

# CITY OF GREENACRES

## OFFICIAL MINUTES TRACKING

Council/Board: city Council

Meeting Date: 8-10-15

Transcribed by: muf No. of Pages: 17 Transcription Time: \_\_\_\_\_

### REVIEW OF MINUTES

Reviewed By: \_\_\_\_\_

Name/Initials	Date	Revisions	
<u>Dme</u>	<u>8-20-15</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No

### APPROVAL OF MINUTES

Meeting Date: 9-3-15

Motion By: Pearce Seconded By: Dugo

Check One: ☒ Approved ☐ Tabled ☐ Denied Vote: 5/0

Changes requested by Council or Board? ☐ Yes ☒ No

If yes, note changes: \_\_\_\_\_

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Date Scanned and Filed: \_\_\_\_\_ By: \_\_\_\_\_





## **OFFICIAL MINUTES**

**CITY OF GREENACRES  
5800 Melaleuca Lane  
Greenacres, FL 33463**

**CITY COUNCIL MEETING  
Monday, August 10, 2015- 7:00 PM**

### **1. Call To Order and Roll Call.**

Mayor Ferreri called the City Council Meeting of Monday, August 10, 2015 to order at 7:00 p.m. Denise McGrew, City Clerk/Administrative Services Director, called the roll.

#### **ROLL CALL:**

##### Council Present:

Samuel J. Ferreri, Mayor  
Jonathan G. Pearce, Deputy Mayor  
Lisa M. Rivera, Councilwoman  
Judith Dugo, Councilwoman  
Peter A. Noble, Councilman  
Paula Bousquet, Councilwoman

Attendees from Public: 167

Press: 3

##### Staff Present:

Wadie Atallah, City Manager  
James D. Stokes, City Attorney  
Thomas Lanahan, Asst. City Manager/P&E Director  
Denise McGrew, City Clerk/Admin. Svcs Director  
Michael Grimm, Director/Building  
Thomas Hughes, Director/Finance  
Mike Porath, Director/Public Safety  
Carlos Cedeño, Director/Public Works  
Melody Larson, Assistant to the City Clerk

### **2. Pledge of Allegiance to the Flag.**

Mayor Samuel J. Ferreri led the Pledge of Allegiance. Due to the large number of people in the audience, the Mayor announced that PBSO will make their presentation, followed by comments from the Council, then comments from the public with a 3-minute time limit to allow everyone the opportunity to speak.

### **3. Comments From the Public for Agenda Items Only.**

Mayor Ferreri asked if there were comments from the public; hearing none, he continued with the Agenda.

### **4. Agenda Approval.**

A. Additions, deletions, or substitutions to the Agenda.

**B. Motion to approve and adopt entire agenda as set.**

Mayor Ferreri inquired if there were any additions, deletions or substitutions to the Agenda; hearing none, he called for a motion.

**MOTION:** Councilwoman Dugo made a motion to approve the Agenda. Councilwoman Rivera seconded the motion.

**VOTE ON THE MOTION:** In Favor: Deputy Mayor Pearce Tharp, Councilwoman Rivera, Councilman Noble, Councilwoman Dugo, and Councilwoman Bousquet.

**Motion carried: 5 - 0.**

**5. Special Business.****A. Palm Beach County Sheriff's Office Proposal for providing Law Enforcement services in the City.**

Chief Deputy Michael Gauger and Deputy Director George Forman, and Major Ronald Mattino thanked Council for the opportunity to offer a merger proposal to provide law enforcement services to the City that is fair and equitable.

Mayor Ferreri called on comments from City Attorney James Stokes.

Mr. Stokes reported meeting with City Manager Wadie Atallah, Chief Michael Porath and PBSO representatives to review the proposal, followed by e-mails and phone call exchanges to iron out the details. He noted that most issues have been addressed; however, certain risk management issues still exist. He stated it is Council's decision on how best to proceed.

Mayor Ferreri thanked PBSO for their due diligence in looking at the City's assets and resources. He noted three (3) areas of concern:

- 1) The minimum staffing level noted in Section 1.1 is what currently exists. He asked how many officers would be on patrol at any one given time, since this information was not provided in the contract.
- 2) The Pension Plan in Section 4.1E needs some leeway. PBSO is offering to contribute to the 185 Plan and the City is responsible for the difference. He pointed out that the citizens could be on the hook if changes in legislation occur. The City has been in the Florida League of Cities (FLC) Pension Plan for the past 19 years and the guaranteed percentage has changed. If either is lower, the City would have to pay difference. He would like to dissolve the Pension Plan and have the members go into the Florida Retirement System (FRS) Plan.



- 3) Article 12 Term of the Agreement – this is a 10-year agreement with a 5-year cost guarantee and a 7% per year escalator. The 2<sup>nd</sup> 5-year period is open. PBSO is willing to reopen the contract in Year 5 to set a cap; however things change overtime and his interest is on behalf of the citizens.

Major Mattino explained that the City is being provided 4 rotations of 7 officers each, with a minimum staffing of 4 deputies plus a sergeant guaranteed, regardless of sick leave, vacation, retirement or attrition. That does not include a street team, traffic or ancillary units.

Deputy Director George Forman addressed the pension plan. The Pension Plan does not rest with PBSO. During mergers, the information is provided to FRS who evaluates and makes a determination on how to proceed. The City's decision is separate from this agreement. He clarified that the contract states PBSO will make the City's contributions up to the FRS maximum. If FRS allows employees to make the decision during the transition; they can. Although he cannot speak about a long term pension; in order to facilitate the merger, language was needed. Article 12, stipulates that this is a 10-year agreement. Initially, PBSO proposed a 3-year cap of 7%. Mr. Forman noted that most municipalities saw a 3% increase. Mr. Atallah and Mr. Stokes discussed this at length and PBSO agreed to extend the cap to 5 years. Mr. Forman noted that he has a fiduciary responsibility to all taxpayers in Palm Beach County but was not sure what the State Legislature or the Department of Justice may do; PBSO is open to reopening discussions in Year 5 to discuss the remaining 5 years.

Mr. Gauger noted that historically, the other nine (9) municipalities they contract with have not seen unfavorable increases in their budgets; PBSO has worked hard and diligently to keep costs down.

Mayor Ferreri called on Councilmembers for comments.

Councilwoman Rivera asked PBSO to describe the transition to PBSO, their accreditation, and the recent response by PBSO during the serving of an arrest warrant.

Major Mattino explained if the merger does occur, it would take place in February 2016. The 4-5 month window will include each officer being vetted through a 2-week PBSO Field Training Office (FTO) process. He described the lengthy re-accreditation process PBSO just underwent to meet all standards for best practices nationwide.

Councilwoman Dugo stated that she would not apologize for putting the safety of Greenacres citizens first. She referred to Article 6.2 of the contract noting there is no ceiling after 5 years; she was concerned with Year 6. She stated 7% for the first 5 years was acceptable; however she wanted a cap not to exceed something reasonable.

Mr. Forman pointed out that as mentioned earlier, there is certain risk involved. He cannot maintain his fiduciary responsibility in PBC by guaranteeing 10 years out. He offered to reopen and set a cap in Year 5 for the remaining 5 years of the contract. If that was amenable to Council, it would be added, and reminded Council that the original proposal was for 3 years.

Councilwoman Dugo asked if executed, pension issues aside, will the PBA be involved?

Mayor Ferreri explained that the City would first have to contact FRS to get answers to many unanswered questions. Once the merger occurs, those employees are no longer City employees, they become the responsibility of the citizens. He pointed out that what Mr. Forman said about the City not knowing what our costs will be in 10 years is true; however, we can make decisions to control those costs during those 10 years.

Councilwoman Dugo noted that if the merger passes, she suggested creating a reserve to cover the cost of taking back the employees in question. She asked when would PBSO's training and the application process take place.

Major Mattino stated that the 2-week training would take place prior to February 2016 but he could not be more specific due to the upcoming holiday schedule. PBSO is tentatively looking at sometime in November. The expedited application process would begin immediately.

Deputy Mayor Pearce asked what would the maximum number of people be on any given shift and asked PBSO to explain what services citizens would be paying for.

Major Mattino reported four (4) rotations of 7 deputies and two (2) sergeants each. The contract includes a canine unit, helicopter, bomb tech. Currently, PBSO services are provided if available. Mr. Gauger noted that the ad valorem taxes paid by residents cover the County jail.

Deputy Mayor Pearce asked for assurance from PBSO that all Public Safety officers will transfer to PBSO and that they will continue to use Public Safety Headquarters.

Mr. Forman stated that is correct; in addition to four (4) full-time and one (1) part-time employee that are not part of this contract. These employees will go through the same expedited application process and PBSO will use Public Safety Headquarters.

Councilwoman Bousquet asked what are the 4.5 positions mentioned.

Mr. Gauger reported 2 Dispatchers, a Records Supervisor, a Secretary and a part-time Records Clerk.

Mr. Forman explained they would be placed where vacancies exist in PBSO.

Mayor Ferreri asked why weren't the 4.5 employees included in their exhibits?

Mr. Forman explained because the City is not paying for their services.

Councilwoman Bousquet asked for clarification on Article 3, Sections 1-6, asking what additional services would be provided once the contract is implemented.

Mr. Gauger stated that PBSO's Vehicle Homicide Unit is one additional resource. Mr. Forman noted that the ancillary resources are currently provided if available; whereas, the contract would guarantee those services.

Councilwoman Bousquet and Major Mattino reviewed the rotation requirements; the individual resources being offered and accreditation.

Councilman Noble pointed out that the City of Lake Worth has been working with PBSO for the last 7 years and noted that they recently agreed to a 1% increase.

Mayor Ferreri opened the floor to the public. He reminded the audience about the 3 minute time limit.

Sandra Bernstein of 177 Cove Road asked the Mayor how much will PBSO make in this takeover, how much will it cost citizens, if the contract keeps the officers in Greenacres, and if the response time would remain the same.

Mayor Ferreri reported that in Year 1, it will cost citizens \$519,782 more, Year 2: \$867,000 (at a 7% cap). This includes a Fire Chief salary and benefits, software, a 1-time comp time payout which translates to approximately 4 mills for Year 1.

Mr. Forman asked if that amount is offset by the vacation and sick leave PBSO will assume from Day 1 that will not be on the City's books; has that analysis been done?

Councilwoman Dugo and Councilwoman Rivera said no, it had not been done.

Mayor Ferreri said yes, but there will be some new faces on the management team.

Mr. Gauger explained the only time the officers would be outside City limits is to provide assistance with a mutual aid call.

Brian Welever, 520 Spring Meadow Drive, asked how long has this issue been in fruition and why as a citizen, is he just learning about it.

Councilwoman Dugo explained that within last 6-8 weeks during a budget workshop, the Public Safety Director submitted his needs for FY 2016.

Mr. Welever emphasized that the citizens have no idea what's in this contract. With a 7% increase, he would invest in anything with a 7% return, as would Deputy Mayor Pearce. If Lake Worth can negotiate 1%, we could negotiate better than that. We are giving up all our assets that are paid for and handing them over to PBSO. You talk about safety, but it comes down to dollars and cents. What happens in Year 6? The economy is improving so we can expand our department and maintain the control. But you (Council) are handing that control and our City over to PBSO.

Maria Welever believed this issue was being extremely rushed, stating that residents have concerns over the contract; as do some Council. She urged Council to allow the residents to vote on this issue; "citizens should have a voice"; urging Council to postpone.

Benjamin Wade of 3550 S. 55<sup>th</sup> Avenue voiced his support for Greenacres Public Safety and the PBSO; however, it was his belief the City was just handing over everything to PBSO.

Rick Sessa, host of Real Cop Radio, retired police commander of Riviera Beach and a potential candidate for PBSO, noted this is a very important issue and asked where is the Sheriff tonight. PBSO has proven worse with other takeovers and more costly. He urged everyone to look at the crime solvability rate in comparison to other local

agencies. It will be virtually impossible and very costly to take the department back once they go to PBSO. This is an issue that should be made a referendum and placed on a ballot for citizens to vote on.

Jim Crowning, the victim of vandalism of his vehicles, stated that three (3) cover cars at night is not enough; his wife doesn't feel safe and it is getting expensive to fix his cars every time they are vandalized. It's time for a change.

Chuck Shaw a long time resident, said in the last 27 years, this is the single most important issue Council has ever faced. He provided a list of questions to consider. One is the transition of the pension plan. Serving at the time on the Council when the retirement plan was implemented and later serving as Chair of the Pension Board and was concerned that the loss of 75-80 employees out of the Plan, would affect the 104% funding of the Plan. He asked if Councilmembers know the number of employees vested in the plan and the impact such a transition would make. Council has talked about everything except the impact this will have on other departments. If the City will no longer be maintaining as many vehicles, what impact will that have on Public Works, Finance, Human Resources, etc. There has been absolutely no discussion on these items and urged that these are the issues be discussed separate from the level of service provided by PBSO. There are policy decisions you must address such as building maintenance of the existing Headquarters and resolution of conflicts. Council has not asked these questions and Mr. Shaw expect a response.

John Kazajian, President of the Police Benevolent Association (PBA), stated that the morale is very low in Public Safety. PBA represents 99% of the officers in the County and Greenacres has the lowest morale of all. Referring to the "Pay and Benefits" spreadsheet comparing Greenacres to PBSO, he noticed that his members will not receive a step plan, a Cost of Living Adjustment (COLA). He has to look out for his membership because they are frustrated. 5 years ago Council promised to address that issue, but nothing was done. Mr. Kazajian promised to meet with Sheriff Ric Bradshaw. Each officer will have a better paying job.

Roxana Hunt-Gale of 5950 Sunland Court stated that last month Council was looking to increase the millage rate, considering hiring 19 additional employees, and considering giving raises. She stated that this issue was moving too fast. She was not opposed to going with PBSO, but most of her neighbors were questioning whether a City was needed if there is no police department; why not dissolve the City. The Community Center could be donated to non-profit. She urged Council to consider the impact on other employees, asking "please think it through."

Emily Robarts of 6223 Pond Tree Court, asked who would be manning the City during the 2-week training sessions. She was very pleased with Greenacres Public Safety. She pointed out that 7% compounded over 10 years equates to a 100% increase. Perhaps that money could be invested in Public Safety instead.

Major Mattino stated that the training will take place in the City with the help of a PBSO Field Training Officer (FTO) with business as usual.

Greg Rice of 511 Lucerne Avenue, Lake Worth, reported that the City of Lake Worth went through this transition in 2007-2008. The same valid concerns were raised. It was

an important decision and the merger happened. The officers' moral turned around 180° degrees. It was the best move Lake Worth ever did.

Mary Lindsey, a neighborhood leader of Lake Worth, represents Neighborhood Association President's Council, an umbrella of 14 neighborhood organizations. She spoke about the impact that PBSO has had in their neighborhood where a partnership of collaboration was formed and is second to none in PBC. They created the program "Make the Call Y'all", a community based effort to report any suspicious activities in their neighborhoods. 5 years ago a Council minority wanted to go back to having their own police department. Within 72 hours, 300 people showed up at the Community Center to keep PBSO. She urged Council to go with PBSO.

Larry Tibbs, a former Finance Director of Greenacres, stated that in 2010, he was in Greenacres when the first PBSO proposal was submitted. In relation to 5 year projections, he urged Council to be careful of unjustified numbers. He recalled that the Council was told it would cost the City \$5 million to transfer with PBSO. In 2011, the Council had the opportunity to revise Council Policy No. 18, Fund Balance Policy, to include several new reserve classifications. He drafted a policy and the direction was to create as many classifications to redirect funds to the various reserves to make the Fund Balance look like there were no funds available to support any kind of salary increases. He was pleased to see that Council was now having good discussions on their options.

Councilwoman Bousquet provided a handout to Councilmembers regarding Mr. Tibbs and did so for Council to consider before making decisions based on anything further he had to say.

Estelle Friedman of 3820 S. 55<sup>th</sup> Avenue stated that Sheriff Ric Bradshaw is an excellent Sheriff and Rick Sessa's earlier comments using this issue as a political platform was implorable. She noted that Greenacres' police should feel complimented when residents want to keep them in Greenacres; residents are worried about taxes. Greenacres is fortunate to be fiscally sound, with a Mayor who is well respected not only in the County, but the State and the Nation. But lately, she has witnessed that Councilmembers have been extremely disrespectful to him. Our City has been turned into a war zone.

Norma Goldman, a River Bridge resident, stated she has not heard what the big advantage is to join PBSO and paying higher taxes than what citizens currently pay.

Mayor Ferreri explained that the benefit is for the officers; residents will pay more.

Councilwoman Dugo explained that the issue is not only being short-staffed, but morale is the lowest in the County. This proposal gives more protection, more resources and a crime prevention program the City currently does not have.

Toni Whiley of Park Pointe said it sounds like Public Safety is not getting the support from Council, that's why they want to go to PBSO.

Mayor Ferreri seeing no one else come forward, closed the floor to the public and asked Council for comments. From the Chair, Mayor Ferreri reiterated that Mr. Forman did mention that PBSO would add a clause to put in a cap in Year 5. He asked who chose a February 2016 start date? Would March 1, 2016 be better because of the holidays?



Major Mattino said PBSO chose the start date. He was confident that all of the proper training would be completed prior to the merge.

Councilwoman Rivera recapped for the audience that this is a contract and does not require a public vote. She asked PBSO if the City has the best proposal compared to the other municipalities for a 5 year contract not to exceed 7%. She asked if renegotiations can begin in Year 4?

Mr. Forman explained that the majority of the language in this proposal is the same as for all major municipalities. The City of Greenacres' proposal would be the first 5-year guarantee; all others were 3%. For example, Lake Worth just renegotiated their contract without a cap, at a 1% increase. He noted that PBSO would be willing to set a reasonable timeline.

Deputy Mayor Pearce asked PBSO to clarify the 7% cap and to explain the grievance process.

Mr. Forman explained that the 7% is a cap, the highest PBSO could request an increase, it is not a guarantee. In the last 5 years, major municipal contracts have been 3% or under. There are components of the agreement that are decided by the City Manager and PBSO relating to captain appointment that are operational and jointly decided, and renewals are submitted, they have always been able to reach an agreement.

Deputy Mayor Pearce asked PBSO to clarify their ranking system and how it relates to the transition.

Mr. Forman explained that Greenacres Chief and Captain will come over as Lieutenant equivalents, the Lieutenants will become Sergeants, and the Sergeants will maintain their ranks.

Councilwoman Bousquet asked if PBSO considered it a problem to share the building with the Fire/EMS Division.

Major Mattino explained that PBSO evaluated the building. It is the first mixed use PBSO has worked with but found it quite adequate.

Councilwoman Dugo reiterated that the City will forego all of its responsibilities and liabilities for lawsuits. Our current Chief of Police will remain and be the key person along with PBSO's Director of Operations.

Mr. Forman cautioned Councilwoman Dugo about making blanket statements about any and all. Particularly, all existing Worker's Comp claims are the City's, if an employee becomes injured working for PBSO, they will be their responsibility.

Mayor Ferreri asked Mr. Stokes how he would handle the revisions to the contract.

Mr. Stokes explained that Council could go ahead and vote on the contract subject to the changes.

Councilwoman Dugo asked Mr. Stokes if the retirement clause could be added.

Mr. Stokes suggested adding considerably more language to address the retirement clause, but acknowledged that there is sufficient language that City employees will have the right to stay in the 185 Police Pension Plan or switch to FRS if such plan still exists. He noted that is one subject the City will have to discuss with PBA. While outsourcing jobs is a management right, the City has to make itself available to discuss how it impacts the employee, and noted that the City will not need to consider such a decision until February 2016.

**MOTION** Councilwoman Dugo made a motion to execute the contract merger  
: with the Palm Beach Sheriff's Office (PBSO). Councilwoman Rivera  
seconded the motion.

Discussion on the Motion:

Councilwoman Bousquet wanted to resolve pension issues before voting on this contract.

Councilman Noble noted that he was adamantly against this merger; however, with a three (3) vote majority, there's nothing more he can do, stating "those three votes have already decided you will go with PBSO. Every adversity is deceit for an equal and greater reward." He welcomed PBSO.

**VOTE ON** **In Favor:** Deputy Mayor Pearce, Councilwoman Rivera,  
**THE MOTION:** Councilman Noble, and Councilwoman Dugo.  
**Opposed:** Councilwoman Bousquet.

**Motion carried: 4 - 1.**

Mayor Ferreri directed the City Manager and City Attorney to look into the Pension Plan process with FRS.

Mayor Ferreri called for a 5 minute recess at 8:55 pm.

**6. Consent Agenda.**

A. Mayor Ferreri asked Council if they wished to pull the four (4) Consent Agenda item; hearing none, he called for a motion.

1. **Official Minutes:** City Council Meeting of July 20, 2015 – Denise McGrew, City Clerk.
2. **Resolution No. 2015-28:** Authorizing the execution of an Interlocal Agreement for creation of the Palm Beach Metropolitan Planning Organization, including expanding its membership to include the City of Greenacres and the Village of Royal Palm Beach as full members and adding the Village of Palm Springs as a member; and providing an effective date; pursuant to Staff

Memo – Thomas J. Lanahan, Assistant City Manager/Planning & Engineering Director.

3. **Countywide FY 2015 JAG:** Approving the distribution of FY 2016 JAG funds by the Palm Beach County Criminal Justice Commission; pursuant to Staff Memo – Michael L. Porath, Public Safety Director.
4. **FY15 CIP Adjustment:** Authorizing a budget adjustment for FY15 CIP Project No. 303-190, Park Lighting Enhancement, to revise the scope of the project to delete the parking area lighting upgrade at Freedom Park and add the parking area lighting upgrade at the Community Center at Ira Van Bullock Park; pursuant to Staff Memo – Thomas J. Lanahan, Assistant City Manager/Planning & Engineering Director.

**MOTION:** Councilman Noble made a motion to approve the four (4) Consent Agenda items. Councilwoman Rivera seconded the motion.

**VOTE ON THE MOTION:** **In Favor:** Deputy Mayor Pearce, Councilwoman Rivera, Councilman Noble, and Councilwoman Dugo.

*(Councilwoman Bousquet temporarily left the Chambers)*

**Motion carried: 4 - 0.**

**7. Regular Agenda:**

- A. **Ordinance No. 2015-22:** First Reading; Amending Chapter 7, Sections 7-1 through 7-3 of the City of Greenacres Code, as it pertains to Emergency Medical Service Transport Rates; providing for repeal of conflicting ordinances; providing for severability; providing for inclusion in code; and providing for an effective date; pursuant to Staff Memo – Thomas Hughes, Finance Director.

Finance Director Thomas Hughes reported that at the July 6, 2016 City Council Meeting and FY 2016 Budget Workshop, Council directed staff to increase the City's existing ambulance transport rates to match those of Palm Beach County. Ordinance No. 2015-22 amends Sections 7-1 through 7-3 of the City Code, allowing for transport rate changes by Resolution instead of the current Ordinance process for efficiency. He stated staff recommends approval of Ordinance No. 2015-22.

Mayor Ferreri called on Councilmembers for comments.

Councilwoman Rivera asked the City Attorney about resolutions versus ordinances and the County's 5-year timeline for transport rate changes.



Mr. Stokes pointed out that this Ordinance requires two (2) readings and advertising with public notification. The intent of this Ordinance is to change the procedure for adopting rate changes. He suggested that based on what was discussed by some Councilmembers, one idea was to track the County's rate changes and when the County's rates change, so will the City's. This Ordinance does not address that aspect.

Councilwoman Rivera firmly stated that was what she had hoped to accomplish.

Discussion on the speed with which this could be done; looking at how the County adopts rate changes, why change from adopting rate changes by ordinance to adopting by resolution, cost effectiveness; reasons for sidestepping the public process/input; setting an inflationary factor in the ordinance, historically done by ordinance.

**MOTION:** Deputy Mayor Pearce made a motion to approve Ordinance No. 2015-22 on first reading. Councilwoman Rivera seconded the motion.

Discussion on the Motion:

Councilman Noble was concerned with setting a dangerous precedence with changing ordinances versus resolutions, and with a majority vote, the City can be run however Council sees fit. He stated it should be made more difficult on certain issues and agreed with the Mayor; it should remain as an ordinance.

**VOTE ON THE MOTION:** **In Favor:** Deputy Mayor Pearce and Councilwoman Rivera,  
**Opposed:** Councilman Noble, Councilwoman Dugo and Councilwoman Bousquet.

**Motion failed: 3 - 2.**

Mayor Ferreri directed staff to revise the ordinance to mirror the County's rates.

- B. **Council Policy No. 18 Fund Balance Policy:** Authorizing revisions to the policy; pursuant to Staff Memo – Thomas Hughes, Finance Director.

Mr. Hughes reported at the July 6, 2016 City Council Meeting and FY 2016 Budget Workshop, changes to the Fund Balance Policy were required to be implemented prior to utilizing reserves to fund the Community Center expansion and capital improvement projects for FY 2016 and beyond. He reported that the Emergency & Disaster Reserve would be reduced to a flat \$1 million, the Budget Stabilization Reserve would be eliminated, and the Unassigned Reserves would be reduced from 25% to 20% of budgeted operating expenses. These changes would allow a \$5.4 million to be transferred to the three (3) CIP funds. Staff recommends approval of Council Policy No. 18 as amended.

Mayor Ferreri called on Councilmembers for comments.

**MOTION:** Councilwoman Rivera made a motion to approve Council Policy No. 18 as amended, moving all funds to the Unassigned Fund Balance. Deputy Mayor Pearce seconded the motion.

Discussion on the Motion:

Mayor Ferreri was concerned with this action affecting the City's ability to qualify for the Government Financial Officer's Association (GFOA) Distinguished Budget Award. Deputy Mayor Pearce said it would not affect anything. Mr. Hughes pointed out that there are certain requirements to keep some of the reserves like non-spendables. He agreed that the GFOA does require having a fund balance policy in place.

**MOTION TO TABLE** Councilman Noble made a motion to table Council Policy No. 18 to the August 18 and 24 Budget Workshops to consider the ramifications by amending the Fund Balance Policy. Councilwoman Bousquet seconded the motion.

**VOTE ON THE MOTION:** **In Favor:** Councilman Noble, Councilwoman Dugo, and Councilwoman Bousquet.  
**Opposed:** Deputy Mayor Pearce, Councilwoman and Rivera.

**Motion carried: 3 - 2.**

**8. Comments from the Public.**

**9. Discussion Items:**

Foreclosure Registration Program

Deputy Mayor Pearce reminded Council that in 2010, he had proposed establishing a foreclosure registration program when the number of foreclosures in the City was estimated at 1100.

Scott Blasi of Community Champions, provided a brief history of the Melbourne-based company and reported on currently administering more than 50 communities in Florida and 80 nationwide. He reported that this is a no-cost program for the City, and focuses on holding the mortgagee accountable for maintenance and registration of properties. A \$200 fee is paid by the mortgagee and are not passed on to homeowners; 50% goes to the City. The services they provide are a tool to assist code enforcement in driving property maintenance compliance.

Mayor Ferreri called on Councilmembers for comments.

Councilman Noble asked what source was used in determining the number of foreclosures in Greenacres and asked the age of the data being presented.

Mr. Blasi reported that they came from the Property Appraiser's Office, the PBC Tax Collector and the County Clerk and Comptroller, and a third party that reports monthly. The number of active foreclosures in Greenacres is 1,242 properties and of those there are estimated to be 750-930 current cases. He reported that the compliance rate is 80-90% registration compliant.

Councilwoman Bousquet asked about the issues with Freddie Mae and Freddie Mac in Chicago a few years ago.

Mr. Blasi reported that the City of Chicago enacted an ordinance charging excessive registration fees; security had to be provided 24/7 for those properties; and the issue became somewhat political. The suit was settled and Chicago amended their ordinance.

Councilman Noble asked if there was a real estate connection to this proposition.

Mr. Blasi explained that his firm does offer the ability to access their revitalization program with no fees to the community. They serve as a liaison between the community and banks and work with staff to help revitalize properties.

Councilwoman Dugo asked Building Official Michael Grimm for his opinion.

Mr. Grimm stated that after contacting Wellington, Royal Palm Beach, Boynton Beach, West Palm Beach and the County; they all mentioned the benefits particularly related to nuisance abatement, although issues with the banks still exist and code enforcement procedures must still be followed. They report that the revenues generated are also beneficial.

Councilwoman Rivera asked if he was in favor of the program.

Mr. Grimm stated it has been a good program and has helped a lot of cities that had many vacant and abandoned foreclosed homes. Greenacres does not have many abandoned or neglected properties; the City deals more with occupied homes not in foreclosure that have overcrowding or over-parking issues but added that the program has its merits. He reported that with over 17,000 residential units in the City; the exterior of approximately 10,000 of those units are maintained by homeowner associations.

Councilwoman Rivera asked if this program would benefit District I, specifically the Swain Boulevard area where the Community Center is located.

Councilwoman Bousquet asked Mr. Grimm what, if anything, had changed since the last time this topic was raised. At the time, she recalled him stating that the program would create more work for his staff.

Mr. Grimm reported remaining neutral on the subject. He explained that the program does not determine the condition of the property of whether it is abandoned, vacant or foreclosed; there are very few abandoned homes in the City. He was concerned that many properties would have to pay a registration fee that were not in a neglected state.



Councilwoman Bousquet asked, "So this is not just for vacant homes, it is for any property that is in foreclosure"?

Mr. Blasi stated that is correct; the lion's share of foreclosures results in vacancies and the advantage of registering those properties is that the City would already have the contact data. It then becomes a matter between the banks, the City and the registry process. This program is a compliment to the nuisance abatement process.

Deputy Mayor Pearce asked Mr. Blasi to disclose his past work experience with the City of Boynton Beach.

Mr. Blasi stated he was a Code Enforcement Officer for the City of Boynton Beach for 22 years, now retired, and is still a certified Code Enforcement Officer. He explained that any liens placed on a property get attached to other properties that the mortgage holder may own. When the bank tries to mitigate the lien, the program holds them accountable to comply with the other cities involved in the registration portion; it leverages liens.

Mr. Grimm pointed out that if the property goes into foreclosure, the lien would be eliminated; City liens do not have priority over the mortgage.

Mr. Blasi explained it depends on the timing of the filing of the lien.

Mayor Ferreri pointed out that based on the City's makeup of so many homeowner associations, he believed only the Original Section and perhaps a few other neighborhoods not part of an association would benefit. He questioned the 750-930 properties in foreclosure and believed it was closer to 260. If Council wants to charge a fee as mitigation for overgrown properties that was fine.

Deputy Mayor Pearce pointed out that a sign is placed in the window, the homeowner association calls the number on the sign, and they have so many days to respond.

Mr. Blasi explained that in one case his homeowner association maintained a unit that had a hole in the roof that a neighbor reported. The County contacted the homeowner. Chase Bank owned the property, his firm got involved as did the County Building Official, and Chase Bank paid for a new roof. He believed this was a homeowner associations' solution to a big problem.

Councilwoman Dugo asked if his company strictly enforces registration or can it force condo associations to cleanup condo units in disrepair.

Mr. Blasi explained that no, his firm cannot force associations to cleanup units in disrepair; however, if Council passes an ordinance, the ordinance will hold the mortgagee accountable.

Mayor Ferreri called for a consensus.

Councilwoman Rivera believed this program would be beneficial for her district.

Councilman Noble was against the program.

Councilwoman Dugo was in favor of the program.

Deputy Mayor Pearce introduced the program.

Councilwoman Bousquet was in favor of the program.

Mayor Ferreri instructed staff to research and prepare a draft ordinance.

**10. Staff Comments:**

**A. City Manager's Report:**

City Manager Wadie Atallah expressed taking great exception to the comments made earlier that questioned the honesty and integrity of staff that prepared the cost analysis for Council Policy No. 18, stating "any insinuation that the information provided to Council was inaccurate or misrepresented is completely false and without merit. At the end of the day, we only have our integrity." Mr. Atallah emphasized that he takes great pride in the accuracy of the financials that are reviewed by not only external auditors, but the State, and the Government Financial Officer's Association (GFOA). The City has received numerous awards for its budget and for its CAFR in meeting the highest standards in the preparation of financial reporting; the City's record speaks for itself. He further stated "the insinuation is completely insulting and without merit. The information staff provides Council is the most accurate information without bias. Council creates policy, staff implements those policies. Throughout the years the City has had many employees move in and out of the Finance Department, and I take great exception to the embarrassing and insulting comments made earlier that were made without merit."

Mr. Atallah announced the upcoming Council Meeting on August 17<sup>th</sup> which provides staff a short turnaround timeframe, followed by a Budget Workshop on August 18<sup>th</sup> to discuss the impact of the decisions made here tonight related to the Budget.

**B. City Attorney's Report. None.**

**11. Mayor and City Council Reports.**

Revisions to Council Policies No. 7, 12, and 19

Councilwoman Rivera requested that Council Policy No. 7, Citizen Comments From the Floor; Council Policy No. 12, Deputy Mayor Appointment; and Council Policy No. 19, City Attorney Responsibilities be placed on the August 17, 2015 City Council Agenda as Discussion Items.

Councilwoman Rivera stated she wanted to meet with the City Attorney to completely rewrite Council Policy No. 7, she would be asking Council to abolish Council Policy No. 12 and she also wanted to revise Council Policy No. Policy 19, and requested the Mayor to decide what agenda he would like to add these items to.

Mayor Ferreri suggested that Councilwoman Rivera raise her requests at the August 17, 2015 City Council Meeting.

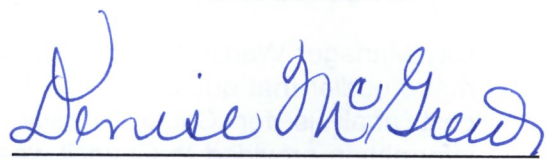
12. **Adjournment.**

Mayor Ferreri inquired if there were any additional comments; hearing none, he adjourned the meeting at 10:13 p.m.

CITY COUNCIL

Respectfully submitted,

  
\_\_\_\_\_  
Samuel J. Ferreri  
Mayor

  
\_\_\_\_\_  
Denise McGrew,  
City Clerk/Administrative Services Director

Date Approved: 9-3-15

/mel

Attachments







## BROWARD OFFICE OF THE INSPECTOR GENERAL

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### FOR IMMEDIATE RELEASE

March 26, 2012

#### ***Gross Mismanagement of Public Funds by the City of Lauderdale Lakes***

Broward Inspector General John W. Scott announced today that the Broward Office of the Inspector General (OIG) has issued a report finding that officials of the City of Lauderdale Lakes (City) have grossly mismanaged public funds entrusted to its care. As a result, in less than four years, the City went from having over \$6 million in general fund reserves to being unable to satisfy \$9 million in debts for public safety costs, as well as incurring a \$2.5 million debt to its own Community Redevelopment Agency (CRA).

The OIG investigation uncovered multiple instances of gross mismanagement, including financial decisions which ultimately led to the City's present condition. Specifically, the OIG investigation determined that the City's former Finance Director, Larry Tibbs, under the authority of the former City Manager, Anita Fain-Taylor, continued to propose inflated revenue estimates that ignored the downturn in the economy and multiple financial red flags. While actual City revenues were declining by the millions, Mr. Tibbs employed various maneuvers to supply inflated and unsupported estimates for a fictitious revenue budget of over \$18.6 million. The OIG investigation also substantiated allegations that the City's CRA funds were improperly used to pay City operating expenses, a practice which the Chairman of the CRA Board—who was not aware of it at the time—described as a “shell game.” The City never paid the tax revenues owed to the CRA in 2010, and used a non-existent services agreement to budget for \$800,000 in revenues from the CRA in 2011. Finally, our investigation found that although the City's elected officials were misled about the City's financial condition, they also failed to properly review and comprehend written reports submitted by independent auditors, and failed to demand more frequent financial reports from the City administration.

We note that while audits and inquiries of the City's finances have been conducted by other agencies, they were limited to narrow areas of concern, so that the extent and gravity of gross mismanagement has otherwise not been depicted. In short, the untenable missteps by the City administration catalogued in this report serve as a primer for how *not* to manage taxpayer monies, a state of affairs which simply cannot be repeated by either the City or any other Broward municipality.

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John W. Scott, *Inspector General*

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www.browardig.org • 954-357-TIPS

Please address the following questions during the meeting.

- 1 Please explain the impact(s) of the transition to our retirement plan. Does this have any possible impact if we lose a large number of employees going into FRS?
2. What is the position of the City for officers or other employees who are not employed by the PBSO?
3. Explain the source of funding for the estimated \$300K in transition fees.
4. If the PBSO will own and maintain automobiles will we have to lay off public works employees since we do not do that function anymore?
5. Same question regarding HR, Finance, admin etc.?
6. Explain the grievance system if there is a conflict between the City and the PBSO.
7. How will employees be transitioned be impacted when their ranks are changed?
8. Explain the relationship with the City building having two separate agencies . Who uses what? Who maintains the site?
9. Why was the original contract 5 years and now 10?
10. How is the PBSO protected from interference by council members? What is the City Manager's role?
11. How will regular articulation be handles?