

CITY COUNCIL MINUTES
Workshop Meeting 03/18/91

City Council Chambers 735 Eighth Street South Naples, Florida 33940

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| | REVIEW OF FINANCIAL PRACTICES ACTION PLAN AND CONSIDERATION OF HIRING AN INTERNAL AUDITOR. | 4 |
| | DISCUSSION OF THE UTILITIES INVESTIGATION. | 5 |
| _ | REVIEW OF ITEMS ON MARCH 20, 1991, REGULAR MEETING AGENDA. | 5 |

City Council Chambers 735 Eighth Street South Naples, Florida 33940



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Time 9:00 a.m. Date 03/18/91

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| Mayor Crawford called the meeting to order and presided | : | _ | | _ | | |
| | | M | s | VO | TE | A |
| ROLL CALL: Present: Alden R. Crawford, Jr., Mayor Kim Anderson | COUNCIL MEMBERS | | N | Y E S | N O | B S E N T |
| William E. Barnett R. Joseph Herms Paul W. Muenzer John M. Passidomo Fred L. Sullivan, Councilmen | | | | | | |
| Also Present: Rand-Scott Coggan, Acting City Manager David W. Rynders, City Attorney Mark W. Wiltsie, Assistant City Manager Gerald L. Gronvold, City Engineer Paul C. Reble, Police Chief James Byrne, Police Captain George Henderson, Sergeant-At-Arms Jodie O'Driscoll, Recording Secretary | ADTROJA BUTO BAT RO ME MO EMER | 40 | | | | A. |
| Carol Lynn Kendall John Van Arsdale Wheeler Conkling W.W. Haardt Sue B. Smith Harry Timmins Bill Roy John Calise Diane Kemp Charles Andrews | | | | | | |
| Gina Binole, Naples Daily News Traci Griffith, WNOG Denis Husty, News-Press | | | | | | |
| *** *** ITEM 1 UPDATE ON BOND REFUNDING AND NEW MONEY ISSUE BY CRAIG DUNLAP. | | | | | | |
| Mr. Craig Dunlap of Evensen Dodge, Orlando, Florida, advised that the Municipal Bonding Insurance Association (MBIA) had been in the City of Naples last | | | | | I | 1 |

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| CITY OF NAPLES, FLORIDA | | 0 | E | | | В |
| City Council Minutes Date 03/18/91 | mers from | TI | CO | Y | | SE |
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| week to review the status of the City's water and sewer refunding bond issues and the City's plan to | | | | | | |
| replenish diminished reserve accounts. MBIA agreed to | | | | | | |
| insure the City's bond issue, but required some rather stringent measures, such as, a trustee bank to manage | | | | | | |
| and control all the City's water and sewer revenue | | | | 43 | | |
| bonds; excessive premium charges; and a number of other security measures to ensure the reserves were | | | | | | |
| never touched again. | | | | | | |
| The MBIA has requested an opinion from the City's bond | - 46787 | | | | | |
| counsel as to whether the City acted appropriately | | | | | | |
| when it "borrowed" money from the reserve account to | | at S | | 38 | | |
| pay for capital expenditures to the water and sewer system. | and the second | | | | | |
| Mr. Donley weighted out that the added primiting account | edu na | | | | | |
| Mr. Dunlap pointed out that the added premium proposed by MBIA would result in excess of \$350,000, which he | | | | | | |
| said he believed was unfair. MBIA has ballooned the | 642 - 643 mg | | | | | |
| pr ium because they have compared the City of Naples ther cities in terrific financial despair. | | | | | | |
| | | | ; | | | |
| Referring to the exorbitant premium proposed by MBIA, Mr. Dunlap noted that he had contacted other insurance | | | | | | |
| agencies which, without delving into the financial | 10.41 | 38.5 | | | | |
| woes of the City, have estimated their proposals far less than MBIA. | | | | | | |
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| Councilman Anderson suggested that Mr. Dunlap and the Acting City Manager contact those insurance companies | | | | | | |
| which expressed an interest in providing bond | Color and the | | | | | |
| insurance to the City, despite its recent problems. | | | | | | |
| Acting City Manager Coggan pointed out that the City | | | | | | |
| staff has begun the process of hiring a rate consultant to review the City's water and sewer rates | | | | 8 | | |
| for the upcoming fiscal year. This was one of MBIA's | nada sessi. | | | | | |
| bonding requirements. | as eds time That a ba | | 0, | | | |
| Several members of Council expressed concern that MBIA | bedreen ord b | 46 | fa | | | 5-180 |
| had not realized that the City had, in fact, saved them from insuring bonds which were technically in | 1138 | | | | | 0.00 |
| defult by borrowing additional monies to replenish | | - | | | | 12 |
| th reserve account. | | | | | | |
| r further discussion, it was the consensus of | | | | | | |
| bond insurance companies for the City's water and | | | | | | |
| sewer revenue bonds. | | | | | | |
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| CITY OF NAPLES, FLORIDA 03/18/91 City Council Minutes Date | COUNCIL MEMBERS | MOTHON | SECOZD | Y E S | N O | A B S |
| *** *** ITEM 2 PRESENTATION BY CAMP DRESSER & MCKEE ON REVIEW OF ANALYSIS OF WATER/SEWER REVENUES. Acting City Manager Coggan advised that Camp Dresser & | | | | | | |
| McKee had been commissioned to provide an analysis of the additional revenue the City would have received had the zero consumption water meters all been operating efficiently as well as the newly imposed water and sewer rate increase. | A CLUSTERS Second with | | 15 15 14 18 18 | | | |
| Mr. John Calise of Camp Dresser & McKee explained that an audit summary of the unaccounted for water resulted in a decrease of potential water system leakage percentage from 20.2% to 14.1%. The revenue to be generated from the repaired zero consumption meters was estimated at \$33,000 per month or \$396,000 per year. | | | | | | |
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| RECESS: 10:37 A.M. UNTIL 10:45 A.M. | | | | | | |
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| Discussion then ensued as to the loss water percentage and whether this rate was acceptable. Councilman Herms said that he did not believe any water loss was acceptable. Mr. Herms further suggested that the Council receive a monthly report as to the progress made replacing zero consumption water meters and the staff's effort to reduce the loss water percentage. | | | | | | |
| Councilman Herms then discussed several methods by which to repair the zero consumption water meters and offered to help staff in this endeavor. The water meters should be set up on a test program as soon as possible, he said. | | | | | | |
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| City Council Minutes Date O3/18/91 ITEM 4 DISCUSSION OF ESTABLISHING A FOLICY REGARDING FILLING OF VACANCIES ON BOARDS AND COMMITTEES. Acting City Manager Coggan pointed out that there were several upcoming vacancies on City Boards and Committees. He asked the Council how it would like to proceed in filling those vacancies. It was the consensus of Council that staff should continue to go through the interview process in determining candidates for the Boards and Committees. *** *** *** ITEM 3 REVIEW OF FINANCIAL PRACTICES ACTION PLAN AND CONSIDERATION OF HIRING AN INTERNAL AUDITOR. Councilman Anderson suggested that the City Council solicit and hire an internal auditor who would be responsible for overseeing all department finances, set forth policies and standards, and implement proper safeguards. By hiring an internal auditor, she continued, citizen confidence and trust can once again be restored. Mrs. Anderson said that she did not believe it was wise to depend upon the employees of the City to be forthright and honest about any previous mistakes which might have happened during the past administration. The majority of Council was supportive in concept to the hiring of an internal auditor, but it.was_the consensus that further investigation was_warranted and staff should come back with its recommendations. Cour ilman Passidomo said that he believed the City Cle: might be able to handle the duties of internal and or, but staff pointed out that City Clerk Cason of the vestion of the city Clerk Cason of the city is the pointed out that City Clerk Cason of the city is the pointed out that City Clerk Cason of the city is the pointed out that City Clerk Cason of the city of the city Clerk for all and the chief financial officer and responsible for such audits. | | | | | | | | _ |
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| CITY OF NAPLES, City Council Min | FLORIDA uutes Date 0 | 3/18/91 | COUNCIL MEMBERS | M O T I O N | | N O | A B S |
| Council further suggesteasibility of obtaining perform the function requiring compensation | n <mark>g a citizen volunt</mark> of internal auc | teer who would | | 101 04 | | | |
| | | ITEM 5 | | | | | |
| DISCUSSION OF THE | UTILITIES INVESTION | | | | | | |
| Councilman Herms point investigation into the administrators were not the reiterated his constituted be questioned matter once and for all | Utilities Department interviewed or oncern that those on an effort to | ment, some top questioned. e individuals | | | | | |
| Referring then to investigation, Councilm the investigation had and urged the Police Dewhich he has submitted | an Herms said that not been thorough partment to review | at he believed aly conducted | 39333333 Wo 1 33390 | | | | 1 |
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| | | ITEM 6 | delica de esta | | | | |
| REVIEW OF ITEMS OF MEETING AGENDA. | N MARCH 20, 1991, | REGULAR | | | | | |
| There was no discussion | relative to this | matter by the | | | | | |
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| City Council Minutes Date 03/18/91 | | O T I | E C O | Y | | B S E | |
| | COUNCIL MEMBERS | 0 N | N D | E | N O | 123 | |
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| ADJOURN: 12:15 p.m. | | | | | | | |
| adm & Crawl | and | | | | | | |
| ALDEN R. CRAWFORD, JR., Mayor | | | | | | | |
| Janet Cason City Clerk | | | | | | | |
| | restruct - Es | | all. | | | | |
| Jodie O'Driscoll Recording Secretary | | | | | | | |
| These minutes of the Naples City Council were approved on | | | | | | | |
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