

OPEN FORUM  
TUESDAY, APRIL 23, 1991 - 7:30 P.M.  
NAPLES DEPOT

The meeting was called to order by Mr. Paul O'Neill, who welcomed everyone for attending and announced that the forum was being sponsored by Citizens for Better Government, the Eagle Forum, and the Taxpayers Action Group. Mr. O'Neill introduced Mayor Kim Anderson and Councilmen Fred Sullivan, Alan Korest, Joe Herms, and Paul Muenzer.

Mr. O'Neill explained that the three sponsoring organizations had received many calls from citizens trying to find answers to the problems that had been facing the City in recent months. To establish a better bond between the members of City Council and the citizens, the Forum was scheduled. Mr. O'Neill pointed out that the sponsors had selected five subjects to be discussed. (Attachment #1) Copies of a recent Fort Myers News-Press clipping were distributed (Attachment #2) outlining events that had taken place in City government, and Mr. O'Neill congratulated reporter Wendy Fullerton for the fine job she had done writing this story.

Mr. O'Neill ended his opening comments by saying that he hoped that City Council would put accountability back into their vocabulary, would determine who had been responsible for the mismanagement and why it occurred, and if Council discovers malfeasance or corruption would try to correct it.

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ITEM 1

THE WATER METER FIASCO

Mr. O'Neill asked why City Council had not demanded that staff implement a repair program immediately when the water meter problem surfaced in 1990, then require staff to report back.

Mayor Anderson replied that there had already been a repair program in place but that it was not being applied expeditiously. Councilman Muenzer said that the situation had first been brought to Council's attention in June or July of 1990. Although former City Manager Frank Jones had advised Council that it would have to address a water rate increase, Councilman Herms pointed out, at that time there had also been many broken meters. Council was also told by Mr. Jones that the problem would be checked out and a report made to Council.

Councilman Herms noted that four out of thirty people at a Kiwanis Club meeting last year, said they had broken meters, although at

that time the City reported only 450 non-functioning meters. That led him to continue asking questions, he said, and by November the number of broken meters was being reported at over 1,500. Mayor Anderson said that altogether three different sets of numbers were reported to council by the City Manager's office.

Councilman Sullivan explained that he personally had looked to the source of the problem being the City Manager. He said that as serious problems continued to erupt, it became extremely difficult to get anyone to react to the problems and to effect the repairs that were needed. The former Manager, said Councilman Sullivan, made all the decisions, and that particular management style prompted these kinds of problems.

Mr. O'Neil asked how the situation would be handled should a similar problem develop. Mayor Anderson answered that the problem must first be identified, then define the "who" and "what" are involved. She said that Council is "on the road to coming up with a lot of answers" and that a Workshop is scheduled for May 28 which hopefully will clarify a before-and-after scenario. Mayor Anderson also explained that Council Workshops are intended to be educational, with no actual votes taken, only discussion of issues and determination of further action, if any.

Councilman Muenzer said that Council had not been receiving a correct count of broken meters and that the initial data runs were giving very inaccurate information because of computer errors which had not been checked. "We all can look back and say what should have been done," he said but promised that Council would be more aggressive in the future.

Councilman Herms stated that he talked with someone who had played a critical part in the water meter problem, and that person had speculated what might have been done had he been able to contact any of the City's policy makers. In 1989 that person had called the Mayor with regard to a list of non-functioning water meters and was told by the Mayor's secretary that he, "doesn't get involved with the employees; that is the responsibility of the Manager." Elected officials, however, need to listen to everyone, said Councilman Herms. He also pointed out that the Finance Department computer program had not been adequate for the purpose of keeping track of this information on meters and was entirely separate from the program being used at the Utilities Department.

Mr. Tom Morgan of the Naples Express asked about the list that former meter reader Dan Wall had given to Assistant City Manager Wiltsie. Mayor Anderson said that Mr. Wiltsie had forwarded the list to either former City Manager Frank Jones or former Assistant Utilities Director, Chuck Thomas, and had not been Mr. Wiltsie's responsibility. Councilman Muenzer said that Mr. Wiltsie gave the list to Mr. Jones because he did not have the authority to deal with the Utilities Department and could only do what was assigned

by the City Manager. Mr. Jones in turn told Mr. Wiltsie to forward the list to Mr. Thomas. A copy was made of the list and the original forwarded to the Utilities Department. At that point, said Councilman Muenzer, Mr. Wiltsie had done exactly what he was directed to do. Councilman Muenzer said that the whereabouts of that list is one of the questions he had forwarded to the Police Department and that Mr. Thomas had never answered that particular question.

A citizen asked how much money was actually lost because of the non-functioning meters. Mayor Anderson said that Council would have a factual response to that question before May 28. It will also be determined how to recoup money lost. Mayor Anderson also explained that if contractors fail to pay their system development fees within thirty days, they will be charged triple the fee. In addition, Council had directed staff, by letter, to ask users with broken meters to make voluntary payments in restitution. Mayor Anderson noted that several citizens had already volunteered to research the files and handle the record keeping involved in that voluntary project.

Councilman Muenzer told the group that many people with non-functioning meters had been paying only minimum water bills and to collect for water used beyond the minimum would be very difficult.

A citizen asked if estimated bills, on a low scale, could be used rather than voluntary payments. Mayor Anderson replied that the City could only request voluntary payments as it was the City's mistake. She said, however, that she believed that people would respond.

A citizen said, "Sounds like there were payoffs." Mayor Anderson said that the Police Department is waiting to hear from anyone who had any knowledge of payoffs.

A citizen compared the City's problems over the past few months to a Lone Ranger movie and said what is missing is the Lone Ranger. He said that he wondered if the investigation is on the right track. Councilman Muenzer said that the Police Department's 1,600 page report broke down the allegations and pointed out where there were problems. He said that many of the employees do not have to talk to the Police, so the Police had to rely on voluntary compliance. If the Police Department does not believe there is voluntary compliance, said Councilman Muenzer, the City may have to go to some outside agency.

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## THE TECHNICAL DEFAULT IN OUR WATER AND SEWER BONDS

Mr. O'Neill asked the Council members when any responsible member of the City government first had knowledge of the technical default. Councilman Muenzer replied that in December former City Manager Jones gave Council a report in which the City's bond advisor stated there was no problem. Councilman Muenzer found out on February 21 that the City was in default.

Councilman Sullivan said that he was made aware of the problem at the same time. The issuance of bonds is a highly technical and unique aspect of financing, he said, and the City relies on the advice of experts. However, the experts were not giving the "straight and honest" answers the City deserved. Councilman Sullivan said that Council is looking for ways to approach this problem in order to recoup some of the losses.

Councilman Herms said that the original situation developed on December 14, 1990 when former Finance Director Hanley resigned. Mr. Hanley was very disturbed about what had been going on and told Councilman Herms that it was necessary to raise the water and sewer rates because the City was in very serious difficulty. Councilman Herms said that he took that information to former City Manager Jones and to City Council, and approximately five days later the experts arrived and said that everything was fine. Councilman Herms said that he had believed former Mayor Crawford had reviewed the bonds and that they were in good condition.

Mr. O'Neill asked who had made the decision to put funds into the reserve account and Mayor Anderson replied that the decision was made by the auditor, Ron Wood. Councilman Sullivan said that he believed Ron Wood made a decision, however, that was a work decision by at least one other person, and that person was the City Manager.

Next Mr. O'Neill asked if the City's AAA rating had been affected, and Mayor Anderson answered that the problems had a substantial impact on the rating. Councilman Sullivan said that his understanding was that the bonds would maintain the AAA rating, but the City must pay for the insurance to merit that rating, and that insurance was very expensive. Councilman Herms added that in the past, had the bonds gone to market, the City would probably have had a AA rating. The City can receive the AAA rating, he said, as long as the insurer is paid the required amount.

Mr. Tom Morgan of The Naples Express asked if, instead of paying higher interest for lower quality bonds, the City would pay more



taking this approach. Councilman Sullivan agreed that could be the case, but said that the final figures were not in yet, although it appeared that the insurance for a AAA rating will cost between \$200,000 and \$300,000.

Mrs. Betty VanArsdale asked how much the City pays off on the bonds each month, still maintaining a \$2,500,000 reserve. Mayor Anderson explained that the reserve consists of one year payment on principal plus the interest. Mrs. VanArsdale commented that the 18% increase in water and sewer rates should make a big difference, and Mayor Anderson agreed that the City is on the right track and that, in addition, there now exists an air of openness.

Councilman Muenzer said that the City had violated securities rules, and Mayor Anderson added that former City Manager Jones had been the one who had made the decision to borrow from within instead of going to the outside. She added that now the new money and the refinancing issues would be handled in one action with MBIA doing the refinancing, and the League of Cities doing the new money issue.

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ITEM 3

#### CORRUPTION AT THE CITY DOCK

Councilman Muenzer said that currently there are two people under indictment with regard to the City Dock issue, and that all of the information had not yet been released by the Police Department. Consequently, he said he could not say much until the trial. Councilman Muenzer said that in June of 1989 some people at the Dock called to his attention things that they thought could be suspicious, and he in turn told former City Manager Jones. Councilman Muenzer pointed out that some of the Dock employees were not collecting all of the fees, and that there were discrepancies. He added that there had been no record kept of the people who got gas discounts. Councilman Muenzer said that he had requested records and asked Mr. Jones to meet with Community Services Director Holley. The request was not complied with, and many months later he had repeated his request, which once again was not complied with. At that time Mr. Jones had said that the requests had been forwarded to Director Holley. Councilman Muenzer noted that individual Council members could not order the City Manager to do things, but could only ask.

Councilman Herms said that in November or December of last year a man invited him to his home to discuss the situation at the Dock. That man said that he had gone to the Mayor and had already gone to the FBI. Councilman Herms said that he had encouraged the man to talk to some of the other Council members. On January 2, 1991,

Councilman Herms met with Acting City Manager Coggan, and when he left Mr. Coggan's office, the FBI investigators and the City Police investigators were arriving. From that point on the Naples Police Department had been involved. Councilman Herms said that former Mayor Crawford had had information but had not acted on it.

Mr. William Morris asked if the City had considered selling the Dock and Mayor Anderson replied that renting the Dock out however had been suggested. Councilman Sullivan said that it had never entered his mind that the City would consider selling the Dock and added that the annual five-year net profit on the operation is only 1.8%. He said that this problem goes back to a universal problem: loose management, no checks and balances, and the fact that Council had set itself up by complying and accepting without looking into things. This particular City Council came along, he said, and looked a little beyond and found the "mess" that the City is in. The checks and balances being utilized now will make people accountable for the jobs that they perform, whereas in the past no one ever seemed to be accountable for anything. Councilman Sullivan said that accountability is now a requirement in all of the jobs in all of the departments.

Mrs. Marjorie Jones noted that in each of the City departments there is a director and asked if some of their duties could be combined. Mrs. Jones asked how it could have been missed that the Dock was not making money. Mayor Anderson said that the new Finance and Utilities Directors will be providing profit and loss reports, and that those reports will be presented to Council, and problems identified. In addition, no auditor will serve the City in excess of three years. Mayor Anderson noted that the new City Manager will have the same rights under the Charter that Mr. Jones had, but will be made to realize that he or she will be held accountable. A City Manager can be terminated immediately, she added.

Councilman Muenzer said that the new directors had been informed what Council expects them to provide on a regular basis.

Referring to the Persian Gulf conflict, Mr. Jim McGrath said, "We fought a whole war in less time than Council has been dealing with this." He said that when Council is aware of something wrong, it should do something about it, and if Council could do better without a City Manager, they should not hire one.

Mr. O'Neill asked about the management study that was done last year and Mayor Anderson said that the report contained quite an extensive list of recommendations. The realignment of the Utilities and Engineering Departments was a result of those recommendations. Additionally, the report suggested that the City Manager had too wide a span of control. Mayor Anderson said that Council is going to review the recommendations.

Mr. O'Neill asked about outside auditors. Councilman Sullivan said that the manner in which the system had been set up made it difficult to determine the amount of cash flow until the auditor came in on an annual basis. Councilman Korest noted that he had been bothered by the lack of financial data. He said that the new Finance Director is planning to have a monthly cash-flow statement, which is a very concise financial document. Councilman Korest also said that he would insist on this information in regard to the water situation and had asked for a monthly report indicating water billed versus water purchased as a continuing reference point.

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#### ITEM 4

#### THE REAPPEARANCE OF THE \$1,000,000

"How did we miss the \$1,000,000?", Mr. O'Neill asked. Councilman Sullivan said that in discussions with the former auditor, he had learned that the \$1,000,000 had been deposited by the underwriting group in a Barnett Bank holding account. Provisions of the bond covenant state that those funds had to be separate and apart from the rest of the City's funds. Councilman Sullivan further explained that the auditor had the funds transferred from the Naples bank to the Jacksonville bank, so at that point the funds were taken out of the area of responsibility where they had to be shown on an annual basis for bookkeeping purposes, although all of the appropriate measures had been taken. The system of accounting in the City was so basic that it was incapable of tracking the funds. The funds were being co-mingled; that should never have taken place. Councilman Sullivan said that the auditor missed that particular item when he was attempting to locate funds, since it no longer appeared in the audit trail.

The City, however, had been receiving interest payments on those funds, stated Councilman Sullivan. When financial consultant Craig



Dunlap checked the records, he found the interest item, then located the \$1,000,000 in the Jacksonville bank. Mr. Dunlap is the supervisor of an individual on the underwriting team who transferred the funds to Jacksonville. Mr. Dunlap assured Councilman Sullivan that there had been no possibility that anyone could have withdrawn those funds.

In answer to a question from Mr. O'Neill, Mayor Anderson said that none of the former Mayors had been interviewed with regard to the \$1,000,000.

Councilman Herms pointed out that those funds should have technically been removed from the City's audit, but should have appeared in a footnote.

Mayor Anderson told the group that at the Council Workshop on May 28, 1991 questions regarding the bonds and the \$1,000,000 will be discussed, and Council will attempt to reconstruct the events that transpired. In addition; questions are presently being directed to the appropriate people.

A citizen asked if there was any possibility of recouping the fees of those particular experts. Councilman Sullivan replied that methods of recourse relating to professional malfeasance are being examined to determine whether or not the City can initiate a lawsuit in order to recoup some of the money.

BREAK: 9:15 p.m. - 9:25 p.m.

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#### ITEM 5

#### MODIFICATION OF THE CITY CHARTER

Mayor Anderson explained that the City is governed by a Council/Manager form of government, and she believes that combination is appropriate. When Council is in session, the Mayor is the moderator and chairman and runs the meetings, but has no more power than any other Council member. Interaction with the City Manager is up to the Mayor's discretion when Council is not in session. The Mayor compared the City's form of government with a corporation possessing a board of directors and a CEO. She noted that the City Manager and the City Attorney are the two individuals

who are hired by the City Council; everyone else is hired by the City Manager. Mayor Anderson said that City Council meets twice a month and each member is paid \$12,000 a year.

Mr. O'Neill commented that it is very difficult to find good, honest people, and wished Council well in solving "this mess." He asked if the present form of government had been approved by the voters, and Councilman Sullivan replied that he believed that the Charter was written and submitted to the citizens. Mr. Tom Morgan of The Naples Express noted that the first Naples Charter was set up by the legislation of the State of Florida, and was approved by the citizens in its latest form as a result of a Charter Reform Committee. Mayor Anderson stated that a vote of Council is the only way to revise the Charter, but the City may also have a referendum.

Mr. O'Neill asked the Council members present if they believed that the City should change to a strong Mayor and Council form of government, and Mayor Anderson replied that a good City Manager provides the needed continuity as City Councils change, pointing out that Council members are limited to two consecutive terms.

Councilman Muenzer said that he believed Council should be able to hire someone in the financial realm, someone who would report directly to Council. Mayor Anderson agreed, and added that immediately following the March 14 Workshop, a search began for an outside auditor who can serve no more than three consecutive years. In addition, steps had begun to institute an internal auditor position. The Mayor commented that Naples is a wealthy community with a number of people possessing a financial discipline who could serve City Council as an independent auditor.

Councilman Sullivan said that he is becoming more convinced that the City needs a professional City Manager, because the complexities of running government today require specialized knowledge. However, the City Manager must work in conjunction with a strong City Council and Mayor who will give specific direction. Councilman Sullivan suggested making the City Clerk, and possibly the Finance Director, responsible to the City Council. He noted that if someone is in a position with a supervisor who says "Don't give me any problems" the tendency is not to mention problems. The former City Manager, said Councilman Sullivan, did not tolerate problems, however, the City now has a group of employees who are establishing checks and balances, accountability, controls - all of those things that had been lacking for many years.

Councilman Korest said that he, too, is a proponent of the Council/Manager form of government.

Councilman Herms explained that formerly the City Clerk was accountable directly to City Council, but in 1978 Council made a decision to change that. The City Clerk has the ability to oversee a number of areas, said Councilman Herms, and possibly the Clerk should be under the purview of the City Council once again. He pointed out that many of the people who run for Council do not have experience in managing many people; that is the advantage of having a City Manager. From that standpoint, said Councilman Herms, that is a definite benefit of the City Manager/Council form of government.

Mrs. Marjorie Jones asked how a City Manager could be removed by Council if the Sunshine Law prohibits Council members from talking to each other privately. Councilman Sullivan said that Council members can discuss issues at Workshop sessions and at forums such as this.

Mr. John Kramer asked if all of the changes are leading up to an increase in taxes. Mayor Anderson noted that the City had been deluding itself for many years, and that the citizens need to be aware that as property values have gone up, Council has attempted to keep the millage rate rolled back. Mr. Kramer explained that his taxes had increased by 42% in 1988, 17% in 1989, and 20% in 1990. The Mayor pointed out that much of that reflected increases in school taxes, and invited Mr. Kramer to bring his tax bill to her office and they would review it together.

Mayor Anderson explained that by the Workshop on August 2 of this year Council will know what is needed in revenue. Councilman Herms said that much will be determined by the calibre of the City Manager who is hired and the direction given to him by Council. By not raising taxes, he said, Council would need to find more efficient methods of providing the same level of service to the citizens.

Mr. Tom Morgan of The Naples Express said that he believes Council may set the millage rate, but that the actual tax level is ruled on in Tallahassee.

Mr. Jim McGrath noted that Council does control all of the taxes, the payroll, and all of the expenses, and if the City's money is not controlled wisely, the taxes increase.



Mr. Charles Rhoades said that in reviewing what has been happening, the City would be remiss if it did not give its Council an opportunity to control. He then stated that Council also needs to have some control over the Airport Authority, and Councilman Muenzer said that such action would require an amendment to the Charter.

Mr. John A. Smith told the Council members that this had been a very informative forum, and that more candor had been shown than the citizens had experienced in a long time. Mr. Smith suggested that more similar forums be held. He congratulated Mayor Anderson on her new position, and said that with regard to her comments at the Workshop on April 22, "Many of us have been waiting for the openness Kim displayed." Mr. Smith further noted that he would like to clear the air regarding the "vocal minority" and said that he wanted to be known as a member of that minority. Mr. Smith said, "If you do what you say you are going to do, you will get rid of me." He summarized by saying that certain people came forward because nothing was being done.

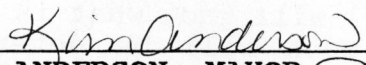
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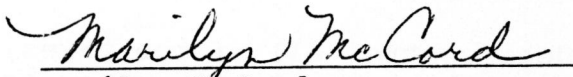
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Mr. O'Neill thanked the three sponsoring organizations for their efforts, and the Council members for attending.

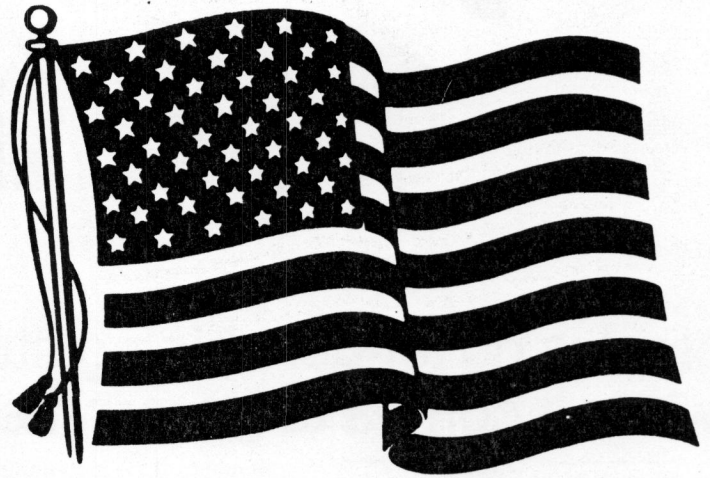
ADJOURN: 10:00 p.m.

  
KIM ANDERSON, MAYOR

  
JANET CASON  
City Clerk

  
Marilyn McCord  
Recording Secretary

The Members Of:  
  
CITIZENS  
FOR BETTER GOVERNMENT  
  
EAGLE FORUM  
  
TAXPAYERS ACTION GROUP



INVITE ALL CONCERNED CITIZENS TO ATTEND AN

# OPEN FORUM

7:30 p.m., TUESDAY, APRIL 23

NAPLES DEPOT (NORRIS HALL)

The issues to be discussed are:

1. THE WATER METER FIASCO
2. THE TECHNICAL DEFAULT IN OUR WATER AND SEWER BONDS
3. CORRUPTION AT THE CITY DOCK
4. THE REAPPEARANCE OF THE \$1,000,000
5. MODIFICATION OF THE CITY CHARTER

**ALL ELECTED CITY OFFICIALS  
HAVE BEEN INVITED**

# City tries surviving bad times

FT MYERS  
NEWS PRESS  
4/22/91

## Naples no longer shining star when it comes to government

By WENDY FULLERTON  
News-Press Staff Writer 4/22/91

The city of Naples has seen some "extremely unusual times," said Councilman Joe Herms Friday.

Some people would call that an understatement.

A year ago the people of Naples thought the city's future was so bright it couldn't be dimmed. City officials took pride in running a local government so well-managed that on a bad day the council debated nothing more serious than whether to ban Frisbees from the beach.

Hermes said people believed the city was and would be "one of the finest cities imaginable."

When the 1990 census figures classified Naples as the fastest growing metropolitan area in the United States it merely confirmed what most people in the city already believed: Naples was a kind of wonderland.

They already knew, from building permits and the demand for everything new, that the population was booming. Getting the statistics — that in 10 fast-growing years, the area had exploded by 77 percent, from 86,000 to 152,000 — proved that Naples was indeed a wonderland.

But in the past six months with six resignations, expectation turned to frustration as people watched the government become a revolving stage of accusations, resignations and interim city officials.

Hermes said when he was elected in February, 1990, "we knew there were some definite problems." What he didn't know, he said, is how bad they were.

It went on so long, Herms said, because "some of the elected officials didn't recognize the problems."

Herms, as well as other council members, are confident that most problems are behind them now and the city of Naples is on its way to recovery.

Not everyone shares that confidence.

Members of the community have scheduled an open forum for Tuesday night at 7:30 p.m. at the Naples Depot. Members of the newly established Citizens for a Better Government, the Eagle Forum and the Taxpayers Action Group have joined together and invited all elected officials to sponsor an open discussion of the problems: the water meter fiasco, the technical default in the city's water and sewer bonds, corruption at the city dock, the discovery of \$1 million that had been misplaced, and modification of the city charter.

Some people are asking elected officials for explanations and demanding accountability.

The demands are triggered by a series of events that have occurred within city government and shaken the confidence of citizens.

It began last summer when Herms discovered the broken and unrepared water meters in homes and businesses throughout the city. His discovery was greeted with both skepticism and indignation until, finally, Herms had proof from former employees who showed him defective meters.

City officials got busy trying to rectify the problem, but the situation in Southwest Florida's wonderland just got more curious.

•Dec. 14, 1990 — Finance Director Bill Hanley quit citing the "stress and pressures of recent events."

Hanley had come under fire from the city council as the council and staff attempted to clarify the water and sewer rate increases that Hanley calls necessary. Assistant City Manager Mark Wiltsie had been appointed acting finance director.

•Dec. 17, 1990 — A former utilities employee described the utilities department as a mass of "confusion and inefficiency."

Councilman Joe Herms had told council members that city water meters weren't keeping track of all the water used. Dan Wall, the employee, described broken water meters that hadn't been fixed for years, wasteful

maintenance procedures and alleged harassment that culminated in his dismissal.

The employee said Wiltsie overlooked the problems even after Wall presented his own findings to him.

That same day, the consulting firm CH2M Hill presented a report on city water that is unaccounted for. The report said the city had lost an average of 14 percent of its water in each of the past five years.

Herms said in a conversation with former finance director Bill Hanley, he indicated the city was transferring money allocated in the budget for other projects over to fill the city's reserve fund for bond debts.

Then, city manager Frank Jones said a recent audit by a bond consultant found no fault with the city's bond reserves.

•Dec. 19, 1990 — City Manager Frank Jones, after 10 years on the job, stepped down amid turmoil in the city government.

Most people speculated that the turmoil stemmed from allegations that because a lot of the city's water meters are inoperative, the city has lost hundreds of thousands of dollars.

Herms said Jones had no choice but to resign, citing "gross mismanagement."

A vocal minority of citizens arrived at City Hall with picket signs calling for the city manager's resignation.

Also this week, Naples Fire Chief Rand-Scott Coggan was appointed acting city manager as a nationwide search began for a new city manager.

•Dec. 27, 1990 — The revolving stage at Naples City Hall took another turn when Utilities Director Jim Chaffee resigned and Assistant City Manager and acting finance director Mark Wiltsie was placed on six months probation for failing to report and check whether water meters had been repaired.

•Jan. 1, 1991 — Coggan asked the



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Naples Police Department to launch an investigation into alleged illegal activity at the Naples City Dock.

Citizens had complained of mismanagement of dock operations and illegal activity. The dock, which rents 76 boat slips, reported a \$3,382 loss for 1990 fiscal year, the first loss in nearly 10 years.

- Jan. 1, 1991 — The utilities department and the broken water meters, along with alleged free water at Windstar on Naples Bay, a residential development, were all under investigation.

- Jan. 10, 1991 — A utilities employee suspected of theft from the city was placed on administrative leave without pay. No charges have yet been filed.

- Jan. 28, 1991 — Naples City Dockmaster Sean Milks was arrested on charges of bribery and attempted bribery to grant boaters a slip at the dock. The charges are the result of a police investigation in which more than 800 people were interviewed.

- Jan. 30, 1990 — Meter Operations Supervisor Joë Watson resigned.

Chuck Thomas, assistant utilities director and Tom Sanderlin, distribution/collection superintendent, were placed on administrative leave without pay while the investigation into broken water meters continued.

- Jan. 31, 1991 — Another city utilities employee said he was ignored by officials when he told them several city water users were not hooked up to meters.

Havelyn Johnson, an employee for 22 years, said he was told "it wasn't any of his business."

Some of those areas apparently receiving free water were the Windstar Development, Coastland Mall, the River Reach Apartment Complex, and some homes on Gulf Shore Boulevard.

- Feb. 6, 1991 — Milks was fired as he awaited trial on charges of bribery and attempted bribery.

- Feb. 22, 1991 — Naples officials an-

nounced there wasn't enough money in reserves to pay off the water and sewer bonds.

The city could not refund its bonds because it was found in technical default of one of the covenants of the bonds.

The default occurred because the city was supposed to have had \$2.5 million in restricted assets, all of which must have been in cash or investments, not accounts receivable as the city had it.

- March 7, 1991 — The city's new financial adviser Craig Dunlap told council members he had found a forgotten \$1 million sitting in a bank account in Jacksonville collecting interest. Because of the forgotten \$1 million and an additional loan, the city managed to pull itself out of technical default on its bonds.

- March 8, 1991 — Herms accused the Naples airport authority chairman Toivo Tammerk of allegedly hiding something regarding his educational background.

The police and the city council halted any investigation based on the lack of information that proved any criminal wrongdoing.

- March 13, 1991 — Milks faced racketeering charges, accused of turning his city department into a criminal enterprise.

The trial was scheduled for today, but it has been delayed.

- March 13, 1991 — The police investigation into the utilities department finished.

A two-month investigation into reports of broken water meters, supervisory misconduct, employee theft and concerns of contamination produced a 1,600-page report outlining general recommendations the city could adopt to avoid future problems and allegations of wrongdoing.

Some allegations of unmetered water at certain sites were unsubstantiated, but others were found to be accurate.

The report blamed the distribution of unauthorized or free water at devel-

opments and businesses throughout the community on management practices.

The report recommended the department stop assigning fictitious meter numbers.

- March 18, 1991 — Coggan resigned, saying he was fed up with tactics some citizens have used in criticizing city officials.

- April 1, 1991 — New Finance Director Bill Harrison took the helm to sort out the city's financial mess.

He told council members that he would keep the city out of trouble by maintaining strict budget controls.

As a result of the report, Herms asked some of the police's unsubstantiated problems be reinvestigated.

- April 8, 1991 — New utilities director Larry Barnett started work.

- April 10, 1991 — Assistant City Manager Mark Wiltsie resigned. Wiltsie had been slated to step in as acting city manager when Coggan resigned.

- April 17, 1991 — Naples Mayor Rudd Crawford resigned, hoping he could take "the wind out of the sails" of the vocal minority who criticized government. He says he is resigning to help the new city manager.

- April 19, 1991 — Vice-Mayor Kim Anderson was elected by the council as the first woman mayor. She will serve until the February 1991 election.

Former fire chief Norris Ijams, whom Coggan replaced a year ago, was appointed the acting city manager. A new city manager is expected to be on board sometime in late spring or early summer. Candidates will be interviewed April 30 in the council chambers.

Councilman John Passidomo was elected vice-mayor and Alan Korest was appointed as a council member to fill the vacancy of Anderson.

And the trial, scheduled to begin today, of Milks, has been delayed, according to attorneys.

Naples, Florida, April 24, 1991

LET IT BE REMEMBERED, that the Board of County Commissioners in and for the County of Collier, and also acting as the Board of Zoning Appeals and as the governing board(s) of such special districts as have been created according to law and having conducted business herein, met on this date at 9:00 A.M. with the City of Naples in **JOINT WORKSHOP SESSION** in Building "F" of the Government Complex, East Naples, Florida, with the following members present:

**COLLIER COUNTY COMMISSIONERS:**

**CHAIRMAN:** Patricia Anne Goodnight

**VICE-CHAIRMAN:** Michael J. Volpe

Richard S. Shanahan  
Max A. Hasse, Jr.  
Burt L. Saunders

**CITY OF NAPLES**

**MAYOR:** Kim Anderson

**COUNCILMEN:** R. Joseph Herms  
John Passidomo  
Fred Sullivan  
Paul Muenzer  
Alan Korst  
Bill Barnett (Absent)

**ALSO PRESENT:** Ellie Hoffman, Deputy Clerk; Neil Dorrill, County Manager; Tom Olliff, Assistant to the County Manager; Ken Cuyler, County Attorney; Frank Brutt, Community Development Services Administrator; John Boldt, Water Management Director; Mike Arnold, Utilities Administrator; Russell Shreeve, HUI Director; Jeff Perry, Chief Transportation Planner; Diane Holling, Planner; Rand-Scott

April 24, 1991

Coggan, Acting City Manager; Norris Ijams; Dave Rynders, City Attorney; Missy McKim, Community Development Director (City); and John Kohl, City of Naples Planner.