

## **8. Public Comments**

Paul Chettle, a Fort Lauderdale citizen thanked the Committee and stated:

- The issue of ROI was campaigned on and that the Commission making decisions from the Dais on the \$5 Million dollars or any such matter was not a good idea.

- There is a possibility that the City Manager may be changed by the time of the Workshop.
- The first seven projects in the Consent Agreement cost 48% more than stated in the Reiss Report.
- Need to let the Commission know that after 18 months of meeting and studying the infrastructure issues, this Committee represents the citizenry and
- The next budget meeting and goal setting in May will be different. The current budget (just passed) does not represent what was campaigned on.
  - The downtown mobility was nowhere in this budget
- Nail down the Commission on the Parks Bond. All Commissioners agree on it.
- Remind the Commission that they [Committee] represent the public, the Outreach meetings and you [Committee] will have their back when raising the millage rate
- City manager was asked to find the cuts to offset the increase of the millage rate, a structural or strategic change to take the City in a slightly different direction and eliminate ROI.
- \$100 + Million in cash is sitting in projects not being done. In addition, the \$200 Million bond could have been higher and used for above ground projects.
- Of the \$1.4 Billion, there are hundreds of millions in studies revealing projects that could be done above ground that do not restrict sewer.
- Sent letters that the Assistant City Managers are exceptional and more than capable and that he was never given a falsehood by either.

**9. Meeting was halted at 3:59 p.m. to continue on October 8<sup>th</sup> at 11:00 a.m.**

**10. Adjournment – Next Regular Meeting November 5, 2018 (Deferred)**