

City Council Chamber  
735 Eighth Street South  
Naples, Florida 33940

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**City Council Workshop Meeting - May 10, 1993 - 9:00 a.m.**

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Mayor Muenzer called the meeting to order and presided.

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**ROLL CALL**

**ITEM 2**

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

Council Members:  
Kim Anderson (arrived at 10:30 a.m.)  
R. Joseph Herms  
Alan R. Korest  
Ronald M. Pennington  
Peter H. Van Arsdale

**Also Present:**

Dr. Richard L. Woodruff, City Manager  
Maria J. Chiaro, City Attorney  
Kevin Rambosk, Assistant City Manager  
Missy McKim, Community Dev. Director  
William Harrison, Finance Director  
John Cole, Chief Planner  
Ann Walker, Planner II  
Glen Chesebrough, Training Chief

George Henderson, Sergeant At Arms  
Tara A. Norman, Deputy City Clerk  
Marilyn McCord, Deputy City Clerk

See Supplemental Attendance List  
(Attachment #1)

**ITEMS TO BE ADDED**

**ITEM 1**

None.

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**PLANNING ADVISORY BOARD INTERVIEWS**

**ITEM 2**

Mayor Muenzer announced that he had been contacted by an individual who had missed seeing the newspaper notice of this vacancy and had requested that the Council extend the application time. It was the consensus of Council, however, to proceed under the originally advertised deadline and not to reopen the application process.

The Council conducted interviews with two candidates for the Planning Advisory Board vacancy: incumbent Ron Sanson and William Tracy.

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**ITEM 3**

**INTERVIEWS WITH REPRESENTATIVES OF CABLE TELEVISION  
PROPOSAL RESPONDENTS**

City Manager Woodruff explained that the Council had authorized the publishing of a "Request for Information" (RFI) with reference to provision of cable television (CATV) services in the City of Naples. Eleven firms had requested RFI materials. Three responded; of these, two of the firms had subsequently made a joint submission. He noted the purpose of the workshop discussion; namely, an opportunity for the Council to hear presentations from the aforementioned two companies (ITI Technical Services, Inc., and United Telephone/Wodlinger International) and to provide direction to the staff on whether the Council wished to pursue a competitive market for local CATV service. Dr. Woodruff asked that the Council review the presentations from the standpoint of whether each company possesses the technical expertise necessary to provide a CATV system in the City of Naples and to assess the concept of a public/private operation versus a privately operated business venture.

Mayor Muenzer called attention to the informal nature of that day's meeting and asked that, during each presentation, Council Members note questions which could later be turned over to the companies for response at a subsequent session.

**ITI Technical Services, Inc.**

The following individuals represented this company: Mac Qurashi, ITI President; Frank Merklein, Director of CATV Operations and Programming; Tom Flaherty, Financial Advisor; and John Richardson, Project Manager. A copy of the materials provided by this company, as well as copies of overhead transparencies used in their presentation, are contained in the file for this meeting in the Office of the City Clerk.

Mr. Qurashi explained that ITI Technical Services was created to address an international cable services market which had grown to a \$23-billion a year business since the Fifties; there are currently 62 city-owned CATV operations in the U.S. According to Mr. Qurashi, this was an excellent time for cities to enter the CATV business because city owned and operated CATV systems are now being viewed as utilities under federal regulations. ITI offers turnkey construction of state-of-the-art communications networks, including financing. The system is based on the fibre-optic cable which of necessity is mixed with coaxial cable only at the actual service connection to individual buildings. Fibre-optic cable itself works at the speed of light. As soon as technology is available to replace the coaxial cable portion of the system, the fibre-optic cable will be able to provide literally thousands of CATV channels as well as telephone service, energy monitoring, security, and many other functions. (See Attachments #2 and #3)

Frank Merklein, Director of CATV Operations and Programming, explained that ITI could have a complete system to every home in Naples within eight months and that there was ample precedent for public/private partnerships of this type. Only when a system allows the City to have total price control can the consumer be protected, he said. Mr. Merklein also noted that a channel could be dedicated for the City to utilize and/or assign to other agencies.

Tom Flaherty, ITI Financial Advisor, reviewed the company's proposal for use of tax-exempt certificates of participation (COP's), indicating that this was becoming a very popular means of financing for governments in Florida. While it is slightly more expensive than bonding, there is more flexibility. Bonds are more appropriate for building infrastructure for essential services while COP's adapt to revenue-generating projects such as CATV systems. Mr. Flaherty proposed an interest rate of 7% and annual lease payments by the City of \$660,000. He predicted that the system would be valued at \$7,741,800 after one year on an initial investment of \$6,000,000.

Project Manager Richard Anthony then reviewed the attributes of a fiber-optic CATV system which would allow the City to also offer telephone service at reduced cost to its citizens. Currently a system like the one being proposed by ITI can now legally provide long distance service to single family homes in Florida, although a second telephone instrument is required; local telephone service cannot now be offered to single family homes. However, both local service and long distance service can be offered by the company to entire apartment and business complexes under current

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regulations. Anticipated savings were estimated by Mr. Anthony to be 5% to 15% over telephone services currently offered in the market.

In further discussion with the Council it was also clarified by the ITI representatives that after two years it would most likely be clear whether the City would want to remain in the CATV business. Should the City wish to discontinue these operations, ITI representatives assured the Council that the company would be able to locate buyers for the system. It was also clarified that the CATV operation would be the collateral for the COP's and that the risk represented to the taxpayers would be through the pledge of the City's good faith and credit in the transaction.

Council Member Korest suggested that the City's financial advisor, Craig Dunlap, participate in future discussions of this issue.

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**Deputy City Clerk Tara Norman acted as recording secretary for the preceding portion of the meeting while Deputy City Clerk Marilyn McCord acted as recording secretary during the remainder of the meeting and until adjournment.**

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### ITEM 4

#### **JOINT MEETING WITH AIRPORT AUTHORITY**

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#### **REVIEW OF AIRPORT DEVELOPMENT PROJECTS**

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#### **AIR TRAFFIC CONTROL TOWERS**

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**MULTIPLE USE FACILITY (HANGAR PLUS OFFICE)**

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**T-HANGAR CONSTRUCTION**

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**PRIVATE/CORPORATE HANGARS**

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**COMMERCIAL AND GENERAL AVIATION TERMINAL EXPANSION**

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**SAFETY OVER-RUN IMPROVEMENTS**

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**AIRFIELD SIGNAGE UPGRADE**

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**NEW ELECTRICAL VAULT AND T/W A LIGHTING**

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**AIRFIELD EMERGENCY GENERATOR UPGRADE**

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**TAXIWAY 13-31 CONSTRUCTION**

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**AIRLINE TERMINAL RAMP EXPANSION**

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**HIGH SPEED EXIT R/W 22**

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**AIRPORT MASTER SURVEY**

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**STATUS OF FEDERAL STORMWATER PERMIT APPLICATION**

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**PROJECTION OF AIRPORT OPERATING PROFILES FOR 1993**

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**DISCUSSION OF PROCEDURES FOR PLACING BEFORE COUNCIL  
ORDINANCES AND ANY AMENDMENTS TOT HE LAND USE PLAN**

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**ANNOUNCEMENTS/CORRESPONDENCE/COMMUNICATIONS**

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**ADJOURN:**

**PAUL W. MUENZER, MAYOR**

Janet Cason  
City Clerk

Marilyn McCord

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Deputy City Clerk

These minutes of the Naples City Council were approved on \_\_\_\_\_.

Attachments: 3 pages

**Supplemental Attendance List**

Bradley Estes  
William Tracy  
Ron Sanson  
Jim Lennane  
Tom O'Riley

ITI Representatives:

Mac Qurashi  
Frank Merklein  
Tom Flaherty  
John Richardson

United Telephone/Wodlinger  
Representatives:

Airport Authority Members:

Eugene Schmidt  
William Kielhorn  
Werner Haardt  
Scotty Ullring  
Louis Amato

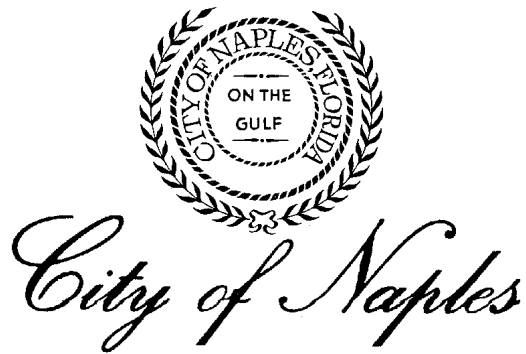


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**City Council Workshop Meeting**  
**May 10, 1993**  
Convened 9:00 a.m. / Adjourned p.m.

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