

MINUTES OF THE REGULAR WORKSHOP MEETING
CITY COUNCIL
BOCA RATON, FLORIDA
MONDAY, APRIL 23, 2007
1:30 PM

The Workshop Meeting of the City Council of the City of Boca Raton, Florida was called to order by Mayor Abrams at 1:30 p.m.

ATTENDING THE MEETING WERE:

Mayor Steven L. Abrams
Deputy Mayor Susan Whelchel (absent - excused)
Council Member M. J. Mike Arts
Council Member Peter R. Baronoff
Council Member Bill Hager

Also attending the meeting were:

City Manager Leif J. Ahnell
City Attorney Diana Grub Frieser
City Clerk Sharma Carannante

PROCLAMATIONS:

Municipal Clerks' Week – April 29 through May 5, 2007

Mayor Abrams presented the proclamation to City Clerk Sharma Carannante, who acknowledged her staff, and accepted same on behalf of the Clerk's Office.

National Landscape Architecture Month – April 2007

The City's Landscape Architect, Jeff Borick, acknowledged his co-workers and accepted the proclamation on their behalf.

Victims' Rights Week – April 22 through 28, 2007

The City's Victim Advocate, Maureen Francois, accepted the proclamation on behalf of herself and her coworkers in Police Services.

1. BOARD INTERVIEWS:

There were no positions advertised.

2. PUBLIC REQUESTS:

John Stetz commented on the current drought and advocated constructing a desalinization plant; he also advocated construction of wind farm generators.

Chris Macy, a local architect from Deerfield Beach, advised that he is a member of the Green Building Council. He stated that his group uses "green development principles" and is ready to serve the City of Boca Raton; he then offered to give Council a presentation at a future date.

3. REVIEW OF REGULAR AGENDA ITEMS:

a. Questions relating to the agenda.

(Consent Agenda Item No. 3.b.2. – Library Materials Collection, Cataloging and Processing) Council Member Hager asked for a description of this item. Mr. Ahnell explained that this contract provided for the purchase of approximately 70,000 books and 15,000 audio/visual items for the new Spanish River Library, which is expected to open in December 2007. The selected company will acquire, catalog, index and place the books and A/V material on the shelves, thereby providing a turnkey operation for staff. Responding to Council, the City Manager stated that this company is also responsible for ascertaining how much – and what type of – electronic equipment and hard copy material will be needed for the City's

population, based on national and international standards. Council Member Baronoff confirmed with Mr. Ahnell that this was a budgeted item in the library plan.

(Consent Agenda Item No. 3.c.1. – Custom Built Aerial Ladder Truck–Replacement) Council Member Hager questioned whether 75 feet was the maximum height of the City’s ladders. Mr. Ahnell explained that the City has 100-foot aerial ladders as well. Responding to Council, the City Manager advised that the tower at the Boca Raton Resort & Club, and some condominiums along the beach, are probably the highest buildings in the City, extending beyond 100 feet. However, those buildings have sprinkler systems and internal fire systems to protect them as well.

(Consent Agenda Item No. 3.e. – Resolution No. 46-2007 / Adopting the Local Housing Assistance Plan for Fiscal Years 2007-08) Council Member Baronoff asked for a brief explanation of this item. Mr. Ahnell advised that this is a State program, administered through the City’s housing program. The City receives State dollars to award grants to those people meeting certain income-based standards, in order that they might purchase homes. He then outlined the categories of grants available, based on income. Responding to Mr. Baronoff, the City Manager stated that this program would be a component of the City’s proposed workforce housing plan.

(Consent Agenda Item No. 3.c.1. – Custom Built Aerial Ladder Truck–Replacement) Council Member Arts questioned this item being brought forward as a sole source. Mr. Ahnell explained that fire equipment is usually purchased as sole source in order to standardize the equipment. He stated that different firefighters work different shifts at different stations; if all the equipment is standardized, the inventory is the same and everyone knows where to find the various pieces of equipment. Mr. Ahnell advised that he would provide Council with information on the pricing, specifically, what it might cost for other vendors to provide this equipment.

4. FUTURE AGENDA MATTERS/ITEMS OF COUNCIL/PUBLIC CONCERN:

- a. Comprehensive Annual Financial Report (CAFR)
- b. Annual Investment Report

Financial Services Director Merv Timberlake advised that this was the annual report to Council on the City’s finances and explained that the long-range financial plan, which is usually presented in conjunction, would not provided at this time due to pending property tax legislation at the State level. He then stated that the City has received the Distinguished Budget Presentation Award, as it has for the last 23 years from the Government Finance Officers Association (GFOA). Aside from San Antonio, Texas, Boca Raton is the only city in the nation to do so 23 years running. Congratulations were extended to Office of Management and Budget Director Linda Davidson and her staff. In addition, the City was also awarded a Certificate of Achievement for Excellence in Financial Reporting from GFOA, which the City has received for the last 26 years; the accounting staff was acknowledged. Mr. Timberlake concluded his comments by stating that the City has received a “AAA” bond rating, the highest bond rating available in Florida, from all three bond companies. He then gave the floor to Financial Services Deputy Director Celeste Lucia.

(CAFR)

Ms. Lucia gave a PowerPoint presentation on the 2006 CAFR, answering questions throughout the presentation. She noted that, once again, the City received an unqualified audit opinion from KPMG; additional information on the Management Letter would be forthcoming later in the meeting from KPMG’s representative. The next section of the CAFR to be reviewed was the Management Discussion & Analysis (MD&A) highlights, which focused on significant financial data; details were provided. Ms. Lucia then reviewed a graph outlining Government-Wide Net Assets, advising that the assets are much higher than the liabilities. Graphs related to Revenues by Source – Government Activities and Significant Government-Wide expenses were reviewed in detail as well.

At this time, Ms. Lucia and Mr. Ahnell responded to Mayor Abrams on the topic of the Consumer Price Index (CPI). It was noted that the Florida League of Cities and Counties hired economists to provide a study for the State in terms of property tax reform. Last year, the CPI was approximately 2.5% in Florida;

the index the economists submitted to the State showed that local government and county spending was rising on average over the last five years approximately 7.8% per year for normal operating costs, exclusive of hurricane expenditures. Ms. Lucia then returned to her presentation, focusing on the Water and Sewer Fund. She indicated that operating income was decreasing and expenditures were outstripping the CPI, due to increased costs for electricity, fuel, chemicals and other supplies, which were much greater than the CPI index. Mr. Ahnell provided additional information, adding that a consultant is currently reviewing rates. Attention was then focused on the City's General Fund; Ms. Lucia advised that it had increased by approximately \$9,000,000 from the prior year; details were provided.

The last section of the CAFR is the Statistical section. Ms. Lucia noted that new standards were issued this year, which totally revised this section, breaking it up into five segments: Financial Trend Information, Revenue Capacity Information, Debt Capacity Information, Demographic and Economic Information, and Operating Information; tables were reviewed in each category and details were provided. Ms. Lucia then concluded her presentation and answered questions from Council regarding SEFA (Schedule of Federal Awards and State Financial Assistance).

(Management Letter)

Karen Mitchell, a partner with KPMG, provided opening comments and explained that KPMG conducted the audit according to government auditing standards. The City of Boca Raton received an unqualified opinion, which is the highest opinion obtainable. Ms. Mitchell then provided an overview of the auditing process and advised that there were no significant audit adjustments. She also indicated that although there were some past audit differences, they were immaterial and added that KPMG found nothing in the CAFR to contradict the basic financial statements. She noted that KPMG had no issues with management and no difficulties in performing the audit; KPMG affirmed that they were independent of the City of Boca Raton throughout the engagement. Ms. Mitchell then addressed the management letter comment regarding the SEFA, pointing out the importance of reviewing the schedule timely for completeness and accuracy. She concluded her remarks and answered questions from Council. Mr. Timberlake also answered questions from Council related to the auditors and their relationship with the City. Council provided positive commentary regarding the accounting staff.

(Annual Investment Report)

Treasury Manager Carol Himes gave the report on the status of the City's investment portfolio as of the Fiscal Year Ending September 30, 2006. The value of the portfolio increased to \$187 million, due to an increase in the fund balance. Ms. Himes then outlined distributions by investment type and maturity; interest rate trends were also identified. She advised that the total rate of return for the investment portfolio was 4.4% at fiscal year end and was fully invested. Ms. Himes concluded her report and answered questions from Council as to how Boca Raton compares with other cities; she stated that the City is very competitive.

Mr. Ahnell referred to the City's net assets of approximately \$719 million and clarified that these were not liquid assets; the only way the City would have \$719 million to spend would be to sell the City's parks, facilities, buildings, and so forth.

5. CITY MANAGER REPORTS:

The City Manager had nothing to report at this time.

6. CITY ATTORNEY REPORTS:

The City Attorney had nothing to report at this time.

7. MAYOR AND COUNCIL MEMBER REQUESTS AND REPORTS:

The Mayor and Council had nothing to report at this time.

The regular workshop meeting of the City Council of the City of Boca Raton, Florida, adjourned at approximately 2:30 p.m. on Monday, April 23, 2007.

Vanessa Hines, Assistant City Clerk