

City of Fort Lauderdale  
 Infrastructure Task Force Committee  
 Special Meeting  
 October 8, 2018  
 11:00 a.m. – 2:00 p.m.  
 8th Floor City Commission Room – City Hall  
 Fort Lauderdale, FL 33301

**1. Call to Order at 11:05 a.m.:**

• **Roll Call**

<b>MEMBERS</b>		<b>PRESENT</b>	<b>ABSENT</b>
Marilyn Mammano	P	3	0
Ed Kwoka	A	2	1
Ralph Zeltman	P	3	0
Keith Cobb	P	2	1
Roosevelt Walters	P	3	0
Fred Stresau	P	3	0
Norm Ostrau	P	3	0
David Orshefsky	P	3	0
Jacquelyn Scott	P	1	0

**Staff Present**

Lee Feldman, City Manager  
 Christopher Lagerbloom, Assistant City Manager  
 Paul Berg, Public Works Director  
 Dr. Nancy Gassman, Interim Deputy Public Works Director  
 Talal Abi-Karam, Assistant Public Works Director  
 Joseph (Joe) Kenney, Assistant Public Works Director  
 Laura Reece, Budget Manager  
 Meredith Shuster, Administrative Assistant  
 Raj Verma, Staff Liaison

This meeting is in continuation of the meeting held on October 1, 2018

**General Discussion: (1.45 minutes)** An opportunity for every member to speak for 2-3 minutes was suggested either at the beginning or end of the Joint Workshop. It is a joint workshop and both the Committee and the Commission can express views. The Committee is looking for understanding of the infrastructure needs, a commitment to find funding – meaning additional sources of funds with suggestions of raising ad valorem taxes and understanding that the current system of funding/rate structures will not be sufficient.

**5. Informational Items**

Mr. Orshefsky will send his comments to Ms. Shuster for distribution to the Board Members

## **6. Old Business (3 minutes)**

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

The draft of the presentation “Infrastructure Task Force Status Report” was forwarded to each Board Member and was reviewed:

Page 2 of 7: ITF Where We’ve Been – verbal summary

Page 3 of 7: ITF Where We Are - \$3 Billion of Infrastructure Needs over the next 20 years.

Discussion included whether the \$3 Billion should be presented as an unfunded need and if using an approach of “what the shortfall would be” was examined.

Paul Berg clarified that going out ten years, under the current water/sewer rate structure with the 5% annual increases, it was shown that \$1.4 Billion for water and sewer could be funded using bonds in increments of \$200 million. Under the current rate structure for water and sewer, there wasn’t an anticipated shortfall. It was determined that an asterisk would be used on the \$3 Billion number to indicate that \$1.4 Billion for water and sewer projects could be funded through the current water/sewer rate structure.

Stormwater needs are identified as just under \$1 Billion dollars. The hybrid rate structure using the impervious rate structure and the trip generated structure is being compiled. Ms. Reece explained the Commission has given direction to pursue the hybrid rate structure, but it is not in place. As yet, it is undetermined if it will be sufficient to fund the immediate stormwater need of \$200 Million. Until the Commission approves it, it is not an adopted rate structure. It was decided that an asterisk/footnote would be added for stormwater also.

When asked if funding for canal dredging should be included, Dr. Gassman responded that canal dredging is considered a service. She defined “service” as maintaining something the City already has. It would fall under the operations portion of the budget. Infrastructure would be defined as having to build something.

The consensus was to leave the amount of \$3 Billion in the presentation with the added asterisks to show where current funding can be taken into account. Until the Commission decides how to fund the various components of the \$3 Billion need, the amount of \$3 Billion remains justifiable.

Generally speaking, general obligation bonds for parks and public safety will have to be passed by the voters. Using a general obligation bond of \$150 Million for Parks and \$100 Million for a new Police Headquarters and City Hall would lessen the amount of revenue to be raised via millage increase. Roads, bridges, sidewalks and

seawalls would need to be funded from the CIP portion of the budget. There was some discussion about a bond for sidewalks.

Page 4 of 7: ITF Where Are We Going –multiple options to fund the identified needs:

The recommendation of the Committee to the Commission to set a rate of 7% - 10% for CIP funding was not addressed by the Commission, but could be brought up at the Joint Workshop. It was determined individual examples of P3's was not needed. The funding mechanisms are understood by all the parties. Whether the Commission will consider increasing ad valorem millage rates was debated.

Operation maintenance will increase incrementally as the capital improvements are made. The eventual return of the \$20 Million for ROI to the water and sewer fund may not necessarily go to additional CIP. The budget plan has yet to be worked out to include the ROI which was only recently determined by the Commission. Ms. Mammano would like the increase in funds to be earmarked for Fund 331. In response to a question of whether reserves are maintained, Ms. Reece explained the City maintains a 90 day cash reserve.

Page 5 of 7: ITF Millage Rate Opportunity

Ms. Reece explained that the comparison of millage rates of Broward County cities shown in the chart comes from the 2019 Budget Book. When compiling the statistics, the effort is made to compare "like to like." The reason Plantation was not included was speculated that it may not be charging a fire assessment fee. It can be looked into.

Ms. Reece clarified that there is a tier structure used when increasing the millage rate. With a majority vote [of the Commission] the millage rate could be increased to 5.2 mills and with two-thirds vote 5.7 mills and any increase above that would need to be a unanimous vote. Millage rate increases are voted on annually. The Commission can increase millage but the public would need to vote on incurring debt through general obligation bonds.

Page 6 of 7: ITF Utility Rates Opportunity

Equity was also introduced as a consideration of funding. Raising water/sewer rates was done by ordinance and unless revised, will continue to automatically raise the rates by 5% annually. The ad valorem rates have not been raised for eleven years.

Ms. Reece explained that there isn't currently a premium (25% surcharge) charged to other cities purchasing water from Fort Lauderdale on a wholesale basis. When water is sold retail, there is a 25% surcharge. The City does not maintain any of the infrastructures in those cities was part of the rationale. Whether the City needs to

look past the Master Meter or not is currently being reviewed by the City Attorney's Office to determine if the surcharge can be added to wholesale.

#### Page 7 of 7: ITF Next Steps

The Committee agreed it needs confirmation that the Commission understands the problem, that it will review revenue sources needed to fund these issues and to meet with the ITF again in April [prior to the Priority Setting Meeting which generally occurs in May] with additional recommendations before the next budget cycle.

**Motion to approve the draft of the Infrastructure Task Force Status Report with the asterisks [footnotes: 4 and 5 on Page 3] made by Mr. Ostrau and seconded by Mr. Orshefsky.**

**Motion approved unanimously by voice vote.**

Regarding the joint workshop with the Commission, it was decided that the City Manager and staff will not be making any presentations but will be available to respond to questions. Public in attendance will only address the Joint Workshop at the invitation of the Mayor. It was concluded Ms. Mammano would start with the presentation. Commissioners could ask questions and discuss and then end with each member having a 2-3 minute time limit to bring up their views for the Commissioners.

Due to the sizable scope and funding required for various types of infrastructure projects, it was suggested to use an outside strategic planner who could model out various funding types and needs. Mr. Berg clarified that there is strategic planning being done going out ten years albeit not always with modeling of several options. Mr. Lagerbloom suggested that the City management could be open to a high level strategic financial planning conference.

Staff was complimented on the work was done.

#### **B. Determination of Future Agenda Topics (1:40.42)**

Mr. Orshefsky introduced further discussion in terms of the Work Plan layout.

Mr. Feldman suggested that the ITF make its recommendation for the Parks General Obligation Bond at the Joint Workshop or November at the latest due to possible timing of a special election in the Spring of 2019. Mr. Orshefsky dissented that the ITF could be ready to make a recommendation at the Workshop or in November.

On the question of bonds for parks, Mr. Feldman advised:

- in depth presentation and background supportive documentation is not needed from the ITF as the Parks Recreation Beach Board has vetted the issue.
- Sentiment exists to move forward with a \$150 Million General Obligation Bond and it will be added to a Conference Agenda after the Joint Workshop.
- A recommendation to the Commission to move forward would be helpful if the ITF should choose to do so.
- In response to other questions, Mr. Feldman responded that the cost of a special election is approximately \$400,000 which may or may not be recoverable. Bond counsel would be asked to verify. He further suggested that having a bond referendum for the Police HQ could also be on the same special election. The use of the P3 method to fund the Police HQ has been explored and was not found viable.

November 5<sup>th</sup>

- Follow up from the Workshop
- Further discussion of the Work Plan layout for future meetings
- Recommendation for the Commission to move forward with the Parks Bond [if not covered at the Joint Workshop]

December 3<sup>rd</sup>:

- The Comprehensive Plan to be presented by DSD/Corradino Group
  - It was suggested that a presentation on the status of streets and sidewalks either where we are with the conclusion of the last 5 year plan or the scope of the next 5 years be added.

January 7<sup>th</sup> – To Be Determined

February 4<sup>th</sup> – To Be Determined

March 4<sup>th</sup> – To Be Determined

April 1<sup>st</sup> meeting will include:

- Preparation for proposed Joint Workshop with the City Commissioners.

## **7. New Business**

**A. Discussion of Alternative to Wave Study – not discussed**

**B. Penny Sales Tax (1:28:00)**

Mr. Feldman clarified that the penny sales tax would not be used for infrastructure projects. If the penny sales tax is passed, 10% of the annual proceeds will be set aside for municipal projects; but, the 31 Broward County municipalities will have to apply [compete] for the funds and the projects will be scored. At this time, the scoring process is not known. The City submitted a wish list but preference will be for transit circulators as opposed to brick and mortar. He also had asked if those funds could be used for public seawalls but was told no. By consensus the Committee decided to remove the Penny Sales Tax from the Work Plan.

**9. Adjournment – 12:46 p.m. Next Regular Meeting November 5, 2018**

**Motion to adjourn by Mr. Ostrau and seconded by Mr. Orshefsky.**

**Motion approved unanimously by voice vote.**