



City Council Chamber
735 Eighth Street South
Naples, Florida 34102

City Council Special Meeting – September 17, 2001 5:05 p.m.

Mayor MacKenzie called the meeting to order and presided.

ROLL CALL ITEM 1

Present:

Bonnie R. MacKenzie, Mayor
Joseph Herms, Vice Mayor

Council Members:

Gary Galleberg
Fred Tarrant
Penny Taylor
Tamela Wiseman

Absent:

William MacIlvaine, Council Member

Also Present:

Kevin Rambosk, City Manager
Bill Harrison, Assistant City Manager
Anne Middleton, Budget & Investment Mgr.
Tara Norman, City Clerk
Beverly Grady, City Attorney
Dinny Neet, Deputy City Clerk
Dan Mercer, Public Works Director
Ron Pennington
Fern Aitchison
Hank Bryan
Maurice Kent
Martha Dykman

Other interested citizens and visitors.

PUBLIC HEARINGS ITEM 2

Mayor MacKenzie made the following statements: This meeting constitutes a tentative budget and millage hearing for the City of Naples. It is a special meeting of the City Council so only the items on the agenda may be considered. State law requires that the first substantive issue discussed shall be the percentage increase in millage over the rolled back rate necessary to fund the budget, if any, and the specific purposes of which ad valorem tax revenues are being increased, if they are to be increased. During this discussion the City Council will hear comments regarding the proposed increase, if any, and explain the reasons for any proposed increase over the rolled back rate. The general public will be allowed to speak and to ask questions prior to adoption of any measures by the Council. The Council will adopt its tentative millage rate prior to adopting its tentative budget. Tax levies and budgets for Dependent Special Taxing Districts will be adopted at the hearing following discussion and adoption of levies and budgets for the City. The City may adopt tax levies for all of its Dependent Special Taxing Districts and may adopt budgets for all of its Dependent Special Taxing Districts by a single unanimous vote; however, if a member of the general public requests that the tax levy or the budget of a Dependent Special Taxing District be separately discussed and separately adopted Council will discuss and adopt that tax levy or budget separately.

ORDINANCE 01-9336.....ITEM 2-a
AN ORDINANCE DETERMINING AND FIXING THE 2001 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 later in proceedings.)

Mayor MacKenzie explained that at the September 5, 2001 budget meeting there had been a discussion regarding the anticipated general fund ad valorem revenues for the following year, and those Council Members supporting a reduction in revenues were asked to submit specific recommendations. She also noted that during an interview with Naples Daily News columnist Jeff Lytle, Council Member Tarrant had suggested combining the current year surplus with unspent funds in the Gateway Project and she questioned whether Mr. Tarrant had further suggestions. Council Member Tarrant explained that his statement related to the substantial deterioration of the economy which had occurred since the September 5, 2001 budget meeting, and had received confirmation from Assistant City Manager William Harrison that there was approximately \$40-million invested in government agency securities. Vice Mayor Herms noted the printing of the budget summary in the Naples Daily News on September 14, and requested clarification regarding the various reserves identified in the general fund (\$1.32-million). Assistant City Manager Harrison explained that this represented projected budget figures for the end of the fiscal year; he also confirmed that, by resolution, the City Council restricts 10% of following year's appropriated general fund budget as an emergency reserve, representing approximately \$2-million. He further clarified that the budget projection for fiscal year 2002 is for \$359,000 in reserves (capital projects fund), and an anticipated reduction in a portion of those reserves at the end the year of approximately \$176,000.

Vice Mayor Herms recommended the following changes to the budget: 1) A reduction in hiring nine new employees from the recommended 12 positions, for approximately \$275,000-\$300,000 in savings; 2) remove \$25,000 set aside for bay cleanup; 3) remove \$136,000 from the City Attorney budget by hiring an in-house attorney; 4) remove \$429,000 in undesignated funds; and 5) remove \$200,000 in the contingency fund. This, he said, would reduce the overall budget by approximately \$1,050,000 and reduce the budget increase to approximately 9%, consistent with budget increases over the previous ten years. Council Member Taylor concurred with this proposal and requested a cost comparison of an in-house City Attorney versus use of an outside law firm.

Vice Mayor Herms said given the economic situation and contractual obligations, he said he felt that an overall increase of 9% would meet the City's obligations. Council Member Galleberg observed that budget discussions commenced in June and that this request to further reduce the increase in the budget was brought to City Council two weeks prior without supporting material having been presented. He further noted that the City had had a financial crisis ten years before and that successive Councils and staff had worked diligently to bring the City forward to a triple-A bond rating; he also took issue with modifying reserves which could endanger the City's credit rating and create a false economy. Mr. Galleberg also said that it was incumbent upon Council Members Taylor and Tarrant, and Vice Mayor Herms to present budget recommendations that day. Vice Mayor Herms said that staff had however been prohibited by the Council from researching budget reductions. Council Member Galleberg noted that City Council had by a

unanimous vote directed staff to prepare a budget for 1.15 mills, and City Council had subsequently held several workshop meetings discussing each line item in the budget. Nevertheless a request to reduce the budget to 1.15 mills had been announced at the September 5 meeting scheduled to finalize the budget and staff had performed the work it was directed to do by a unanimous vote, he said. Council Member Taylor said she felt that it was incumbent upon Council to direct staff to work toward reducing taxes, and she took issue with prohibiting Council Members from working with staff over the preceding two-week period. Council Member Galleberg pointed out that the budget had been approved at First Reading by a vote of 4-3; if additional reductions are sought, he said, Council Members do not require the assistance of staff to propose reductions. He then questioned which employee positions would be eliminated, which City services would be reduced, and what projects would not be accomplished.

Mr. Herms explained that the City currently has 493 employees, and that staff had proposed an increase to 505 employees; he noted that although some departments were in need of additional employees such as the Clerk's Office, he recommended the overall number of new employees be reduced from 12 to 9 as follows: City Manager's Office increase the number of employees to 5 rather than 6; eliminate the 1 new employee proposed for the Purchasing Department; increase the number of administrators at the Police Department to 13 instead of 14; increase the number of criminal administrators to 18 instead of 19; do not increase the number of employees for streets and traffic; maintain the same number of employees in the community redevelopment agency at 2 instead of 2.5; reduce the number of employees in the stormwater fund to 6; reduce the number of employees in the Naples beach fund from 13.3 to 12.3; and maintain the current number of employees in the information services fund at 9 instead of 10. This, Mr. Herms noted, conservatively represents approximately \$30,000 per employee, including benefits, resulting in a savings of approximately \$280,000-\$300,000. Further reductions recommended by Vice Mayor Herms included removing \$429,000 in undesignated funds; noting a surplus of \$1-million in capital over the \$2-million set aside; removing \$200,000 in contingency funds, and removing \$125,000-\$150,000 from the City Attorney budget by employing an in-house attorney. Mr. Herms indicated that these reductions total slightly over \$1-million, thereby reducing the increase in the budget to 9%. Mr. Herms clarified for Mayor MacKenzie that he also recommended eliminating the \$25,000 designated for bay cleanup.

Mayor MacKenzie asked City Manager Kevin Rambosk for his recommendations. Mr. Rambosk said that budget preparation began in January under better economic conditions with a goal of setting aside funds for reinvesting in the community in areas evident to residents such as roadway improvements, crosswalks, beautification, and aesthetics. However, he said, due to various intervening factors, such as the events of September 11 and a downturn in the economy, it was uncertain how long the budget could be maintained without increasing taxes. He said he felt that the budget presented to Council reflected what staff believed would be most beneficial to the community, but noted that staff could in fact balance the budget at a reduced amount; however, he asked that Council determine the total amount of reduction and allow the staff to compile a recommended list of cuts.

Mr. Rambosk then further explained that an estimated 10% increase budgeted for insurance had actually amounted to a 62% increase, or \$180,000 over the estimated \$10% increase already budgeted. The City, he said, must also determine the funding for such important projects as the

Park Shore bridge reconstruction (\$400,000), the cost of which had tripled, as well as the Harbour Drive bridge renovation. Mr. Rambosk also pointed out that while the proposed budget was lower than the previous year, it did include some increases in labor and maintenance that had not been previously required. Vice Mayor Herms maintained that by making various revisions, the general fund could be reduced by \$1-million. Council Member Galleberg, however, said he felt that the City operated a very tight budget and therefore would not support what he termed last minute changes. Council Member Wiseman concurred, stating that she felt reserve funds should not be used in these uncertain times. Council Member Tarrant said he felt it was incumbent upon City Council to reduce the budget, noting the variety of taxes paid by residents and the uncertainty of the economy; he said he had complete confidence in Assistant City Manager Harrison and the Finance Department to reduce the budget.

Public Comment: (5:40-6:14 p.m.) **Martha Dykman, 5040 Seashell Avenue**, said that her homestead property taxes had increased only \$300 in 16 years, while property values had dramatically increased; nevertheless a reduction in services had in fact occurred over the past five years. She noted that a \$10-million bond funded park renovations, and Lowdermilk Park restroom renovations were funded by tourist development taxes, and said that residents expected the Park Shore and Harbor Drive bridge projects to go forward in the coming year in accordance with the Comprehensive Plan. Mrs. Dykman also asserted that some streets were in disrepair and urged Council not to reduce the budget. **Ron Pennington, 3430 Gulf Shore Boulevard North**, said that he presumed that speakers who had protested a proposed tax increase at a prior budget hearing were part-time residents whose properties were not homesteaded and had therefore experienced rapidly escalating property values. He noted that his City tax had increased \$3.00 and that the total taxes he owed increased a maximum of 1.4%. He pointed out that although Vice Mayor Herms had indicated at the previous budget hearing that his property is homesteaded, Mr. Herms' property is in fact not currently homesteaded since he is not residing at any of his three residential properties; in conjunction with his commercial property, Mr. Pennington said Mr. Herms' taxable value is over \$2.8-million, a significant tax Mr. Herms would desire to reduce, Mr. Pennington noted. Mr. Pennington also disputed a statement by Vice Mayor Herms that he had been a Council Member when taxes had been reduced at a public hearing, although the 1.18 millage rate had been retained since 1991. Mr. Pennington then said he had been shocked by Council Member Tarrant's proposed \$1.5-million reduction by utilizing the \$500,000-\$600,000 surplus from the Gateway Project which could in fact not be used since these funds were bonded utility tax revenues. Mr. Pennington also noted that Mayor MacKenzie had requested only a portion of a \$350,000 line item be used for undergrounding power lines, not the entire amount as he said Mr. Tarrant had indicated. Mr. Pennington then said that any of the proposed reductions would be a degradation in services and necessitate difficult choices such as a reduction in the number of firefighters, police officers, the discontinuance of recreational programs, reduction of parks and parkways maintenance, and reduction of employee benefits. He therefore characterized the action as irresponsible resulting in further reduction in employee morale which he described as being at an all time low. In conclusion, he suggested the general fund would benefit by avoiding what he described as continuous unnecessary litigation initiated by the actions of Council Members Tarrant and Taylor and Vice Mayor Herms. **Fern Aitchison, 613 14th Avenue South**, said that taxes have increased, services have decreased, and the condition of the community in many places is worsening. She noted that during a recent storm event which caused significant flooding, passing City trucks had not stopped to clear the debris

from drains while she had spent two hours doing so in her own neighborhood. She urged that productivity be measured and improvements noted in numerous studies be accomplished. Ms. Aitchison further noted that the budget had sufficient funds to perform the necessary maintenance in neighborhoods although City personnel are not performing well. Ms. Aitchison recommended correction of the water and sewer problems, performing roadway and alleyway maintenance, and reiterated the desire to include a department that measured productivity. Ms. Aitchison said she did not oppose a tax increase, but desired improvements to the community and the elimination of health hazards. **Hank Bryan, 4401 Gulf Shore Boulevard North**, contrasted his tax bill, which he said had increased \$3,000 over the past ten years, with prior speakers noting very small increases. He said that he was not opposed to reasonable taxes and that neither he nor the 163 neighbors he represented complained about City services or taxes until that year. He also took issue with the proposed property tax notices being mailed on August 14 when the budget hearings commenced on June 18 when many residents are out of the area and would not have seen newspaper notices regarding these meetings and questioned why residents would attend the meetings if it was unknown there was a problem. He also criticized the advertisements for not specifying potential problems and consequences in terms residents could comprehend. Mr. Bryan also alleged that the majority of Council may have violated State Statutes at the September 3 meeting since it had been clearly indicated that a decision on millage and spending had occurred prior to hearing public input, and he criticized Council Members for disapproving fellow members' desires to limit spending increases. In conclusion, Mr. Bryan expressed dissatisfaction with the presentation of information regarding increases and decreases in the general fund and said that increases had averaged approximately 5% in the previous four years.

Mayor MacKenzie clarified that Florida law specifies when the meetings will be held, when the truth in millage (TRIM) notices are mailed, and what advertisements must state, and that there must be no deviation. Mr. Bryan asked if the notices could be mailed prior to the meetings. Council Member Galleberg said that while Mr. Bryan made some persuasive arguments, it should not be perceived that the process was being conducted in secret since the summer meetings were publicly advertised, televised, and reported by the newspaper; the issue of the 24% increase in assessments had been discussed extensively by the City Council in June, as well as being reported in the newspaper. Council Member Taylor said that she had over the past two weeks become interested in the issue of increased revenue after hearing of a 20-24% estimate and that it had not been clear that the millage remained the same over the previous ten years while spending increased by 7%, 14%, 16%, and 24% as proposed for the coming fiscal year. Miss Taylor said that if property values were increased 35%, the general budget would be likewise increased by 35%. Council Member Galleberg, however, noted that Council had prudently reduced the millage rate and predicted similar action if property values continued to increase. He also said that following the various budget hearings over the summer months, it was a travesty that Council Member Taylor did not understand the situation until the prior two weeks. He said that if individual incomes doubled simultaneously with federal income tax cuts, individuals would still pay more while tax rates were in fact reduced. The City had in fact reduced the millage rate which also represents a reduction in taxes, he said. Council Member Wiseman said that she had been deeply troubled by a recent comment by Council Member Taylor quoted in the newspaper as well as Miss Taylor's confirmation that day that she had voted on a number of occasions on issues she did not understand. Mrs. Wiseman said that it was

therefore incumbent upon Council Member Taylor to be informed or to ask questions on matters not understood. Council Member Taylor questioned whether Council Member Wiseman concurred with a 25% increase over the 14% the previous year. Council Member Wiseman responded that while there is in fact a budget increase, there are many items in the budget that are beyond the control of the City Council such as escalating health care costs. She also called it irresponsible to request a 9% budget reduction without listing specifics. Council Member Taylor said that she would depend on the expertise of City staff to determine which budget items to reduce. Vice Mayor Herms cited a previous speaker's reference to four Council Members determining to reduce the millage rate to 1.15 at a workshop during the summer months, and that while he had voted to reduce the millage rate from 1.18 to 1.15, at no point in time had the staff informed Council what the actual increase in ad valorem taxes would be, only of the increase in property values. Council had been informed of what the ad valorem taxes would be at the budget meeting held just one and one-half weeks before, he said. Council Member Galleberg, however, said that Mr. Herms' statement was patently false since the millage rate and assessed valuation were known, and that Council had extensively discussed at its June meetings the assessed valuations increasing to \$8.5-billion which he said the newspaper had also extensively covered. Vice Mayor Herms said that he knew of the 24% increase in property values, but not that ad valorem taxes would increase to 24%. Mr. Galleberg, however, countered by stating that all were aware of the increase, and that the ad valorem taxes were in fact being reduced by 3%, the City Council having given staff direction to revise the budget to 1.15 millage rate instead of the proposed 1.18.

Maurice Kent, 4160 Cutlass Lane, representing the Port Royal Property Owners Association, said that after listening to the prior comments, he felt that the budget process prescribed by the State is flawed, although the City has become the venue for residents to vent their frustrations because of Collier County and school system taxes. He estimated that half of the residents are not homesteaded in the City of Naples and advised that the Port Royal Property Owners Association continually received complaints from residents upset with overall significant tax increases, regardless of governmental entity. Mr. Kent recommended that residents monitor the proposed budget early in the process and that it is irresponsible to object at that time. Council Member Tarrant said that the City could set an example for the County, making it more difficult for the County to raise taxes by an additional 10-12%. Council Member Galleberg agreed that the large dollar amounts are at the County level, and that the City Council is in fact sending the County a message by reducing the millage rate by 3%, while the County is proposing a millage increase of approximately 12%. Council Member Wiseman questioned whether Mr. Kent had any suggestions on behalf of the Port Royal Property Owners Association of what could be reduced or eliminated in the budget. Mr. Kent said that this should be left to the City staff and praised City services, stating that he felt that the residents would be willing to fund additional services if the results were evident. Council Member Wiseman said she felt she would not be doing her job if she voted to reduce the budget just to make a political statement about Collier County Government.

(6:22 p.m.) Title read by Assistant City Manager William Harrison (see Page 2), who announced the total assessed valuation of real and personal property for fiscal year 2001-02 to be \$8,505,955,599; operating millage rate, excluding dependent taxing districts to be 1.1500

(\$9,292,756); voted debt service millage to be 0.1023 (\$826,651); and current aggregate millage rate of 1.1655 which exceeds the current year aggregate rolled back rate of .9895 mills by 17.79%.

Public Comment: (6:25 p.m.) None.

MOTION by Galleberg to APPROVE Ordinance 01-9336; seconded by Wiseman and failed 3-3 (Galleberg-yes, Tarrant-no, MacIlvaine-absent, Wiseman-yes, Taylor-no, Herms-no, MacKenzie-yes).

Vice Mayor Herms proffered a motion to approve the above ordinance with a millage rate of 1.00 which would generate \$8,080,658; however, further discussion ensued. Assistant City Manager Harrison clarified that 1.07 mills would generate approximately \$8,306,900 in order to provide a 9% increase in revenue. Mayor MacKenzie, however, explained that the difference between 1.07 and 1.15 is eight cents per every thousand dollars of assessed value. Vice Mayor Herms proffered a motion to modify the millage rate to 1.07 which would reflect a 9% increase in overall ad valorem taxes, seconded by Council Member Taylor; however, further public comment took place.

Clark Russell (no speaker registration provided) questioned whether substantive changes could be made to an ordinance at second reading; City Attorney Beverly Grady stated that State law contemplates that it is at the final hearing when the millage is actually set and the budget is actually adopted, and that the tentative budget can be amended at a lower, not higher, figure.

MOTION by Herms to APPROVE Ordinance 01-9336 reducing the millage rate to 1.07 which would reflect a 9% increase in overall ad valorem taxes; seconded by Taylor and failed 2-4 (Galleberg-no, Tarrant-no, Wiseman-no, Herms-yes, MacIlvaine-absent, Taylor-yes, MacKenzie-no).

During the vote, Council Member Galleberg said he could not support a budget proposed on such short notice. Council Member Tarrant commented that the motion represented a positive direction, but said he could not support any increase in property taxes.

ORDINANCE 01-9310..... ITEM 2-b
AN ORDINANCE DETERMINING AND FIXING THE 2001 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. (6:31 p.m.) Title read by Assistant City Manager William Harrison, who announced the total assessed valuation of real and personal property in the district to be \$222,208,285 and the tax levy to be 0.5000 (\$105,549) for fiscal year 2001-02.

Public Comment: (6:31 p.m.) None.

MOTION by Galleberg to APPROVE Ordinance 01-9310; seconded by Wiseman and carried 6-0 (Galleberg-yes, Tarrant-yes, MacIlvaine-absent, Wiseman-yes, Taylor-yes, Herms-yes, MacKenzie-yes).

ORDINANCE 01-9311..... ITEM 2-c
AN ORDINANCE DETERMINING AND FIXING THE 2001 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.

(6:32 p.m.) Title read by Assistant City Manager William Harrison, who announced the total assessed valuation of real and personal property in the district to be \$818,440,897 and the tax levy to be 0.0250 (\$20,150) for fiscal year 2001-02.

Public Comment: (6:33 p.m.) None.

MOTION by *Wiseman* to **APPROVE** Ordinance 01-9311; seconded by *Galleberg* and carried 6-0 (*Galleberg-yes, Tarrant-yes, Wiseman-yes, Herms-yes, MacIlvaine-absent, Taylor-yes, MacKenzie-yes*).

ORDINANCE 01-9312.....ITEM 3-a

AN ORDINANCE ADOPTING THE FINAL BUDGET FOR THE EAST NAPLES BAY SPECIAL TAXING DISTRICT FOR FISCAL YEAR COMMENCING OCTOBER 1, 2001 AND ENDING SEPTEMBER 30, 2002; 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, 2001 AND ENDING SEPTEMBER 30, 2002; PROVIDING A SEVERABILITY CLAUSE, A REPEALER PROVISION AND AN EFFECTIVE DATE.

(6:34 p.m.) Title read by Assistant City Manager William Harrison, who announced the special revenue fund for the district at \$66,920 for fiscal year 2001-02.

Public Comment: (6:34 p.m.) None.

MOTION by *Herms* to **APPROVE** Ordinance 01-9312; seconded by *Galleberg* and carried 6-0 (*Taylor-yes, MacIlvaine-absent, Wiseman-yes, Galleberg-yes, Tarrant-yes, Herms-yes, MacKenzie-yes*).

ORDINANCE 01-9313.....ITEM 3-b

AN ORDINANCE ADOPTING THE FINAL BUDGET FOR THE MOORINGS BAY SPECIAL TAXING DISTRICT FOR FISCAL YEAR COMMENCING OCTOBER 1, 2001 AND ENDING SEPTEMBER 30, 2002; 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, 2001 AND ENDING SEPTEMBER 30, 2002; PROVIDING A SEVERABILITY CLAUSE, A REPEALER PROVISION AND AN EFFECTIVE DATE.

(6:35 p.m.) Title read by Assistant City Manager William Harrison, who announced the special revenue fund for the district at \$21,250 for fiscal year 2001-02.

Public Comment: (6:35 p.m.) None.

MOTION by *Galleberg* to **APPROVE** Ordinance 01-9313; seconded by *Wiseman* and carried 6-0 (*Herms-yes, Galleberg-yes, Taylor-yes, MacIlvaine-absent, Wiseman-yes, Tarrant-yes, MacKenzie-yes*).

ORDINANCE 01-9337.....ITEM 3-c

AN ORDINANCE ADOPTING THE FINAL BUDGET FOR THE CITY OF NAPLES, EXCLUSIVE OF DEPENDENT TAXING DISTRICTS, FOR FISCAL YEAR COMMENCING OCTOBER 1, 2001 AND ENDING SEPTEMBER 30, 2002; 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, 2001, AND ENDING SEPTEMBER 30, 2002;

PROVIDING A SEVERABILITY CLAUSE, A REPEALER PROVISION AND AN EFFECTIVE DATE. (6:35 p.m.) Title read by Assistant City Manager William Harrison, who announced total appropriations to be \$64,558,123 and total internal services funds to be \$8,013,145 for fiscal year 2001-02.

Public Comment: (6:36 p.m.) None.

MOTION by Wiseman to APPROVE Ordinance 01-9337; seconded by Galleberg and failed 3-3 (Wiseman-yes, Herms-no, MacIlvaine-absent, Taylor-no, Tarrant-no, Galleberg-yes, MacKenzie-yes).

ORDINANCE 01-9314.....ITEM 4
AN ORDINANCE ADDING SUBSECTION (d) TO SECTION 54-71, “ESTABLISHMENT OF TYPE I AND TYPE II REFUSE FEES” OF THE CODE OF ORDINANCES OF THE CITY OF NAPLES IN ORDER TO PROVIDE FOR ANNUAL ADJUSTMENTS FOR INFLATION; AND PROVIDING AN EFFECTIVE DATE.

(6:37 p.m.) Title read by Assistant City Manager William Harrison.

Public Comment: (6:37 p.m.) None.

MOTION by Galleberg to APPROVE Ordinance 01-9314; seconded by Wiseman and carried 6-0 (MacIlvaine-absent, Taylor-yes, Tarrant-yes, Galleberg-yes, Herms-yes, Wiseman-yes, MacKenzie-yes).

ORDINANCE 01-9315.....ITEM 5
AN ORDINANCE AMENDING THE FINAL BUDGET FOR THE FISCAL YEAR 2000-01; 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 2000-01; PROVIDING A SEVERABILITY CLAUSE, A REPEALER PROVISION AND AN EFFECTIVE DATE. (6:38 p.m.) Title read by Assistant City Manager William Harrison, who announced total original appropriation was cited as \$65,276,487 with a budget amendment of \$49,542,014 with the final budget at \$114,818,501; internal services fund was originally \$7,647,361 with a budget amendment of \$1,060,569 with the final budget at \$8,707,930. He explained that between first and second readings three changes of \$100,000 each had been included in the budget amendment column as follows: (1) increase the general fund for police and emergency services with regard to the overtime expenses primarily for the police department concerning the River Park issue; (2) \$100,000 increase in non-departmental budget for communication services; and (3) \$100,000 increase in the internal services funds, equipment management.

Public Comment: (6:40 p.m.) None.

MOTION by Herms to APPROVE Ordinance 01-9315; seconded by Galleberg and carried 5-1 (Galleberg-yes, Tarrant-no, Wiseman-yes, Herms-yes, MacIlvaine-absent, Taylor-yes, MacKenzie-yes).

In response to Council Member Galleberg, City Attorney Grady clarified that this hearing must be recessed, not adjourned; Mayor MacKenzie announced that the hearing was in recess until 5:05 p.m. Monday, October 1, 2001, in the City Council Chamber, at which time Council would again consider Items 2-a and 3-c. She requested that Assistant City Manager Harrison ensure that the recessed meeting was properly advertised. Council Member Wiseman asked for an assessment of the practical effect of the City entering a new fiscal year if a Council Member

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were absent and the budget were not adopted. Budget & Investment Manager Anne Middleton explained that if the City did not meet the deadline to certify the necessary ordinances, the County must distribute tax notices based on the July 2001 certification of 1.18 mills, and the City would then receive the rolled back rate with the difference placed in a reserve account, and the City could not utilize those funds until found in compliance. However, she said, the City could stand to lose State revenue sharing representing approximately \$5-million if a decision is not made by October 8, 2001. She further noted that at every meeting recess, one week elapses before a newspaper advertisement can appear and that the meeting could not occur earlier than two days or later than five days hence.

PUBLIC COMMENT

None.

RECESSED

6:43 p.m.

Bonnie R. MacKenzie, Mayor

Tara A. Norman, City Clerk

Minutes prepared by:

Brenda A. Blair
Senior Administrative Specialist

Minutes Approved: 1/9/02