

MINUTES OF THE REGULAR WORKSHOP MEETING
CITY COUNCIL
BOCA RATON, FLORIDA
MONDAY, APRIL 27, 2009
1:30 PM

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

ATTENDING THE MEETING WERE:

Mayor Susan Whelchel
Deputy Mayor Susan Haynie
Council Member Anthony Majhess
Council Member Michael Mullaugh
Council Member Constance Scott

Also attending the meeting were:

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

PROCLAMATION:

Victims' Rights Week – April 26 – May 2, 2009
Police Chief Dan Alexander accepted the proclamation.

1. BOARD INTERVIEWS:

There were no positions advertised.

2. PUBLIC REQUESTS:

Michele Bellisari, Chairman of the Downtown Boca Raton Advisory Committee, referred to a letter sent to the CRA by the Committee, dated April 22, 2009, and then highlighted several issues mentioned in the letter. Specifically, they were as follows: 1) adoption of final design guidelines (pattern book), 2) Transportation Design for Livable Communities, 3) pedestrian crossings at central Palmetto Park Road and NE 2nd Street, and 4) City Hall Quarter Improvements. She asked that Council consider the master plan initiative at the upcoming goal setting sessions and then suggested that her Committee would like the opportunity for regular scheduled updates at all future CRA meetings.

Lenore Wachtel requested that the CRA (Community Redevelopment Agency) meet at a time certain and then asked about costs related to Ray Gindroz and Urban Design Associates, advising that she was still awaiting a response. The City Manager explained that staff was continuing to compile all the documents and would provide her with a copy at the same time copies were given to Council.

Doug White, a resident of Caldwell Heights, voiced opposition to changes taking place at Addison Park, a neighboring subdivision. The following changes were cited: 1) the project went from an upscale community to rental apartments, 2) language regarding a minimum 12-month lease was removed from leasing documents, and 3) the physical appearance of the constructed apartments differed drastically from the upscale project originally presented and approved. Specifically, Mr. White stated that they looked like FAU (Florida Atlantic University) dormitories and asked Council to look into the matter. Lauren White also voiced opposition to the changes to Addison Park and distributed a petition to Council, asking that progress on the project be stopped and the neighborhood protected.

The City Manager advised that staff was reviewing the Addison Park matter. He added that, pursuant to City rules, the applicant went back to the CAB (Community Appearance Board) and requested changes to the visual appearance of the buildings, which were approved by the CAB. However, staff was conducting a full review and would report back to Council, as well as any interested parties.

Linda Campbell, a resident of Sea Ranch Club of Boca, gave a PowerPoint presentation regarding beachfront restoration and asked that beachfront landscaping be provided at Spanish River Park. Ms. Campbell also advised that she had been a member of the City's A1A Task Force. She distributed a handout to Council and advocated a partnership between the condominiums on the beach and the City for beachfront restoration.

3. REVIEW OF REGULAR AGENDA ITEMS:

a. Questions relating to the agenda.

(Consent Agenda Item No. 3.c.1. – Street Resurfacing) Deputy Mayor Haynie questioned what neighborhood would benefit from this additional funding that was found to have failing pavement. Mr. Ahnell advised that this information would be forthcoming tomorrow night.

(Consent Agenda Item No. 3.f. – Resolution No. 61-2009 / Agreement with Greenberg Traurig, P.A. relating to bond counsel services) Deputy Mayor Haynie asked the City Attorney to explain the City's process for choosing bond counsel and how this process meets fairness standards. Ms. Frieser stated that under the Procurement Code there are certain exemptions to the procurement process for certain types of experts, including legal counsel. She explained that, historically, the City has retained legal counsel based on experience and skill and as recommended by the City Attorney's Office; Ms. Frieser noted her memo had been distributed confirming that she recommended this firm. Ms. Frieser also advised that Greenberg Traurig had worked with the City for over ten years and the Financial Services Department wished to continue that relationship. Details were provided.

(Consent Agenda Item No. 3.i. – Resolution No. 64-2009 / Local Agency Program (LAP) Agreement with the Florida Department of Transportation related to enhancements along SW 18th Street) Council Member Majhess questioned whether approval had already been obtained to install bicycle lanes on SW 18th Street. Mr. Ahnell explained that this application would allow the City to draw down funds when, and if, it was decided to move forward with the project; notices are just now being sent out to the neighborhoods to start the public hearing process.

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

a. Financial Reports:

1) Comprehensive Annual Financial Report (CAFR)

Linda Davidson, Deputy Director of Financial Services, gave a PowerPoint presentation on the CAFR for the year ended September 30, 2008. She noted that the City again received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA), this time for the CAFR from September 30, 2007.

Ms. Davidson advised that three new accounting standards were included in this report, which would be reviewed in further detail by Susan Friend of Rachlin LLP. She then explained that the CAFR assists in making economic, social and political decisions, and in assessing accountability to the citizenry. Information was provided on the four sections, which comprise the CAFR: Introductory, Financial, Combining and Individual Fund Statements and Schedules, and Statistical. It was noted that this report did not include the Greater Boca Raton Beach & Park District, the Boca Raton Housing Authority, or the Boca Raton Airport Authority since they are separate, independent agencies. Ms. Davidson then provided information on the City's current economic condition and outlook including, but not limited to, the City's "AAA" rating and Amendment 1. Major initiatives for the year and the future were then reviewed, as were the MD&A (Management's Discussion & Analysis) highlights. There followed charts entitled, "Revenues by Source – Governmental Activities," and "Comparison of Governmental Expenditures Fiscal Year 2007 and 2008;" water and sewer system revenues were also reviewed.

Ms. Davidson then spoke to economic factors and next year's budgets and rates, followed by statistical tables, which included information on financial trends, revenue capacity, a 10-year comparative of ad valorem tax rates, the top five taxpayers in the City, debt capacity, 10-year ratios of outstanding debt by

type (governmental activities and business-type activities), 10-year general bonded debt outstanding, 10-year governmental activities debt, 10-year pledged-revenue coverage for water and sewer revenue bonds, 10-year pledged-revenue coverage for special assessment bonds, 10-year pledged-revenue coverage for tax increment revenue refunding bonds, demographic and economic information, the City's principle employers, and operating information. Ms Davidson and the City Manager answered questions throughout the presentation. Details were provided on all the above.

2) Compliance Reports

Susan Friend, with Rachlin LLP, began her presentation, advising that the City received an unqualified opinion, which is the highest opinion an auditor can give, and then spoke to three new governmental accounting standards implemented by the City in 2008: 1) GASBY 45 – Other Post-employment Benefits (Health care provided to City retirees), 2) GASBY 48 – Sales and Pledges of Revenue (bond disclosure), and 3) GASBY 50 – Pension Disclosure; details were provided on all the above. Ms. Friend referred to SAS 112 and explained that there were no significant deficiencies or material weaknesses in 2008 to report, nor were there any instances of noncompliance regarding internal control. One item was listed in the report as a control deficiency, having to do with capital assets; however, she stated it was not a significant deficiency. Additional details were provided in connection with SAS 112, as well as the SAS 114 letter. The letter communicates the auditor's responsibilities, provides an overview of the audit, and any significant findings. Essentially, there were no significant findings, no disagreements with management and no consultations required; Ms. Friend noted that it was a very clean letter. She commended the City's staff for doing a fine job and then concluded her presentation. Responding to Council, Ms. Davidson explained that the City had taken steps to address the concern related to maintenance of records for capital assets.

3) Annual Investment Report

Carol Himes, City Treasurer, gave a Power Point presentation and spoke to the status of the investment portfolio, which was valued at \$245,000,000 as of September 30, 2008. As of September 30, 2007, it was valued at \$215,000,000. She noted that the increase was due to the issuance of the water/sewer bonds. Ms. Himes outlined distributions by investment type and reviewed charts related to maturity distribution and interest rate trends; details were provided. The housing environment, the mortgage market, the tight credit market, unemployment, and low consumer confidence were still impacting the economy. Consequently, the strategy during these historically low interest rates was to stay in shorter term investments until the investment rates begin to increase. She advised that the total rate of return for the investment portfolio was 3.81% at fiscal year end and then reviewed the investment yields. Ms. Himes indicated that the yield on the portfolio was similar to that of the Merrill Lynch one- to three-year government fund; she then concluded her presentation and answered questions from Council related to bond refunding and trends and strategies for this year. Responding to another query, she advised that she had not reinvested in the State Board of Administration (SBA), which she indicated had made very risky investments resulting in runs on portfolios; details were provided.

4) Long-Range Financial Plan

Merv Timberlake, Director of Financial Services, gave a PowerPoint presentation. He first explained the assumptions that the long-range financial plan is based upon and then reviewed a number of graphs and charts related to General Fund revenue (budget vs. actual), revenue history, expenditure history, early adjustments made to the 2009 budget, property tax assumptions (property taxes are expected to decrease by approximately 8% in FY10), revenue growth, expenditures, pension costs, pension contributions, fund balance, resources forward, General Fund expenditures vs. funds available, a tax bill graph, comparison of property taxes, property tax revenue, the fire assessment fee, new revenue sources, and recommendations. The recommendations included: 1) maintaining the recommended fund balances, 2) exploring additional annexations, 3) exploring other fees for services, 4) be very selective about service additions, 5) continuing emphasis on finding effective cost containment measures, 6) continuing evaluations of long-term effects of decisions, and 7) continuing evaluation of comprehensive cost recovery objectives. Details were provided in each category and questions were answered throughout the presentation by Mr. Timberlake and Mr. Ahnell. Generally, revenues were expected to

continue to decline until approximately 2013; expenditures, particularly pension costs, would continue to rise. Consequently, the challenge was to stay afloat during the next several years as the economy seeks to improve. It was noted that the City of Boca Raton is in much better shape, fiscally, than many other municipalities.

Attention then focused on the Water and Sewer Fund in terms of revenue, operating revenue and expenses, and recommendations. There followed information on the Sanitation Fund, Transportation Fund, Beautification Fund, Stormwater Utility Fund, Golf Course Fund, and the Cemetery/Mausoleum Fund. Mr. Timberlake then concluded his presentation and made himself available for questions.

b. Energy Efficiency and Conservation Block Grant - Discussion

Leslie Harmon, Grants Coordinator, gave a brief overview of the American Recovery and Reinvestment Act (ARRA), also known as the Federal Economic Stimulus Program. She explained how the funds can be tendered and reviewed the City's participation in ARRA funding to date, noting that many programs are not appropriate for the City, due to eligibility requirements or criteria that is simply not favorable to the City. Ms. Harmon advised that Federal departments connected with ARRA funding included the Department of Transportation (DOT), Housing and Urban Development (HUD), the Department of Justice (DOJ), and the Department of Energy (DOE). She spoke to each category, with the exception of DOE, and outlined those items for which the City could obtain funding. She then answered questions from Council as to approximately how much money the City might expect to receive, whether other municipalities might receive more dollars, and whether the City is not receiving money because it had been proactive and responsible. Deputy Mayor Haynie advised that the MPO (Metropolitan Planning Organization) didn't receive funding because the projects submitted were not shovel-ready and the criteria was based on the number of workers to be employed. She explained that some other jurisdictions had huge amounts of workers listed for small sections of roadway improvements. In addition, the City was given credit for the Hillsboro Boulevard extension, which Boca had indicated it would trade for another opportunity to make improvements within the City. Ms. Harmon then gave the floor to Mike Woika, Assistant City Manager, who continued the presentation.

Mr. Woika added that programs and dollars are being released by the Federal government somewhat sporadically, and it is staff's responsibility to keep abreast of same. He also commented on the State's revolving loan program, noting that the criteria targets those communities that have not kept up their infrastructure; since the City has done a good job in that regard, Boca Raton is ineligible and no money would be forthcoming.

Mr. Woika then spoke to the Energy Efficiency and Conservation Block Grant (EECBG), which has \$3.2 billion in funds available directly through the DOE. The purpose of the grant is to reduce energy use and create jobs. Allocation of that money is based on a formula created by DOE; the City's allocation is \$990,300. Mr. Woika cautioned that the City does not get the money straightaway but must submit an application with a project list in order to obtain the funds; specifically, staff was requesting Council's direction as to the projects to include for that money. The deadline for submitting same is June 25, 2009. It was also noted that the funds would need to be committed in 18 months and fully spent in 36 months. There followed a review of funding conditions, DOE guidelines on the use of the money, and eligible project categories. Details were provided on all the above.

Mr. Woika then concluded his presentation and answered questions from Council regarding whether these funds could be used in partnership with local businesses or residents to assist them in becoming more "green," whether this was a one-time grant, and whether there would be fiscal impacts beyond the 36 months, such as future operating expenses. He also advised that projects previously identified by staff, could be used to obtain EEBG funds and then outlined same. In conclusion, Council was being asked as to how staff should proceed with this program. Mr. Ahnell indicated that Council might identify subject areas of interest, which staff would then communicate to the City's partners, such as FAU, Lynn University, and the Chamber of Commerce; staff would then come back to Council with a formal presentation. At this time, Council provided various suggestions as to partnering projects.

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:

Council Member Majhess referred to the MMTD (MultiModal Transportation Districts) and asked that someone from the County engineer's office either participate in the upcoming goal setting sessions or provide a 15-to 20-minute presentation as to where the County stands overall with transportation. Mr. Majhess advised that he had already spoken with George Webb, the County's traffic engineer, about doing a presentation. Mr. Webb indicated that he was available; however, it would be appropriate for Mr. Ahnell to contact the County Administrator, Bob Weisman, in regard to this matter.

Council Member Scott commented positively on Boca Raton Community Hospital, its wellness center and cardiac care unit. She advocated focusing on existing businesses in the community to ensure that they're strong and demonstrate to City residents that we have the best in Boca.

Deputy Mayor Haynie asked the City Manager for an overview of the emails being received about the City's water quality. Mr. Ahnell advised that he would follow up on same at a later date.

The regular workshop meeting of the City Council of the City of Boca Raton, Florida, adjourned at approximately 4:05 p.m. on Monday, April 27, 2009.

Vanessa Hines, Assistant City Clerk