



City Council Chamber
735 Eighth Street South
Naples, Florida 33940

City Council Workshop Meeting - December 14, 1992 - 9:00 a.m.

Mayor Muenzer called the meeting to order and presided.

ROLL CALL

Present: Paul W. Muenzer, Mayor
Fred L. Sullivan, Vice Mayor

Council Members:
Kim Anderson
R. Joseph Herms
Alan R. Korest
Ronald M. Pennington
Peter H. Van Arsdale

Also Present:

Dr. Richard L. Woodruff, City Manager	Werner W. Haardt
Maria J. Chiaro, City Attorney	Bob Rier
Mark Thornton, Community Services Dir.	Bruce Green
William Harrison, Finance Director	Tom O'Riley
Missy McKim, Community Development Dir.	Ed McMahon
James Byrne, Police Captain	Jack Hustler
Noah Standifer, Planning & Research Tech.	Ed Owen
David Lykins, Enterprise Operations Supervisor	Sue B. Smith
Robert J. Egan, Dockkeeper	Sally Evans
George Henderson, Sergeant-At-Arms	Bette A. Young
Marilyn McCord, Deputy City Clerk	Other interested citizens and visitors

Media:

Eric Staats, Naples Daily News

ITEM 1

ITEMS TO BE ADDED

There were no items to be added to the agenda.

ITEM 2

**DISCUSSION OF PROPOSALS TO REVIEW THE CONCESSIONS AT
THE CITY PIER AND LOWDERMILK PARK.**

City Manager Woodruff told Council that, regardless of whether or not privatization of concessions was approved, this had been a successful staff exercise and an additional step in the efficiency of the City's government. Dr. Woodruff said that the City had received three proposals for services from outside contractors and that staff had reviewed and ranked them in anticipation of contracting the concession services. Noting that the Community Services Board reviewed the information regarding current situations at the Pier and Lowdermilk compared to results the City would achieve through contracting.

Using visual aids, Community Services Director Mark Thornton reviewed the past five years' history of revenue and expenses at the Pier and Lowdermilk Park. In order to increase revenues, he said, it would be necessary to improve the food products sold. Mr. Thornton noted that Lowdermilk Park's revenue did not have a great deal of potential, however, the Pier had good potential for increased revenue.

Vice Mayor Sullivan commented, "We are looking at privatization before we make an effort to maximize the abilities of our facilities to compete profitably. First, we need to determine how to make money before we analyze whether we should privatize."

With respect to the proposals received, Mr. Thornton informed Council that the first proposal offered 15% to the City, the second considerably more. Based on Council's recommendations, said Mr. Thornton, staff would continue to work with the first and second proposals. In addition, a committee had been formed consisting of Community Service Director Thornton, Council Member Pennington, Enterprise Operations Supervisor David Lykins, and Community Services Board Chairman Bob Rier, for the purpose of reviewing this matter.

After first complimenting the staff for working on the report over the weekend, Mr. Bob Rier,

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Community Services Board Chairman, pointed out that under the new City management team, the Dock had become a very successful operation. Also, he added, the tennis operation at Cambier Park will be bringing in approximately \$20,000 more this year than in the past. Mr. Rier explained that the Pier and Lowdermilk Park had been "drifting along" with neither time nor money being invested in them. However, there were some problems, he said, including high personnel costs. Mr. Rier advised council that the Community Services Board recommended that privatization be implemented at the concessions at both the Pier and Lowdermilk Park.

NOTE: At this time, Item 3 was considered in order to accommodate representatives of the Naples Art Association who were present. Discussion on Item 2 was continued later in the day.

ITEM 3

NAPLES ART ASSOCIATION--DISCUSSION OF FUTURE BUILDING PLANS

President of the Naples Art Association Bette Young and past President Sally Evens reviewed the history of the Association and described some of its activities. Ms. Young pointed out that since its inception in 1954, the Association had maintained its financial integrity and membership which is currently 600 members. She told Council that the Association's goal was to have its own building. The Association is requesting authorization for City staff to research City-owned and privately-owned land and assist the Association's site-search committee in analyzing those properties as a possible future home for the Naples Art Association.

It was the consensus of Council to assist the Naples Art Association in its research of building sites. Planner I Susan Golden and Community Services Director Mark Thornton will be the staff contacts for this project. A resolution authorizing a public function to be utilized for a private organization will be added to the December 16, 1992 consent agenda.

RECESS: 10:25 a.m. - 1:30 p.m.

NOTE: Roll was taken; all Council Members present.

ITEM 4

DISCUSSION OF BUDGET PROCESS--NAPLES CIVIC ASSOCIATION

Messrs. Jack Hustler, Ed Owen and Ed McMahon members of the Naples Civic Association's Governmental Efficiency Committee addressed Council. Acting Chairman of the Committee, Ed McMahon, told Council that the Committee's general impression was that communication between the City Manager and staff were excellent. Mr. McMahon listed the Committee's suggestions for changes in approaches and methods in future years, as written in its report, dated August 14, 1992, a portion of which is listed below:

1. Rather than use expected revenues as a basis for setting budgets, we (Governmental Efficiency Committee, Naples Civic Association) feel that a modified zero base budget system should be considered. Budget for each department be set every year by service need for that year.
2. A review of all services rendered should be made so that the need for the service could be evaluated versus its effectiveness and cost. This could be done through a news letter, public forums, or through the home owners' associations. Is the service driven by a real citizen need or a perceived need.
3. More attention should be paid to possible revenue sources versus expenses for programs.
What is being done to sell excess water capacity?
Do we monitor recreation service fees versus private sector costs?
Are we over subsidizing?
4. Salaries make up over 85% of the budget and we feel that with incremental increases for performance they may be out of line with the local market place. These increases given year after year are like compound interest. It does not take long to double a base salary when combined with cost-of-living adjustments.

This type of incremental increase should be used only for a very special performance. A bell

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curve would indicate that 60% are average, 15% excellent and 5% superior. The others on the lower end need re-training or should be eliminated. A good portion of the dollars used for these increases might serve a better purpose if used as bonuses for suggestions to reduce costs or improve efficiency.

5. Part of the City Manager's evaluation should be based on cost reduction and revenue sources without using expected tax base as a consideration.
6. The citizens should be brought up-to-date by a news letter on the Efficiency Committee's report and what has been implemented. Future implementation should be reported on a continuing basis.
7. It is very difficult for a citizen's group to make a subjective review of the budget when additional information that is not part of the printed budget is furnished to the City Council members during the workshops. We would like to see some method of communication established so that interested parties would have access to this additional information on a timely basis.
8. We would like to go on record as approving the proposal to set aside specific milage to cover the cost of Sable ~~Sabal~~ Bay litigation.

Council discussed the various recommendations. Council Member Korest noted that because of State mandates, the City often had no choice in terms of recycling, operation of the water plant, etc. Council Member Anderson agreed, stating, "There are many hidden costs. I'm not making excuses but just want you to understand. The American Disabilities Act, hepatitis vaccine, and backflow prevention regulations have added approximately \$60,000 to the City's budget." Mrs. Anderson suggested that the media help to bring these things to the attention of the citizens.

Mr. Hustler concurred that it would be helpful to educate people about State-mandated costs. He suggested that during the budget process, all State and Federal mandated costs over which the City has no control should be listed.

Personnel costs were discussed and City Manager Woodruff informed everyone that management was reviewing the implementation of a bonus plan. Mr. Owen stated that salary and position evaluations were probably the most difficult part of management and managers must be properly trained in evaluation procedures. Mr. Owen will review the City's employee evaluation forms. Mr. Hustler suggested that the Mayor and the City Manager arrange to appear on a local television show immediately after each annual budget process to explain the City's financial status and answer questions.

City Manager Woodruff commented that the Naples Civic Association had always been very

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positive and he thanked the group for bringing its recommendations forward. The individual Council Members also thanked the Association representatives for their interest and input.

NOTE: At 2:47 p.m. the Workshop was temporarily adjourned in order to hold a City Council Special Meeting. The Workshop was reconvened at 3:15 p.m.

ITEM 2 CONTINUED

DISCUSSION OF PROPOSALS TO REVIEW THE CONCESSIONS AT THE CITY PIER AND LOWDERMILK PARK.

Council Member Pennington began the discussion by calling attention to the fact that the City's responsibilities at the Pier and Lowdermilk Park were to provide the best recreational facilities, at the least possible cost, to the citizens. If the concessions can be run appropriately and effectively by a private concern, said Mr. Pennington, it was his opinion that the City should not be doing so. However, he cautioned that a private entity's prime concern is increasing the profit factor, so such things as renting boats should not be allowed. With respect to the Pier, Mr. Pennington pointed out that it was primarily for the benefit of fishermen and was a landmark for Naples, and he did not believe it should be commercialized beyond its present state. Mr. Pennington asked that staff investigate the possibility of selling fishing licenses at the Pier. He expressed his support for privatization, but said that if an agreement is ultimately reached with a private firm, the contract should contain language to ensure the City's input regarding level of quality, hours of operation, type of staffing, etc.

Council Member Herms noted that should a private firm lease the two operations from the City, it would have to make between \$50,000 and \$60,000 annually in order to succeed. He said that he believed the City could provide the kind of facilities and type of items for sale to generate a higher income, which in turn would offset the City's ad valorem taxes. Mr. Herms suggested that staff be authorized to attempt, for one year, implementing a more profitable operation at both the Pier and at Lowdermilk Park. If that cannot be accomplished, said Mr. Herms, those operations could be turned over to a private concern after the year's trial period. He concluded, "We have two of the prime sites in the whole community, three counting the Dock. I've visited Lowdermilk. There's no reason we couldn't have high standards of food."

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City Manager Woodruff informed Council that staff was capable of improving financial affairs but has no expertise in food services. Dr. Woodruff said, however, that staff would never turn away from any challenge offered by Council.

NOTE: Council Member Anderson left the Workshop at 3:35 p.m.

Council Member Van Arsdale said that it was important to keep in mind that the City was attempting to provide a service first then, if possible, generate some return. Should a contract be implemented between the City and a private firm, he said, certain competitive factors have to be considered. In addition, certain standards must be maintained.

Vice Mayor Sullivan began his comments by saying, "I am not opposed to privatization, but to privatization based upon poor performance without ever providing an opportunity for people involved. I agree with Joe (Herms), not rushing into something before we find out whether or not we can do something to maximize what's being generated by this operation." In answer to Mr. Sullivan's question, Dr. Woodruff verified that the City's ad valorem taxes were not presently subsidized by revenues from the Pier or Lowdermilk Park.

Mr. Sullivan commented that the Pier and Lowdermilk Park had been very successful operations in that they provide a service for the community without too much cost to the City. He said that, in his opinion, management should be given the opportunity to make improvements and after a certain amount of time, if that process was not successful, privatization should be discussed. Mr. Sullivan concluded, "We have a responsibility to our employees to allow them to do to the best of their ability what we have charged them to do. I don't believe we do that if we privatize now. I believe, like Joe (Herms), we need to give them a year. Provide them that opportunity to compete with the private sector. We should exploit the fact that we have the most beautiful place in town to have lunch."

In response to Mayor Muenzer's request, staff will research any existing agreements between the City and private organizations (P.A.L., Little League, etc.) for the food concession at Fleischmann Park. The Mayor also expressed his concerns about laying off employees at the Pier and Lowdermilk Park, noting that approximately once a month he received an unsolicited letter complimenting one of those employees. Mayor Muenzer said that public expectations require the City to maintain more manpower than necessary because the citizens expect a certain level of service.

City Manager Woodruff told Council that staff was not ready to recommend a proposal, however, staff could devise a plan for improving the concessions at the same time negotiations are in progress. Staff will draft a plan for the Pier and Lowdermilk Park concessions. At the same time, staff and



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the Concessions Review Committee will further negotiate with those who submitted the top two proposals. The Committee's recommendations will be reviewed by the Community Services Advisory Board, which in turn will report to Council. Should an agreement ultimately be reached with a private firm, the contract should contain language to ensure the City's input regarding level of quality, hours of operation, type of staffing, etc. Dr. Woodruff invited Council to visit the two facilities and to contact staff if there were any further questions.

ITEM 5

REVIEW OF AGENDA ITEMS FOR WEDNESDAY, DECEMBER 16, 1992
REGULAR MEETING

#8 - Revision of irrigation schedule: Staff should delete the language restricting low-volume hand watering and include an exemption for the watering of new plantings.

#15 - Purchase of equipment from Police Department Confiscation Trust Fund: Staff will provide information comparing purchase and lease of pagers. Staff will provide a copy of the State law pertaining to confiscated funds and a five-year history of the Police Confiscation Trust Fund activities. Provide details on the radar equipment's traffic counting capabilities. Council Member Van Arsdale requested detailed information about the document retrieval system.

#17 - Budget Amendments: Staff will report on the status of the purchase of beach buoys. Staff will also provide additional information on the Water & Sewer Fund, Professional Services.

ANNOUNCEMENTS/CORRESPONDENCE/COMMUNICATIONS

Council Member Herms reported on the Plummer Study, which had recently been a topic of discussion at a Metropolitan Planning Organization meeting. He noted that the Study assumes that the center of the community will be Golden Gate Parkway by the year 2010. Staff will make

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arrangements for Mr. Delaney, consultant for that Study, to report to Council on land use matters.

ADJOURN: 5:50 p.m.

PAUL W. MUENZER, MAYOR

Janet Cason
City Clerk

Marilyn McCord
Deputy City Clerk

These minutes of the Naples City Council were approved on 1/20/93.

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