



City Council Chamber
735 Eighth Street South
Naples, Florida 34102

City Council Special Meeting – Thursday, September 3, 1998 – 5:05 p.m.

Vice Mayor MacKenzie called the meeting to order and presided.

ROLL CALLITEM 1

Present: Bonnie R. MacKenzie, Vice Mayor

Council Members:

Joseph Herms

John Nocera

Fred Tarrant

Peter H. Van Arsdale

Absent: Bill Barnett, Mayor

Fred Coyle, Council Member

Also Present:

Dr. Richard L. Woodruff, City Manager

William Harrison, Assistant City Manager

Tara Norman, City Clerk

Virginia Neet, Deputy City Clerk

Anne Middleton, Budget/Investment Mgr.

George Archibald, Traffic Engineer

Dr. Jon Staiger, Natural Resources Mgr.

Erica Cook

Other interested citizens and visitors

ITEMS TO BE ADDEDITEM 2

None

Assistant City Manager Harrison announced that this meeting was for the purpose of conducting a public hearing on the 1998-99 budget and that the general ad valorem tax levy being proposed is 1.1800 mills, representing an increase of 5.3854% above the current year rolled-back rate of 1.1197 mills computed pursuant to Florida Statutes, Chapter 200.065(1). The current year aggregate rolled-back rate, Mr. Harrison reported, is 1.1429 mills which exceeds the current year proposed aggregate millage rate of 1.2040 mills by 5.3460%.

Vice Mayor MacKenzie noted that no members of the public were present; therefore the public hearing was opened and closed at 5:08 p.m. with the notation that should any citizen arrive at the meeting and wish to speak, the public hearing would be reopened.

RESOLUTION 98-8346..... ITEM 3-a-1
A RESOLUTION ADOPTING A PROPOSED MILLAGE RATE FOR THE CITY OF NAPLES, EXCLUSIVE OF DEPENDENT TAXING DISTRICTS, FOR FISCAL YEAR COMMENCING OCTOBER 1, 1998, AND ENDING SEPTEMBER 30, 1999; AND PROVIDING AN EFFECTIVE DATE. Title read by Assistant City Manager William Harrison. Mr. Harrison noted that the proposed millage rate for fiscal year 1998-99 had been determined to be 1.1800 mills, including debt service; the percentage increase in property taxes adopted by the City Council, Mr. Harrison said, is 5.3460% more than the rolled-back rate computed pursuant to Florida Statutes, Chapter 200.065(1).

In response to Council Member Herms, Mr. Harrison clarified that this and the two resolutions to follow would separately adopt the general fund, East Naples Bay Special Taxing District and Moorings Bay Special Taxing District millage rates

MOTION by Van Arsdale to APPROVE Resolution 98-8346 as submitted; seconded by Tarrant and carried 5-0 (Barnett-absent, Coyle-absent, Herms-yes, Nocera-yes, Tarrant-yes, Van Arsdale-yes, MacKenzie-yes).

RESOLUTION 98-8347..... ITEM 3-a-2
A RESOLUTION ADOPTING A PROPOSED MILLAGE RATE FOR THE EAST NAPLES BAY SPECIAL TAXING DISTRICT FOR FISCAL YEAR COMMENCING OCTOBER 1, 1998, AND ENDING SEPTEMBER 30, 1999; AND PROVIDING AN EFFECTIVE DATE. Title read by Assistant City Manager William Harrison. Mr. Harrison noted the proposed millage rate for fiscal year 1998-99 had been determined to be 0.5000 mills, including debt service. In response to Council Member Herms, Mr. Harrison explained that the debt service in the East Naples Bay Special Taxing District continues through 2002, the proceeds of this tax levy are therefore necessary for payment on the existing debt.

MOTION by Van Arsdale to APPROVE Resolution 98-8347 as submitted; seconded by Nocera and carried 5-0 (Barnett-absent, Coyle-absent, Herms-yes, Nocera-yes, Tarrant-yes, Van Arsdale-yes, MacKenzie-yes).

RESOLUTION 98-8348..... ITEM 3-a-3
A RESOLUTION ADOPTING A PROPOSED MILLAGE RATE FOR THE MOORINGS BAY SPECIAL TAXING DISTRICT FOR FISCAL YEAR COMMENCING OCTOBER 1, 1998, AND ENDING SEPTEMBER 30, 1999; AND PROVIDING AN EFFECTIVE DATE. Title read by Assistant City Manager William Harrison. Mr. Harrison noted that the proposed millage rate for fiscal year 1998-99 had been determined to be 0.1000 mills, including debt service. City Manager Richard Woodruff explained that although the millage rate for the two waterways special taxing districts had been identical when established, increases in assessed value in the Moorings Bay District had caused the millage rate to be reduced.

MOTION by Van Arsdale to APPROVE Resolution 98-8348 as submitted; seconded by Nocera and carried 5-0 (Barnett-absent, Coyle-absent, Herms-yes, Nocera-yes, Tarrant-yes, Van Arsdale-yes, MacKenzie-yes).

RESOLUTION 98-8349..... ITEM 3-b-1
A RESOLUTION ADOPTING A TENTATIVE BUDGET FOR THE CITY OF NAPLES, EXCLUSIVE OF DEPENDENT TAXING DISTRICTS, FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 1998, AND ENDING SEPTEMBER 30, 1999; AND PROVIDING AN EFFECTIVE DATE. Title read by Assistant City Manager William Harrison. In response to Council Member Tarrant, Mr. Harrison stated that the City is in a very strong financial position with substantial reserves and extremely good national credit ratings. Although some of the City's pension funds are invested in equities, the general moneys used to operate the City are invested exclusively in short-term government bonds, treasuries and agencies which are very safe and extremely liquid, Mr. Harrison explained. He also pointed out that while the stock

market is in decline the bond market is at record highs. City Manager Woodruff also pointed that in accordance with Council policy there are no investments in derivatives.

MOTION by Nocera to **APPROVE** Resolution 98-8349 as submitted; seconded by Van Arsdale and carried 5-0 (Barnett-absent, Coyle-absent, Herms-yes, Nocera-yes, Tarrant-yes, Van Arsdale-yes, MacKenzie-yes).

RESOLUTION 98-8350.....ITEM 3-b-2

A RESOLUTION ADOPTING A TENTATIVE BUDGET FOR THE EAST NAPLES BAY SPECIAL TAXING DISTRICT FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 1998, AND ENDING SEPTEMBER 30, 1999; AND PROVIDING AN EFFECTIVE DATE.

Title read by Assistant City Manager William Harrison.

MOTION by Van Arsdale to **APPROVE** Resolution 98-8350 as submitted; seconded by Nocera and carried 5-0 (Barnett-absent, Coyle-absent, Herms-yes, Nocera-yes, Tarrant-yes, Van Arsdale-yes, MacKenzie-yes).

RESOLUTION 98-8351.....ITEM 3-b-3

A RESOLUTION ADOPTING A TENTATIVE BUDGET FOR THE MOORINGS BAY SPECIAL TAXING DISTRICT FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 1998, AND ENDING SEPTEMBER 30, 1999 AND PROVIDING AN EFFECTIVE DATE.

Title read by Assistant City Manager William Harrison.

MOTION by Van Arsdale to **APPROVE** Resolution 98-8351 as submitted; seconded by Nocera and carried 5-0 (Barnett-absent, Coyle-absent, Herms-yes, Nocera-yes, Tarrant-yes, Van Arsdale-yes, MacKenzie-yes).

FIRST READING OF AN ORDINANCE.....ITEM 4-a

AN ORDINANCE DETERMINING AND FIXING THE 1998 TAX LEVY AND MILLAGE RATE FOR THE CITY OF NAPLES, EXCLUSIVE OF DEPENDENT TAXING DISTRICTS, FOR THE PURPOSE OF PROVIDING SUFFICIENT FUNDS FOR THE GENERAL FUND OPERATIONS; PROVIDING A SEVERABILITY CLAUSE, A REPEALER PROVISION AND AN EFFECTIVE DATE. Title read by Assistant City

Manager William Harrison. Mr. Harrison announced a total assessed valuation of real and personal property of \$5,150,442,674 with a general fund operations millage rate of 1.1800 mills generating \$5,784,700. He also stated that the percentage increase in the millage rate adopted by the City Council is 5.3854% over the current year rolled-back rate of 1.1197 mills, computed pursuant to Florida Statutes, Chapter 200.065(1); the current year aggregate rolled-back rate is 1.1429 mills which exceeds the current year proposed aggregate millage rate of 1.2040 mills by 5.3460%. In response to Council Member Herms, Mr. Harrison explained that the rolled-back rate is that which would generate exactly the same revenue on existing properties as was generated in the prior fiscal year. Assessed value on owner-occupied property under "Save Our Homes" legislation can only be increased by the lesser of either 3% or the last 12 month change in the consumer price index, the latter being approximately 1.9%, Mr. Harrison said. Growth in revenue is also derived from additions to the tax base, Mr. Harrison noted; even though the tax rate is not being increased, a small amount of additional revenue will be generated. This will fund inflation in the cost of existing City services, such as increases imposed by collective bargaining agreements, Mr. Harrison concluded. City Manager Richard Woodruff also pointed out that the projected ad valorem revenue for the current fiscal year differs from the proposed by approximately \$300,000.

Vice Mayor MacKenzie noted that since a member of the public had arrived, the **public hearing would be reopened (5:19 p.m. to 5:25 p.m.)**. Erica Cook, resident of the **Brittany on Gulf Shore Blvd., North**, sought clarification of the tax notice she had received from Collier County which showed a proposed increase. City Manager Woodruff noted that, according to the notice, the total increase in Ms. Cook's tax bill would be approximately \$200, largely due to an increase

in the levy by the school system; Ms. Cook's proposed City taxes would go from \$899.43 to \$915.22.

MOTION by Van Arsdale to **APPROVE** this ordinance as presented on First Reading; seconded by Nocera and carried 5-0 (Barnett-absent, Coyle-absent, Herms-yes, Nocera-yes, Tarrant-yes, Van Arsdale-yes, MacKenzie-yes).

FIRST READING OF AN ORDINANCE..... ITEM 4-b
AN ORDINANCE DETERMINING AND FIXING THE 1998 TAX LEVY AND MILLAGE RATE FOR THE EAST NAPLES BAY SPECIAL TAXING DISTRICT, FOR THE PURPOSE OF PROVIDING SUFFICIENT FUNDS FOR THE OPERATIONS OF THE SPECIAL TAXING DISTRICT; PROVIDING A SEVERABILITY CLAUSE, A REPEALER PROVISION AND AN EFFECTIVE DATE. Title read by Assistant City Manager William Harrison. Mr. Harrison announced that total assessed valuation of real and personal property in the East Naples Bay Special Taxing District is \$140,686,197, yielding \$66,940 from a millage rate of 0.5000 mills.

MOTION by Van Arsdale to **APPROVE** this ordinance as presented on First Reading; seconded by Nocera and carried 5-0 (Barnett-absent, Coyle-absent, Herms-yes, Nocera-yes, Tarrant-yes, Van Arsdale-yes, MacKenzie-yes).

FIRST READING OF AN ORDINANCE..... ITEM 4-c
AN ORDINANCE DETERMINING AND FIXING THE 1998 TAX LEVY AND MILLAGE RATE FOR THE MOORINGS BAY SPECIAL TAXING DISTRICT, FOR THE PURPOSE OF PROVIDING SUFFICIENT FUNDS FOR THE OPERATIONS OF THE SPECIAL TAXING DISTRICT; PROVIDING A SEVERABILITY CLAUSE, A REPEALER PROVISION AND AN EFFECTIVE DATE. Title read by Assistant City Manager William Harrison. Mr. Harrison announced that total assessed valuation of real and personal property in the Moorings Bay Special Taxing District is \$531,387,865, yielding \$50,900 from a millage rate of 0.1000 mills.

MOTION by Nocera to **APPROVE** this ordinance as presented on First Reading; seconded by Van Arsdale and carried 5-0 (Barnett-absent, Coyle-absent, Herms-yes, Nocera-yes, Tarrant-yes, Van Arsdale-yes, MacKenzie-yes).

FIRST READING OF AN ORDINANCE..... ITEM 5-a
AN ORDINANCE ADOPTING THE FINAL BUDGET FOR THE EAST NAPLES BAY SPECIAL TAXING DISTRICT FOR FISCAL YEAR COMMENCING OCTOBER 1, 1998 AND ENDING SEPTEMBER 30, 1999; APPROPRIATING FUNDS FOR OPERATING EXPENSES OF THE CITY OF NAPLES FOR THE GENERAL OPERATION OF THE EAST NAPLES BAY SPECIAL TAXING DISTRICT FOR AND DURING FISCAL YEAR COMMENCING OCTOBER 1, 1998 AND ENDING SEPTEMBER 30, 1999; PROVIDING A SEVERABILITY CLAUSE, A REPEALER PROVISION AND AN EFFECTIVE DATE. Title read by Assistant City Manager William Harrison. Mr. Harrison announced that the special revenue fund for the East Naples Bay Special Taxing District is proposed at \$66,940.

MOTION by Van Arsdale to **APPROVE** this ordinance as presented on First Reading; seconded by Nocera and carried 5-0 (Barnett-absent, Coyle-absent, Herms-yes, Nocera-yes, Tarrant-yes, Van Arsdale-yes, MacKenzie-yes).

FIRST READING OF AN ORDINANCE..... ITEM 5-b
AN ORDINANCE ADOPTING THE FINAL BUDGET FOR THE MOORINGS BAY SPECIAL TAXING DISTRICT FOR FISCAL YEAR COMMENCING OCTOBER 1, 1998 AND ENDING SEPTEMBER 30, 1999; APPROPRIATING FUNDS FOR OPERATING EXPENSES OF THE CITY OF NAPLES FOR THE GENERAL OPERATION OF THE MOORINGS BAY SPECIAL TAXING DISTRICT FOR AND DURING FISCAL YEAR COMMENCING OCTOBER 1, 1998 AND ENDING SEPTEMBER 30, 1999; PROVIDING

A SEVERABILITY CLAUSE, A REPEALER PROVISION AND AN EFFECTIVE DATE.
Title read by Assistant City Manager William Harrison. Mr. Harrison announced that the special revenue fund for the Moorings Bay Special Taxing District is proposed at \$50,900.

MOTION by Van Arsdale to APPROVE this ordinance as presented on First Reading; seconded by Nocera and carried 5-0 (Barnett-absent, Coyle-absent, Herms-yes, Nocera-yes, Tarrant-yes, Van Arsdale-yes, MacKenzie-yes).

**FIRST READING OR AN ORDINANCEITEM 5-c
AN ORDINANCE ADOPTING THE FINAL BUDGET FOR THE CITY OF NAPLES,
EXCLUSIVE OF DEPENDENT TAXING DISTRICTS, FOR FISCAL YEAR
COMMENCING OCTOBER 1, 1998 AND ENDING SEPTEMBER 30, 1999;
APPROPRIATING FUNDS FOR OPERATING EXPENSES OF THE CITY OF NAPLES
FOR THE GENERAL OPERATION OF THE SEVERAL DEPARTMENTS OF THE
CITY, INCLUDING UTILITIES, AND FOR CONTRIBUTING TO THE SINKING FUNDS
OF THE CITY TO PAY INTEREST ON AND PROVIDE FOR THE RETIREMENT OF
THE OUTSTANDING BONDS AND OTHER FIXED OBLIGATIONS OF THE CITY AND
THE UTILITY TAX FUND FOR AND DURING THE FISCAL YEAR COMMENCING
OCTOBER 1, 1998, AND ENDING SEPTEMBER 30, 1999; PROVIDING A
SEVERABILITY CLAUSE, A REPEALER PROVISION AND AN EFFECTIVE DATE.**
Title read by Assistant City Manager William Harrison. Mr. Harrison announced that total proposed appropriations are \$52,347,556 and total proposed internal service funds are \$5,665,090.

MOTION by Van Arsdale to APPROVE this ordinance as presented on First Reading; seconded by Nocera. It is noted for the record that, following the discussion below, this motion failed 2-3 (Barnett-absent, Coyle-absent, Herms-no, Nocera-yes, Tarrant-no, Van Arsdale-yes, MacKenzie-no).

In response to Council Member Herms, Mr. Harrison explained that street tree planting is contained as a line item in the Community Services/Parks & Parkways budget under “tree planting program” at \$100,000. Because \$250,000 would be required to reach the goal of planting 1,000 trees in the 1998-99 fiscal year, Mr. Herms requested that this line item be increased by \$150,000. City Manager Woodruff noted that at Council’s budget workshop staff had committed to planting as many trees as possible and would request transfer funds from contingency or the uncommitted fund reserve balance to underwrite the cost of any trees over the \$100,000. Vice Mayor MacKenzie expressed the view that even if the additional \$150,000 were allocated to the Parks & Parkways budget, the logistics of acquiring and planting trees may not allow installation of the full 1,000 in the upcoming fiscal year. City Manager Woodruff indicated that it would not be advisable to appropriate the \$150,000 from the contingency fund because of other unknown expenses during the fiscal year. Nevertheless, Dr. Woodruff indicated that if the total of \$250,000 were appropriated for tree planting, the recommended source of the additional funding would be the uncommitted fund reserve, thus increasing the total budget by \$150,000; total appropriation would then be \$52,497,556. Council Member Van Arsdale opposed this change, stating that while he supported tree planting goal, there was no certainty that all 1,000 trees could be planted. He said he was also concerned about the outcome if placement was not sufficiently planned. Council Member Tarrant indicated his support for committing the entire \$250,000, expressing confidence that the City staff would act judiciously in placing the new trees. Vice Mayor MacKenzie received clarification that if the \$150,000 additional appropriation were not spent in the 1998-99 fiscal year, the remainder would either be carried forward to a subsequent budget or transferred back to the uncommitted fund reserves.

MOTION by Herms to APPROVE this ordinance AS AMENDED on First Reading to transfer \$150,000 additional into the Parks & Parkways budget from the uncommitted fund reserve in the general fund for tree planting;

seconded by Tarrant and carried 5-0 (Barnett-absent, Coyle-absent, Herms-yes, Nocera-yes, Tarrant-yes, Van Arsdale-yes, MacKenzie-yes).

Vice Mayor MacKenzie said she voted in favor of this motion because of her belief that during the budget workshop, the Council had in fact committed to the tree planting project.

**FIRST READING OF AN ORDINANCE..... ITEM 5-d
AN ORDINANCE AMENDING THE FINAL BUDGET FOR THE FISCAL YEAR 1997 – 1998; RE-APPROPRIATING FUNDS FOR OPERATING EXPENSES OF THE CITY OF NAPLES FOR THE GENERAL OPERATION OF THE SEVERAL DEPARTMENTS OF THE CITY, INCLUDING UTILITIES, AND FOR CONTRIBUTING TO THE SINKING FUNDS OF THE OUTSTANDING BONDS AND OTHER FIXED OBLIGATIONS OF THE CITY AND THE UTILITY TAX FUND FOR AND DURING THE FISCAL YEAR 1997 – 1998; PROVIDING A SEVERABILITY CLAUSE, A REPEALER PROVISION AND AN EFFECTIVE DATE.** Title read by Assistant City Manager William Harrison. Mr. Harrison noted that a revised version of this ordinance had been distributed, a copy of which appears in the file for this meeting in the City Clerk's Office. Said revision is attributed to the Council's agreement to expend funds on the new Police building as well as to expedite work at Naples Landing park, he noted. Mr. Harrison further pointed out that this ordinance would adopt all the budget amendments which were individually approved by the Council throughout the fiscal year via the consent agenda. Total appropriations in the original budget, Mr. Harrison noted, are \$60,931,055; with reappropriation, the total is \$89,430,005.

In response to Council Member Herms, Assistant City Manager Harrison indicated that there is nothing in the reappropriation ordinance to detract from the \$1.8 million uncommitted fund reserve although the reappropriation represents both newly authorized capital improvements not in the fiscal year 1997-98 budget (parking garage, purchase of the historic house and construction of the Fifth Avenue plaza) as well as those incomplete capital improvements from the prior fiscal year carried forward to 1997-98. However, he said, there are no significant amendments to the operating budget from which the uncommitted fund reserve is derived. The Council's auditor, City Manager Woodruff noted, will at the end of the fiscal year verify and describe for the Council the sources of the uncommitted fund reserve, although he said the staff was very comfortable that the reserve balance will show an increase at the end of the 1997-98 fiscal year. He also noted that in accordance with Council policies, revenue is budgeted conservatively to avoid shortfalls.

Council Member Herms requested a report of the uncommitted fund reserves on an annual basis, stating that he wished to illustrate the improvement in the City's financial condition since 1991.

MOTION by Nocera to APPROVE this ordinance as presented on First Reading; seconded by Van Arsdale and carried 5-0 (Barnett-absent, Coyle-absent, Herms-yes, Nocera-yes, Tarrant-yes, Van Arsdale-yes, MacKenzie-yes)

CORRESPONDENCE and COMMUNICATIONS.....

In response to Council Member Tarrant's concern about the impact of Y2K on City computers, Assistant City Manager Harrison stated that he was not concerned that there would be any problems experienced either on the local area network/PC applications or the financial accounting and land management software currently utilized. Mr. Harrison added, however, that the Network Coordinator would examine all systems, such as those which control traffic signals, to assure that the transition will be smooth.

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Council Member Herms noted the appearance of rocks on the beach after a recent high tide, stating that this is a strong indication that rock is being transported from offshore. City Manager Woodruff, however, stated that Natural Resources Manager Jon Staiger could not confirm that offshore was indeed the source.

OPEN PUBLIC INPUT

None

ADJOURN

5:58 p.m.

Bonnie MacKenzie, Vice Mayor

Minutes prepared by:

Tara A. Norman, City Clerk

Minutes approved: 9/16/98.