



City Council Chamber  
735 Eighth Street South  
Naples, Florida 34102

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**Continuation of City Council Special Meeting – October 1, 2001 5:05 p.m.**

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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  
William MacIlvaine  
Fred Tarrant  
Penny Taylor  
Tamela Wiseman

**Also Present:**

Kevin Rambosk, City Manager  
Bill Harrison, Assistant City Manager  
Anne Middleton, Budget & Investment Mgr.  
Beverly Grady, City Attorney  
Tara Norman, City Clerk  
Karen Kateley, Administrative Specialist  
Elaine Luckhart  
Gary Martin  
Dieter Gebrath

**Media:**

Denise Zoldan, Naples Daily News

Other interested citizens and visitors.

**PUBLIC HEARINGS ..... ITEM 2**

(5:05 p.m.) Mayor MacKenzie made the following statements: This meeting constitutes the final budget and millage hearing recessed from September 17, 2001, 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 will 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 the adoption of any measures by the Council. The Council will adopt its final millage rate prior to adopting its final budget.

**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 meeting.) City Manager Kevin Rambosk explained that staff made significant reductions from what had been originally requested. He then mentioned that at the June budget workshops, staff had requested

that the additional available funds be set aside in order to make improvements that staff believed were investments in the City. City Council subsequently considered and granted the request; however, Council had directed staff not to exceed 1.15 mills in property taxes. He noted that he would provide Council with information in response to questions raised by members at the previous two budget hearings. In response to Council Member Galleberg, City Attorney Beverly Grady clarified that the meeting that day was a continuation of the September 17, 2001 recessed meeting when two items voted on had resulted in a tie (Items 2-a and 3-c) and that those were the only two items to be heard that day.

City Manager Rambosk then reviewed the budget (see Attachment 1), and noted that the average value of a home in the City of Naples had increased by 24%, according to the Collier County Property Appraiser; he further noted that residents received an estimated tax bill based on the current tax rate of 1.18 mills, not the proposed 1.15 mills.

The title to the above ordinance was then read by Assistant City Manager William Harrison, who announced the total assessed valuation of real and personal property for fiscal year 2001-02 to be \$8,505,955,599; total 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:** (5:26-5:40 p.m.) **Elaine Luckhart, 3500 Crayton Road, Presidents' Council Chairperson**, said that City Council must adopt the ordinance with a millage rate of 1.15 mills in order to continue the services all residents appreciate. She also urged Council to support the ongoing pathway program, going forward with the Harbour Drive and Park Shore bridge renovations, maintaining parks and roadways, and providing the best police and fire protection possible. She noted that the City had no control over county and school taxes, although she said she had received no calls or heard any remarks from any of the homeowner association members regarding the proposed city tax rate. She further noted that over half of Naples residential properties are homesteaded and that her proposed City tax increase was \$8.00 over the previous year. **Gary Martin, 1200 6th Avenue South**, cited prior budget preparation experience in the County Manager's Office and said he had experience in working with large sums of money. He said that he had however also made mistakes; namely when he supported other waterfront property owners in opposition of the rezoning of Naples Bay to waterfront only (C2-A Waterfront Commercial) predicting that with an upsurge of condominiums, the marina business would be destroyed. Also with relation to the budget, he said that he had not realized that there would be a 25% increase in what appeared to be satisfactory during the summer workshop meetings. He cited unfavorable economic indicators and proposed increases in the County, School Board and Sheriff's Department budgets and urged the Council to rethink the City's budget as well in light of other ad valorem taxes residents must pay. Regardless of homestead, the City must be concerned about the local businesses and what it would mean to the local economy if some were to fail, Mr. Martin said, and urged the Council to be sensitive to winter residents. He suggested further direction be given to the City Manager to trim costs while maintaining necessary services. Council Member Tarrant thanked Mr. Martin for noting the other taxes that must be paid and said that he had received a call that day from a retiree requesting something be done to hold the line on taxes. Council Member Galleberg noted that the overall taxes was the problem, and that the City and the public schools had in fact proposed a reduction

in taxes, while the County budget had dramatically increased. He then proffered a motion to approve, seconded by Council Member Wiseman; however further discussion ensued.

**Dieter Gebrath, 219 3rd Avenue South**, said that he has been a winter resident since 1995, and that his property is not homesteaded. He noted that his City tax had increased from \$880 to \$1,470 since 1995, although needed improvements had not been made on his street and that he must still use a flashlight because of poor street lighting. He said he felt it was unfair for those not claiming a homestead exemption to pay such high taxes when spending only a few weeks in Naples. If taxes continue to increase, he said he would be forced to move, noting the contribution to the economy made by tourists. Vice Mayor Herms noted that homesteaded property values were capped at 3% every year, while otherwise the average property value had increased approximately 24% that year. Mayor MacKenzie noted that approximately 30% of Florida residents are homesteaded, with Naples being slightly higher at approximately 50%; she predicted that the disparity between homesteaded and non-homesteaded property would continue to increase as it has since the passage of the 1995 “Save Our Homes” Florida constitutional amendment which was meant to encourage people to be domiciled in Florida, she added.

Council Member MacIlvaine noted receipt of a proposed property tax notice (a copy of which is contained in the file for this meeting in the City Clerk's Office) which depicts a residence with a market value of \$343,080 in the year 2000, and a market value of \$404,589 in the year 2001, representing an increase of \$61,509 (18%). During that same time period the City tax will increase \$9.27, or one-third of one percent. Council Member Galleberg stated that the total budget is increasing by 6%, the general fund is increasing just under 11%, and ad valorem taxes, which are part of the general fund, are increasing by approximately 20%. Council Member Taylor however said that she had not experienced an increase in costs from her business suppliers as high as 24%. Mayor MacKenzie said that she based her decision to support the proposed budget due to the prudent budget projections over a 20-year period, not 12 months. Council Member Taylor noted however that the City Manager had pointed out that the increases were in labor costs and that further reductions could be made. During this discussion it was noted that the cost of electricity had increased, as well as a dramatic increase in health care costs. Mayor MacKenzie also noted that Naples was the only governmental entity in Florida with a triple-A bond rating, which had been achieved over time by careful planning. Council Member Galleberg further pointed out that the City was acting prudently by reducing the proposed millage rate by 3%. Council Member Taylor noted however that if the budget were further reduced, the gasoline tax revenue would fund the necessary bridge repairs. Mayor MacKenzie said that the gasoline tax revenue also funded road improvements, and many roads were in disrepair; she also noted that City employees were paid lower salaries than either the County or the Public Schools for doing the same job.

**MOTION by Galleberg to APPROVE Ordinance 01-9336 at 1.15 mills; seconded by Wiseman and carried 4-3 (Taylor-no, MacIlvaine-yes, Wiseman-yes, Galleberg-yes, Tarrant-no, Herms-no, 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.** 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:** (5:56 p.m.) None.

***MOTION*** by ***MacIlvaine*** to ***APPROVE*** Ordinance 01-9337; seconded by ***Galleberg*** and carried 4-3 (***Wiseman-yes, Tarrant-no, Taylor-no, Galleberg-yes, Herms-no, MacIlvaine-yes, MacKenzie-yes***).

**PUBLIC COMMENT**.....

5:56 p.m. None.

**ADJOURN**.....

5:57 p.m.

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Bonnie R. MacKenzie, Mayor

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Tara A. Norman, City Clerk

Minutes prepared by:

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Brenda A. Blair  
Senior Administrative Specialist

Minutes Approved: 1/9/02