MINUTES OF THE REGULAR MEETING OF THE NAPLES CITY COUNCIL HELD IN THE COUNCIL CHAMBERS, NAPLES, FLORIDA, ON WEDNESDAY, APRIL 16, 1980, AT 9:05 A.M.

Present: R. B. Anderson Mayor

C. C. Holland
Harry Rothchild
Wade H. Schroeder
Randolph I. Thornton
Edward A. Twerdahl
Kenneth A. Wood
Councilmen

Also present: Edward C. Smith, Assistant to the City Manager
David W. Rynders, City Attorney
John McCord, City Engineer
Reid Silverboard, Chief Planner
Franklin Jones, Finance Director

Mark Wiltsie, Purchasing Supervisor

Barry Wershaw, Planner I

Reverend Father James Nunan Mr. & Mrs. J. B. Morgan Williams Vines Sergio E. G-Montes Harold Yegge Clayton Bigg Robert Talley Mr. Sexton Paul Anthony Robert Russell Sam Aronoff Nedra Rooney Walter Keller Mr. & Mrs. Grant Lyle Richardson Miles Scofield William Shearston Wayne Lynn Clifford Hardy George Hermanson Gilbert Weil

News media: Ed Warner, TV-9
David Henry, Miami Herald
Gary Baranik, Naples Daily News
Paul Stanford, TV-9
Frank Rinella, Fort Myers News Press
Bob Barber, WEVU-TV
Rich O'Reilly, WRGI

Mayor Anderson called the meeting to order at 9:05 a.m.; whereupon Reverend Father James Nunan of St. Peter's Catholic Church delivered the Invocation, followed by the Pledge of Allegiance to the Flag.

## AGENDA ITEM 3. APPROVAL OF MINUTES

Mayor Anderson called Council's attention to the minutes of the Workshop Meeting of April 1, 1980 and the Regular Meeting of April 2, 1980; whereupon Mr. Thornton moved approval of both sets of minutes as presented, seconded by Mr. Wood and carried by consensus.

AGENDA ITEM 4. Community Development Department/Naples Planning Advisory Board:

AGENDA ITEM 4-a.(1) Naples Planning Advisory Board recommendation to deny Variance Petition No. 80-V2 - Appeal from Section 5.2(E) of the Zoning Ordinance, which requires a minimum lot width of 100 feet; and from Section 14.23.1, which defines Lot Width as the horizontal distance between side lot lines, measured at right angles to the lot depth at a point midway between the front and rear lot lines; to permit a lot width of 62 feet for Lot #5 of the proposed Fairlington Subdivision. Petitioner: Caspian Florida, Inc.

AGENDA ITEM 4-a. (2) PUBLIC HEARING and recommendation of Naples Planning Advisory Board to approve the Preliminary Plat Plan for Fairlington Subdivision located on east side of Gordon Drive, approximately 1000 feet south of Champney Bay Court, and 1100 feet north of Cutlass Lane. Petitioner: Caspian Florida, Inc.

Mayor Anderson asked if anyone was present to speak to this subject. William Vines, representing the petitioner, addressed Council and reviewed the petition, the reasons for denial by the Planning Advisory Board and the alternative proposal approved by the Planning Advisory Board. He requested that Council not follow the recommendation of denial by the Planning Advisory Board. City Attorney Rynders noted that it was his opinion that this was the classic example of where a variance is appropriate. Mayor inderson noted that 4-a. (2) called for a Public Hearing and he opened the Public Hearing at 9:21 a.m.; whereupon Mr. J. B. Morgan spoke against granting the variance. There being no one else to speak for or against, the Mayor closed the Public Hearing at 9:25 a.m. Reid Silverboard, Chief Planner, noted that there was an alternative of making four lots rather than five and consequently the staff had recommended denial of the request for variance. Clayton Bigg, Chairman of the Planning Advisory Board spoke in defense of their recommendation. Mr. Twerdahl moved to accept the recommendation of the Planning Advisory Board to deny the request for variance, seconded by Mr. Schroeder and motion failed on roll call vote 2-5 with Mr. Schroeder and Mr. Twerdahl being the only "Yes" votes. Further discussion followed concerning the below titled resolution.

A RESOLUTION APPROVING THE PRELIMINARY PLAT FOR THE FAIRLINGTON SUBDIVISION, LOCATED ON THE EAST SIDE OF GORDON DRIVE, BEING A PORTION OF SECTION 21, TOWNSHIP 50 SOUTH, RANGE 25 EAST, AND PROVIDING AN EFFECTIVE DATE.

Mr. Holland moved to amend the above resolution title to read "A resolution granting a variance from Section 5.2(E) of Appendix "A" - Zoning, of the Code of Ordinances, to reduce the required minimum 100 foot lot width for Lot #5 of Fairlington Subdivision, located on the East side of Gordon Drive, being a portion of Section 21, Township 50 South, Range 25 East, and approving the preliminary plat for the Fairlington Subdivision; and providing an effective date" and moved to adopt Resolution 3509 as amended, seconded by Mr. Rothchild and carried on roll call vote, 5-2 with Mr. Schroeder and Mr. Twerdahl voting no.

AGENDA ITEM 4-a. (3) A resolution approving the Record Plat for Fairlington Subdivision; located on a 3.5 acres of land on the east side of Gordon Drive, approximately 1000 feet south of Champney Bay Court and 1100 feet north of Cutlass Lane. Requested by Caspian Florida, Inc.

City Attorney Rynders read the below amended resolution by title for Council's consideration.

A RESOLUTION APPROVING THE RECORD PLAT FOR THE FAIRLINGTON SUBDIVISION AS AMENDED DELETING OUTLOT #5, LOCATED ON THE EAST SIDE OF GORDON DRIVE, BEING A PORTION OF SECTION 21, TOWNSHIP 50 SOUTH, RANGE 25 EAST; AND PROVIDING AN EFFECTIVE DATE.

Mr. Thronton moved adoption of Resolution 3510 as amended, seconded by Mr. Wood and carried on roll call vote, 5-2 with Mr. Twerdahl and Mr. Schroeder voting no.

AGENDA ITEM 4-b. (1) Naples Planning Advisory Board recommendation to approve Variance Petition No. 80-V3 - Appeal from Section 5.11(F) of the Zoning Ordinance, which requires a 10 foot front yard setback; to allow a portion of the proposed redesigned facade of the Marine Savings and Loan facility to encroach up to 6 inches into the public right-of-way. Petitioner: Marine Savings and Loan.

City Attorney Rynders read the below captioned resolution by title for Council's consideration.

A RESOLUTION GRANTING A VARIANCE FROM THE PROVISIONS OF SECTION 5.11F(1) OF APPENDIX "A" - ZONING, OF THE CODE OF ORDINANCES OF THE CITY OF NAPLES, TO ALLOW REMODELING OF AN EXISTING STRUCTURE AT 405 8TH STREET SOUTH, MORE PARTICULARLY DESCRIBED HEREIN; AND PROVIDING AN EFFECTIVE DATE.

Mr. Thornton moved to adopt Resolution 3511 accepting the recommendation of the Planning Advisory Board to grant the Variance, seconded by Mr. Rothchild. Mr. Robert Talley, representing the petitioner, presented himself to answer any questions that Council members had. Motion carried on roll call vote, 7-0.

AGENDA ITEM 4-b. (2) PUBLIC HEARING and recommendation of the Naples Planning Advisory Board to approve Special Exception Petition No. 80-S2 - permission to construct a 2-bay drive-up teller window facility on the east side of the Marine Savings and Loan facility located at 405 8th Street South. Petitioner: Marine Savings and Loan.

Mayor Anderson opened the Public Hearing at 9:44 a.m.; whereupon City Attorney Rynders read the below referenced resolution by title for consideration by Council.

A RESOLUTION GRANTING A SPECIAL EXCEPTION TO CONSTRUCT A DRIVE-UP TELLER WINDOW FACILITY ON THE EAST SIDE OF AN EXISTING STRUCTURE AT 405 8TH STREET SOUTH, MORE PARTICULARLY DESCRIBED HEREIN, SUBJECT TO THE CONDITIONS SET FORTH HEREIN; AND PROVIDING AN EFFECTIVE DATE.

There being no one to speak for or against, the Mayor closed the Public Hearing at 9:45 a.m.; whereupon Mr. Thornton moved to adopt Resolution 3512, seconded by Mr. Holland, and carried on roll call vote, 7-0.

Let the record show that Mr. Holland left the Council table at 9:46 a.m.

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AGENDA ITEM 4-c. Recommendation of the Naples Planning Advisory Board to approve Rezone Petition No. 80-R9 - Change of zone from "C3", Heavy Business, to "C-2", General Commercial, encompassing Undivided Block I and II, less west 100 feet and vacated street; Undivided Block III, River Park Subdivision; East side of Goodlette Road and north and south of 5th Avenue North. Requested by City of Naples.

Mayor Anderson noted that this was another of a series of zoning changes to conform with the Comprehensive Plan. Mr. Twerdahl moved that the City Clerk be directed to notify the affected property owners that a Public Hearing on this Re-zone petition would be held on May 21, 1980, seconded by Mr. Schroeder and carried on roll call vote, 6-0 with Mr. Holland being absent from the Council table.

AGENDA ITEM 5. PUBLIC HEARING to consider proposed boat slip expansion involving dredging activities, located at 2163 21st Court South, fronting on Naples Bay. Owner: W. G. Pace; Agent: Scofield Marine.

Mayor Anderson opened the Public Hearing at 9:47 a.m.; whereupon City Attorney Rynders read the below titled resolution by title for consideration by Council.

A RESOLUTION AUTHORIZING EXPANSION OF A BOAT SLIP REQUIRING DREDGING ACTIVITIES, AT 2163 - 21ST COURT SOUTH, FRONTING ON NAPLES BY, SUBJECT TO THE CONDITIONS SET FORTH HERIN; AND PROVIDING AN EFFECTIVE DATE.

Miles Scofield representing the owner Dr. Pace, addressed Council and reviewed the background of this request. There being no one else to speak for or against, the Mayor closed the Public Hearing at 9:49 a.m.; whereupon Mr. Thornton moved adoption of Resolution 3513, seconded by Mr. Twerdahl and carried on roll call vote, 6-0 with Mr. Holland being absent from the Council table.

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Let the record show that Mr. Holland returned to the Council table at 9:50 a.m.

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AGENDA ITEM 6. First reading of ordinances.

AGENDA ITEM 6-a. An ordinance rezoning undivided Block I and II, less wet 100 feet and vacated street, and Undivided Block III, River Park, (located on the east side of Goodlette Road, north and south of Fifth Avenue North) from "C3", Heavy Business, to "C2", General Commercial; directing that the Zoning Atlas be revised to reflect said rezoning; and providing an effective date. Purpose: To rezone the property described herein in conformance with the City's Comprehensive Plan. (Pursuant to Item 4-c above.)

City Attorney Rynders read the above captioned ordinance by title for consideration by Council on First Reading. Mr. Thornton moved approval of this ordinance on First Reading, seconded by Mr. Holland and carried on roll call vote, 7-0.

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Let the record show that Mayor Anderson recessed the meeting at 9:51 a.m. and reconvened the meeting at 10:05 a.m. with all members of Council present except Mr. Holland who returned at 10:06 a.m.

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AGENDA ITEM 7. Discussion/action regarding funding plans for Carver Site housing development. Requested by City Manager

Mayor Anderson noted that there had been a presentation on this subject at the Workshop Meeting yesterday by Mr. Wayne Lynn, Regional Director for National Corporation for Housing Partnership. He also noted the presence of Mr. Clifford Hardy this date who would be active in the financial end of this situation. Mr. Lynn again reviewed his presentation given at the Workshop and as summarized in his letter to Mayor Anderson dated March 25, 1980 (Attachment #1). Mr. Rothchild voiced several questions he had concerning the language used in the proposed resolution and Articles of Incorporation attached to it. City Attorney Rynders affirmed that he was satisfied with the language in the resolution. City Attorney Rynders read the below captioned resolution by title for consideration by Council.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPLES, FLORIDA, RELATING TO THE INCORPORATION OF THE CARVER FINANCE CORPORATION AND THE FINANCING OF THE GEORGE WASHINGTON CARVER PROJECT; AND PROVIDING AN EFFECTIVE DATE.

Mr. Schroeder moved adoption of Resolution 3514, seconded by Mr. Twerdahl. Mr. Rothchild noted that he had several questions about the Articles of Incorporation. City Attorney Rynders noted that the Articles of Incorporation could not be changed without approval of Council. Mr. Rothchild indicated his desire to review them at this time. Mr. Schroeder moved to call the question. Roll call vote on calling the question 6-1 with Mr. Rothchild voting no. City Attorney then instructed Council to vote on the motion on the floor. Motion carried on roll call vote, 6-1, with Mr. Rothchild voting no.

City Attorney Rynders then read the below referenced resolution by title for consideration by Council.

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE A LEASE BETWEEN THE CITY OF NAPLES AND NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS, PROVIDING FOR THE LEASING OF THE CARVER SITE BY THE CITY TO SAID CORPORATION FOR THE PURPOSE OF CONSTRUCTING AND MANAGING A LOW AND MODERATE INCOME HOUSING PROJECT, TO BE KNOWN AS THE "GEORGE WASHINGTON CARVER PROJECT"; AND PROVIDING AN EFFECTIVE DATE.

Mr. Schroeder moved adoption of Resolution 3515, seconded by Mr. Twerdahl and carried on roll call vote 7-0. Mr. Clifford Hardy, President of the First Housing Development Corporation of Florida, presented himself and reviewed the structure and operation of his company; he also answered questions from Council members regarding the operation.

AGENDA ITEM 8. Appointment of members to Naples Planning Advisory Board. Requested by Mayor Anderson.

City Attorney Rynders read the below captioned resolution by title for Council's consideration, adding that the names of the two candidates chosen by Council would be inserted when the resolution was retyped after the selection of the appointees.

A RESOLUTION APPOINTING TWO MEMBERS TO THE PLANNING ADVISORY BOARD; AND PROVIDING AN EFFECTIVE DATE.

Mr. Schroeder nominated John Nagel and Earle Johnson, seconded by Mr. Twerdahl. Mr. Thornton and Mr. Wood stated that they would like to see the candidates voted on one at a time rather than grouped together. Mr. Rothchild stated that he would like to see the incumbent members be retained. Mr. Rothchild moved to amend Mr. Schroeder's motion to nominate only Mr. Adams. His motion died for lack of a second. Original motion failed on roll call vote, 2-5 with Mr. Schroeder and Mr. Twerdahl being the only "Yes" votes. Mr. Thornton nominated Mr. Billings to be appointed to the Planning Advisory Board, seconded by Mr. Wood and carried on roll call vote 4-3, with Councilmen Schroeder and Twerdahl and Mayor Anderson voting no. Mr. Thornton nominated Mr. Johnson to be appointed to the Planning Advisory Board, seconded by Mr. Holland and carried on roll call vote 4-3, with Councilmen Rothchild and Twerdahl and Mayor Anderson voting no. Pursuant to the above nominations, Resolution 3516 appointing Roger Billings and Earle Johnson to the Planning Advisory Board was approved.

AGENDA ITEM 9. A resolution regarding certification of drainage easement - Atlantic Coast Line right-of-way. Requested by City Engineer.

City Attorney Rynders read the below referenced resolution by title for consideration by Council.

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE THE CERTIFICATION ON THE MAP ATTACHED HERETO, RELATIVE TO MAINTENANCE OF THE DRAINAGE DITCHES SHOWN THEREON; AND PROVIDING AN EFFECTIVE DATE.

The City Attorney pointed out that these ditches were vital to the City's drainage system. Discussion centered on whether or not to include the area from the northern City limit, Creech Road, down to U.S. 41 parallel with Goodlette Road. Mr. McCord, City Engineer, noted that the County has indicated intent to purchase all of the railroad right-of-way down to 14th Avenue North and this action will guarantee the City's access to the ditches south of 14th Avenue North. It was the consensus of Council that if the County wanted the City to certify easement to the remaining area north of 14th Avenue North to Creech Road, they would take that under consideration at a later date. Mr. Twerdahl moved adoption of Resolution 3517 as amended, seconded by Mr. Schroeder and carried on roll call vote. It was the consensus of Council that the resolution was not specific enough in referring to the map and City Attorney Rynders noted that he would add descriptive language. The amended title is below.

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE THE CERTIFICATION ON THE MAP ATTACHED HERETO AND DESCRIBED HEREIN, RELATIVE TO MAINTENANCE OF THE DRAINAGE DITCHES SHOWN THEREON; AND PROVIDING AN EFFECTIVE DATE.

Mr. Twerdahl agreed to the amendment and Mr. Schroeder did also. Motion carried on roll call vote 5-2, with Mr. Holland and Mr. Wood voting no.

AGENDA ITEM 10. Discussion/action regarding pending state legislation. Requested by City Manager.

Mayor Anderson noted a memorandum from City Manager Patterson dated April 11, 1980 (Attachment #2). City Attorney Rynders noted that the most effective way to either oppose or encourage pending legislation was to write letters to the legislators. Assistant to the City Manager Ed Smith elaborated on the City Manager's memorandum. He made reference to the proposed ordinance on gasoline stations posting price signs. It was the consensus of Council to direct the City Manager to circulate the proposed ordinance to the Chamber of Commerce, Civic Association and property owners' associations. It was also the consensus of Council that the Mayor should write letters supporting Item No. 1 and opposing Item No. 2 mentioned in the City Manager's memo.

AGENDA ITEM 11. Purchasing.

AGENDA ITEM 11-a. Bid Award - Resurfacing of three tennis courts at Cambier Park

City Attorney Rynders read the below titled resolution by title for Council's consideration.

A RESOLUTION AWARDING BID FOR RESURFACING THREE (3) TENNIS COURTS AT CAMBIER PARK; AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE A CONTRACT THEREFOR; AND PROVIDING AN EFFECTIVE DATE.

Mr. Wood moved to adopt Resolution 3518, seconded by Mr. Twerdahl and carried on roll call vote 7-0.

AGENDA ITEM 11-b. Auto and truck bids.

City Attorney Rynders read the below captioned resolution by title for Council's consideration.

A RESOLUTION AWARDING BIDS FOR THE CITY'S ANNUAL REQUIREMENTS FOR AUTOMOBILES AND TRUCKS; AUTHORIZING THE CITY MANAGER TO ISSUE PURCHASE ORDERS THEREFOR; AND PROVIDING AN EFFECTIVE DATE.

Mr. Holland stated that he didn't recall that a review of the bidding procedure had been carried out as Mayor Anderson had requested a few months back. He noted that there was response from only one local bidder on this item. Mark Wiltsie, Purchasing Supervisor,

confirmed that all local suppliers had been sent an invitation to bid but that local bidders were upset because bids had been awarded out of town in the past. Mr. Holland asked that this matter be discussed at the next Workshop Meeting. Mr. Rothchild indicated his desire to review each item in the bid; whereupon Mayor Anderson asked him if he had a specific item in mind. Mr. Rothchild withdrew his request. Mr. Thornton moved to adopt Resolution 3519, seconded by Mr. Wood and carried on roll call vote 5-2, with Mr. Holland and Mr. Rothchild voting no.

AGENDA ITEM 12. A resolution authorizing execution of Change Order No. 1, relative to the citywide drainage study; and providing an effective date. Requested by City Engineer.

City Attorney Rynders read the below referenced resolution by title for consideration by Council.

A RESOLUTION AUTHORIZING EXECUTION OF CHANGE ORDER NO. 1, RELATIVE TO THE CITYWIDE DRAINAGE STUDY; AND PROVIDING AN EFFECTIVE DATE.

John McCord, City Engineer, responded to Mayor Anderson's question that this was an increase of \$3230 plus about \$760. Council asked him and George Hermanson, project engineer for consultant CH<sub>2</sub>M Hill, further questions about why this increase was necessary. Mr. Hermanson stated that the original scope of work noted 17 lakes and there were actually 23 lakes that needed to be included in the study. In response to a question from Mayor Anderson, Mr. McCord stated that the increase could be obtained from capital improvement funds where some projects had been brought in under budget. Mr. Twerdahl moved adoption of Resolution 3520, seconded by Mr. Schroeder and carried on roll call vote, 7-0.

## CORRESPONDENCE AND COMMUNICATIONS

Assistant to the City Manager Ed Smith gave Council an up-date on the lethal yellowing situation, noting that the City had taken care of the innoculations necessary in the City.

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Assistant to the City Manager Ed Smith reported that the City was working with the Committee for the Summer of '80 Art Festival and the expected approximate cost for security lighting and construction of some pedestals would be about \$10,000 to be split between the City and the County.

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Mr. Wood expressed his views concerning the length of discussion at certain times to Mr. Rothchild.

There being no further business to come before this Regular Meeting of the Naples City Council, Mayor Anderson adjourned the meeting at 12:13 p.m.

R. B. Anderson, Mayor

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City Clerk

Ellen P. Marshall
Ellen P. Marshall

Deputy Clerk

## National Corporation for Housing Partnership



George W. DeFranceaux Chairman George M. Brady, Jr. President

March 25, 1980

Honorable Mayor R. B. Anderson City of Naples Florida 735 Eighth Street South Naples, Florida 33940

RE: Palmetto Pines
70 unit Apartment Project for Low
and Moderate Income Tenants
Naples, Florida

Dear Mayor Anderson:

The National Housing Partnership (NHP) has completed its final plans and specifications for Palmetto Pines, a proposed 70 unit rental apartment project to be constructed on land owned by the City of Naples. The property is designed for elderly and family tenants who qualify under the HUD Section 8 Housing Assistance Payments Program as eligible to receive rental assistance from the Federal government. It will take approximately nine months to complete the proposed improvements.

NHP is responsible for the development, completion, management and long term ownership of the property.

We can finance the project via either one of two possible methods. The first method is to secure FHA insurance for the project under the 221(d)4 program. The FHA insurance will enable the property to qualify with GNMA/FNMA for a permanent loan at a rate of 8% including the insurance premium. The construction loan would bear the prevailing market rate at the time of Initial Closing. The FHA multifamily market rate today is 13% with four discount points. This method of financing will take a minimum of 120 days before construction can commence. The project would begin construction approximately August 1, 1980 and be completed May 1, 1981.

Honorable Mayor R. B. Anderson March 25, 1980 Page 2

The other method of financing commonly used for financing Section 8 subsidized housing projects is through the issuance of tax exempt mortgage notes. We have previously used this method in the State of Florida and found it to be a superior method of financing due to the shorter time period required prior to commencing construction and the lower cost of financing to HUD.

The tax exempt mortgage note method works in the following manner:

The local municipality creates a non-profit corporation which serves as a tax exempt vehicle and "pass through" instrumentality for a combination construction and permanent loan from a lending institution to the subject project. During construction the non-profit corporation would perform only a passive role as the conduit for the construction loan. After completion of the improvements, the non-profit corporation would not perform any role, except to receive the annual audited financial statement from project operations by the owner. The non-profit corporation does not have a budget and is not responsible for the daily project operations. In the case of a foreclosure, the lending institution will assume responsibility for the property and its daily operations.

The non-profit corporation is not responsible for the repayment of the loan or collection of debt service payments. The responsibility for repayment of the loan is with the National Housing Partnership in this instance. The lending institution is responsible for collecting the debt service payments. Furthermore, the Housing Assistance Payments Contract for rental subsidy is entered into between HUD and the project Owner. The non-profit corporation is not a party to the rental subsidy agreement.

If NHP were to employ the tax exempt mortgage note method of financing the project could begin construction prior to June 1, 1980 and be completed approximately March 1, 1981. Furthermore, we can secure a commitment for this type of financing from a local savings and loan consortium at a rate of 9% which is a considerable cost savings in today's money market. The cost savings will be put into the quality of the property.

I request that the City of Naples give strong consideration for allowing NHP to utilize the tax exempt mortgage note method of financing the Palmetto Pines project. The tax exempt method will mean that the Palmetto Pines project can be completed prior to the abandonment date of the McDonald's Quarters.

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I will be available on April 1st to meet with your staff to explain any questions they may have concerning this form of financing.

Sincerely,

Wayne Lynn
Wayne D. Lynn

Regional Director

/yam

AGENDA ITEM #10 4/16/80



735 EIGHTH STREET, SOUTH - NAPLES, FLORIDA 33940

OFFICE OF THE CITY MANAGER

## MEMO

HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL TO:

CITY MANAGER GEORGE M. PATTERSON FROM:

LEGISLATIVE ITEMS SUBJECT:

DATE: APRIL 11, 1980

1. Legislation has been introduced in the House (HB 212) and in the Senate (SB 50) to exempt or rebate sales taxes paid by local governments for materials used in public works. Either an exemption or a rebate would be better than the present situation requiring our payment of the tax. However, an exemption would be preferable to a rebate on large projects that were financed via bond issues. At the present time, when any city finances a project through a bond issue, up to a total of 8% is paid although the state receives only 4% because of the interest over the life of the bond issue. Consequently, I would recommend Council support the legislation but suggest a strong preference for the exemption rather than the rebate.

A bill has been introduced in the House (HB 515) which provides for binding arbitration for police and firefighters. I would recommend the Council oppose this bill as it would remove the authority from elected officials to make decisions and would place it in the hands of an arbitrator who would have no responsibility to the citizens of the particular community.

Respectfully submitted,

Leorge M. Vatherson George M. Patterson

City Manager

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