



City Council Chamber
735 Eighth Street South
Naples, Florida 34102

City Council Regular Meeting – December 1, 2010 – 8:29 a.m.

Mayor Barnett called the meeting to order and presided.

ROLL CALL..... ITEM 1

Present:

Bill Barnett, Mayor
John Sorey, III, Vice Mayor

Council Members:

Douglas Finlay
Teresa Heitmann
Gary Price, II
Samuel Saad, III
Margaret Sulick

Also Present:

William Moss, City Manager
Robert Pritt, City Attorney
Tara Norman, City Clerk
Roger Reinke, Assistant City Manager
Vicki Smith, Technical Writing Specialist
Ann Marie Ricardi, Finance Director
Adam Benigni, Planner
Robin Singer, Planning Director
Denise Perez, Human Resources Director
Michael Bauer, Natural Resources Manager
David Lykins, Community Services Director

Michael McKellar
Bill Thorne
Joyce Wiedeback
Dennis Maccagnano

Media:

Jenna Buzzacco-Foerster, Naples Daily News

Other interested citizens and visitors

INVOCATION AND PLEDGE OF ALLEGIANCE..... ITEM 2

Senior Pastor Michael McKellar, Naples Church of God.

ANNOUNCEMENTS..... ITEM 3

City Manager William Moss noted that the City's Finance Department had been awarded a Certificate of Achievement recognizing outstanding financial reporting by the Government Finance Officers Association (GFOA).

SET AGENDA (add or remove items)..... ITEM 4

MOTION by Price to SET THE AGENDA continuing Item 6-a (November 3, 2010 regular meeting minutes) to 12/15/10; seconded by Sulick and unanimously carried, all members present and voting (Finlay-yes, Heitmann-yes, Price-yes, Saad-yes, Sorey-yes, Sulick-yes, Barnett-yes).

PUBLIC COMMENT ITEM 5

(8:33 a.m.) None.

CONSENT AGENDA

APPROVAL OF MINUTES (continued to 12/15/10/ see Item 4 above) ITEM 6-a

SPECIAL EVENTS ITEM 6-b

1) 14TH Annual Dr. Martin Luther King, Jr. Parade and Celebration – NAACP of Collier County and the City of Naples – Broad Avenue South to Third Street South to Fifth Avenue South To Eighth Street South to Cambier Park – 01/17/11.

RESOLUTION 10-12813 ITEM 6-c

A RESOLUTION APPOINTING DONALD FIELDHOUSE TO THE EAST NAPLES BAY CITIZENS ADVISORY COMMITTEE FOR A THREE-YEAR TERM COMMENCING DECEMBER 1, 2010, AND EXPIRING NOVEMBER 30, 2013; AND PROVIDING AN EFFECTIVE DATE. Title not read.

CLERK'S TRACKING #10-00039 ITEM 6-d

APPROVING A FIRST AMENDMENT TO AN AGREEMENT FOR NEW YEAR'S EVE FIREWORKS: \ VENDOR: ZAMBELLI FIREWORKS MANUFACTURING COMPANY, BOCA RATON, FLORIDA \ COST: \$30,000 ANNUALLY (NOT TO EXCEED) \ FUNDING: ALLEN SYSTEMS GROUP (ASG).

MOTION by Price to APPROVE CONSENT AGENDA except Item 6-a (approval of minutes); seconded by Sulick and unanimously carried, all members present and voting (Finlay-yes, Heitmann-yes, Price-yes, Saad-yes, Sorey-yes, Sulick-yes, Barnett-yes).

END CONSENT AGENDA

RESOLUTION 10-12814 ITEM 7

A RESOLUTION DETERMINING INDOOR AND OUTDOOR LIVE ENTERTAINMENT PETITION 10-LE9 AND RESIDENTIAL IMPACT STATEMENT PETITION 10-RIS18 WITH AN AFTER 9 P.M. EXTENDED HOURS WAIVER FOR AMADOR'S BISTRO ITALIANO LOCATED AT 2500 NINTH STREET NORTH, MORE FULLY DESCRIBED HEREIN; AND PROVIDING AN EFFECTIVE DATE. Title read by City Attorney Robert Pritt (8:34 a.m.). This being a quasi-judicial proceeding, Notary Public Vicki Smith administered an oath to those intending to offer testimony; all responded in the affirmative. City Council Members then made the following ex parte disclosures: Saad, Barnett and Heitmann/familiar with the site but no contact; Finlay, Price and Sulick/visited the site but no contact; and Sorey/visited the site and spoke with several nearby Wedge Drive residents. (E-mails received by Council Members with regard to this matter are contained in the file for this meeting in the City Clerk's Office.) Planner Adam Benigni provided a brief overview of the request as contained in his memorandum dated October 29 (Attachment 1), noting that staff recommends that the live entertainment be limited to indoors from 5:00 p.m. to 11:30 p.m., seven days a week, due to the limited size of the proposed outdoor area which could result in violation of the required five-foot clear pedestrian path on the sidewalk.

Dennis Maccagnano, agent for the petitioner, offered to limit the number of entertainers to a maximum of two provided the entertainment could be presented outdoors. Although Mayor Barnett suggested a continuance to allow the petitioner to confer with staff, Council Members Price and Sulick, and Vice Mayor Sorey, maintained concern for the close proximity of residential properties. Vice Mayor Sorey then proffered a motion of approval as recommended by staff; Council Member Sulick seconded.

Public Comment: (8:43 a.m.) **Bill Thorne, 2505 Tenth Street North**, who submitted a petition signed by residents objecting to outdoor live entertainment at this location (a copy of which is contained in the file for this meeting in the City Clerk's Office), affirmed his belief that outdoor live entertainment would not be appropriate in the residential neighborhood and supported indoor live entertainment only. He also received assurance that doors and windows

must remain closed with a permit exclusively for indoor entertainment. **Joyce Wiedeback, 744 Wedge Drive, Apt. 27**, agreed with the prior speaker.

During discussion of the establishment's hours of operation, the above motion and second were withdrawn in favor of the motion reflected below. Council Member Price then explained that he was attempting to balance the needs of the business and residents, agreeing that requiring a review of the permit prior to May 1, 2011 could be required thereby guaranteeing the residents of the opportunity to comment with regard to noise levels.

MOTION by Price to APPROVE RESOLUTION 10-12814 amended as follows: Section 1: "That Indoor and Outdoor Live Entertainment..."; Section 2: "...Italiano; hours of operation shall be extended to 12:00 a.m. Sunday through Saturday."; Section 3(1): "...maximum of 3 5 entertainers from 5:00 p.m. to 10:00 p.m. Sunday through Wednesday and 5:00 p.m. to 12:00 a.m. Thursday through Saturday 11:30 p.m. Sunday through Saturday."; and Section 3(3): "... the Code. However, this petition shall be reviewed on or before May 1, 2011." This motion was seconded by Saad and carried 4-3, all members present and voting (Saad-yes, Price-yes, Finlay-yes, Sorey-no, Sulick-no, Heitmann-no, Barnett-yes).

WAIVER OF CONFLICT REQUEST ITEM 9
APPROVAL OF A WAIVER OF CONFLICT TO ALLOW ROETZEL & ANDRESS TO CONTINUE REPRESENTING THE CITY AS ISSUER'S COUNSEL FOR THE 2010 REFUNDING BOND ISSUE. (9:16 a.m.) City Attorney Robert Pritt cited his November 24 letter requesting a waiver of conflict, explaining that his firm represents Fifth Third Bank in a matter unrelated to the bond issue. Fifth Third Bank's willingness to approve a waiver is indicated in an e-mail dated November 29. (It is noted for the record that copies of the aforementioned documents are contained in the file for this meeting in the City Clerk's Office.)

Public Comment: (9:26 a.m.) None.

MOTION by Barnett to APPROVE WAIVER OF CONFLICT; seconded by Saad and carried 5-2, all members present and voting (Finlay-yes, Heitmann-no, Price-no, Saad-yes, Sorey-yes, Sulick-yes, Barnett-yes).

RESOLUTION 10-12816 ITEM 10-a
A RESOLUTION OF THE CITY OF NAPLES, FLORIDA; AUTHORIZING THE ISSUANCE OF A CAPITAL IMPROVEMENT REFUNDING REVENUE NOTE, SERIES 2010 OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$18,500,000 TO REFUND ALL OF THE CITY'S OUTSTANDING PUBLIC SERVICE TAX REVENUE BONDS, SERIES 2001, REDEVELOPMENT REVENUE BOND, SERIES 2003, AND CAPITAL IMPROVEMENT REVENUE NOTE (EIGHTH AND SIXTH PARKING GARAGE), SERIES 2008; PROVIDING THAT THE NOTE SHALL BE A LIMITED OBLIGATION OF THE CITY PAYABLE FROM NON-AD VALOREM REVENUES BUDGETED, APPROPRIATED AND DEPOSITED AS PROVIDED HEREIN; PROVIDING FOR THE RIGHTS, SECURITIES AND REMEDIES FOR THE OWNERS OF THE NOTE; DESIGNATING THE NOTE AS A QUALIFIED TAX-EXEMPT OBLIGATION WITHIN THE MEANING OF THE INTERNAL REVENUE CODE; APPOINTING AN ESCROW AGENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF AN ESCROW DEPOSIT AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY AND THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE. Title read by City Attorney Robert Pritt (9:18 a.m.). City Manager William Moss briefly explained the authorized actions as detailed in the memorandum by Finance Director Ann Marie Ricardi dated November 15 (Attachment 2). He said that the refinancing will

result in a net present value savings to the City of approximately \$2-million. This savings is realized from \$160,000 annually in the Public Service Tax Fund and more than \$60,000 annually in the CRA (Community Redevelopment Agency) Fund. In response to Council Member Heitmann, Ms. Ricardi stated that the total cost of this transaction amounts to \$80,000.

Public Comment: (9:26 a.m.) None.

MOTION by Price to APPROVE RESOLUTION 10-12816 as submitted; seconded by Sulick and unanimously carried, all members present and voting (Finlay-yes, Heitmann-yes, Price-yes, Saad-yes, Sorey-yes, Sulick-yes, Barnett-yes).

.....ITEM 10-b
APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY AND THE COMMUNITY REDEVELOPMENT AGENCY (CRA) OF THE CITY, AND MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH. (9:26 a.m.) City Attorney Robert Pritt then requested that Council proffer a separate motion to approve the interlocal agreement referenced above, noting that the agreement would also require approval by the CRA/Community Redevelopment Agency.

Public Comment: (9:27 a.m.) None.

MOTION by Price to APPROVE THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF NAPLES AND THE CRA; seconded by Saad and unanimously carried, all members present and voting (Finlay-yes, Heitmann-yes, Price-yes, Saad-yes, Sorey-yes, Sulick-yes, Barnett-yes).

Recess: 9:27 a.m. to 9:52 a.m. It is noted for the record that the same Council Members were present when the meeting reconvened.

ORDINANCE 10-12815..... ITEM 8
AN ORDINANCE RELATING TO CONDITIONAL USES; ADDING SUBSECTION (d)(10) TO SECTION 46-34, STANDARDS FOR APPROVAL OF CONDITIONAL USES; ADDING SUBSECTION (c)(6) TO SECTION 46-35, SITE PLAN; STANDARDS FOR APPROVAL FOR THE EXPANSION OF A NON-CONFORMITY; AND ADDING SUBSECTION (c)(2)a.9. TO SECTION 46-37, VARIANCE CRITERIA, FOR THE PURPOSE OF ADDING STANDARDS AND CRITERIA RELATED TO THE PRESERVATION OF RESOURCES AND SEPARATION OF USES; PROVIDING A SEVERABILITY CLAUSE, A REPEALER PROVISION AND AN EFFECTIVE DATE. Title read by City Attorney Robert Pritt (9:53 a.m.).

Public Comment: (9:54 a.m.) None.

MOTION by Sorey to ADOPT ORDINANCE 10-12815 as submitted; seconded by Price and unanimously carried, all members present and voting (Finlay-yes, Heitmann-yes, Price-yes, Saad-yes, Sorey-yes, Sulick-yes, Barnett-yes).

It is noted for the record that Items 11-a and 11-b were read and considered concurrently.

RESOLUTION 10-12817 ITEM 11-a
A RESOLUTION APPROVING, RATIFYING AND CONFIRMING THE CONTRACT BETWEEN THE CITY OF NAPLES AND THE FRATERNAL ORDER OF POLICE, SUPERVISORS' BARGAINING UNIT; AND PROVIDING AN EFFECTIVE DATE. Title read by City Attorney Robert Pritt (9:54 a.m.). Assistant City Manager Roger Reinke briefly reviewed the tentative contracts above referenced, noting the following:

- The hourly wage remains frozen at that which was in effect on September 30, 2010;
- The normal work period increases from 82.5 to 84 hours;
- Maximum leave accrual increase from 453.75 to 504 hours, consistent with the Family Medical Leave Act (FMLA); and

- Amendments to pertinent sections for consistency to recognize the 12-hour shift schedule established in 2007.

Both groups voted to ratify the agreements, he added, noting that Council approval was requested at that time. In addition, he explained that the change to leave accrual had been necessary as the FMLA provides for 12 weeks of leave and the amended hours would now allow that amount of leave time to accrue thereby accommodating a paid 12-week leave. Council Member Price commended the Police Department's commitment to the community. Council Member Saad agreed, although expressing a concern with regard to the level of service due to the number of officers available for patrol in order to remain within budget. While not intentional, once a full, 71-member police staff is retained, the 2012 budget will in fact be 1.8% over the projection, a fact that must be addressed, Mr. Saad maintained. Council Member Finlay explained that while he supported the agreements, he intended to vote against them as he believes they do not reflect a revenue neutral impact to the City.

Council Member Sulick observed that the community demands a safe environment and the level of service within this department must be maintained, therefore, she fully supported the contracts. With regard to budget concerns, she indicated that this department must not be downsized further and, should an increased millage rate become necessary, she was willing to deal with that matter at the appropriate time. Council Member Heitmann agreed.

Vice Mayor Sorey pointed out that the entire department and its activities were in need of review. Of the 71 positions, 38 are critical patrol officers, he reported. Council Member Saad agreed that a review is prudent, but cautioned that many of the department's additional activities also involve appropriate proactive measures.

Public Comment: (10:15 a.m.) None.

MOTION by Sorey to APPROVE RESOLUTION 10-12817 as submitted; seconded by Sulick and carried 6-1, all members present and voting (Finlay-no, Heitmann-yes, Price-yes, Saad-yes, Sorey-yes, Sulick-yes, Barnett-yes).

RESOLUTION 10-12818 ITEM 11-b
A RESOLUTION APPROVING, RATIFYING AND CONFIRMING THE CONTRACT BETWEEN THE CITY OF NAPLES AND THE FRATERNAL ORDER OF POLICE, POLICE OFFICERS' BARGAINING UNIT, COLLIER COUNTY LODGE 38; AND PROVIDING AN EFFECTIVE DATE. Title read by City Attorney Robert Pritt (10:16 a.m.).

Public Comment: (10:16 a.m.) None.

MOTION by Sorey to APPROVE RESOLUTION 10-12818 as submitted; seconded by Price and carried 6-1, all members present and voting (Finlay-no, Heitmann-yes, Price-yes, Saad-yes, Sorey-yes, Sulick-yes, Barnett-yes).

CITY MANAGER PERFORMANCE REVIEW ITEM 12
(10:16 a.m.) Council provided various comments regarding the performance review of City Manager William Moss, all commending him for his service to the City. (It is noted for the record that copies of written evaluation provided are contained in the file for this meeting in the City Clerk's Office.)

Public Comment: (10:29 a.m.) None.

No action taken.

COMMUNITY SERVICES PROGRAMS (Continued from 11/15/10 workshop) ITEM 13
DURING THE BUDGET HEARINGS CONDUCTED IN SEPTEMBER 2010, COUNCIL REQUESTED ADDITIONAL DISCUSSION REGARDING RECREATION PROGRAMS OFFERED THROUGH THE COMMUNITY SERVICES DEPARTMENT. THE SUBJECT WAS PROMPTED IN RECOGNITION OF THE CHALLENGES TO FUND CITY OPERATIONS AND

CAPITAL IMPROVEMENTS, INCLUDING THOSE SERVICES PROVIDED BY THE COMMUNITY SERVICES DEPARTMENT. (10:29 a.m.) Community Services Director David Lykins provided an electronic presentation which reviewed his memorandum dated November 19 (Attachment 3 / excerpted text and Attachment 4, respectively). (It is noted for the record that a printed copy of the full electronic presentation is contained in the file for this meeting in the City Clerk's Office.) Mayor Barnett commended Mr. Lykins and his staff.

Following a brief discussion regarding funding and fees of the City's facilities and programs, Council Member Sulick referenced the average Collier County usage of 78% and therefore said that County residents are benefiting from City taxpayer funding in the amount of \$1.7-million per year. Therefore, she recommended that a dialog be opened to discuss the issue with the County Board of Commissioners. City Manager William Moss pointed out that the County has a millage rate dedicated to recreation programs in the unincorporated areas and that rate could be increased to provide additional funding should the Board be willing to do so. City residents also contribute to the County's regional parks while few use them, a fact that may also be appropriate for consideration, he added.

Vice Mayor Sorey stated that the welfare of all young persons should be considered, whether living inside or outside the City's boundaries; however, another factor to be considered is the issue of the City's containing 10% of Collier County's population and providing over 20% of its tax revenue. He agreed with Council Member Sulick, although his calculation had resulted in an additional \$688,000 subsidy to the County with its residents utilizing City recreational facilities and programs. Council Member Sulick explained that she had not factored in revenues from the County in her calculations. Vice Mayor Sorey then recommended that user fees remain one-tiered thereby affordable to all youth and that the City Manager contact the County Manager to schedule a joint meeting of the Board and Council. In response to Council Member Saad who said he supported two-tiered fees for some recreational opportunities, Vice Mayor Sorey provided a brief history of the FEMA (Federal Emergency Management Agency) mandate, to the City and County, requiring the one-tiered fee for beach parking permits (City and County) as a provision of continuing to receive its reimbursement for beach renourishment.

Council Member Price expressed concern that requesting additional funding from the County during the current economic downturn could jeopardize the interlocal agreement which provides the City with an annual \$1-million for beach maintenance, parking and the use of parks. Should a joint discussion be desired, the City should approach the subject of sharing in the additional costs of \$688,000 rather than asking for the entire amount to be subsidized by the County, he maintained. Mayor Barnett agreed, saying that this issue should be discussed openly, allowing direct input and feedback between the two entities; Council concurred.

Public Comment: (11:38 a.m.) None.

Consensus to request a joint meeting with the Collier County Commission with regard to funding for County resident use of City programs and facilities.

PUBLIC COMMENT
(11:39 a.m.) None.

CORRESPONDENCE AND COMMUNICATIONS.....
(11:39 a.m.) Council Member Heitmann noted that additional information would be forthcoming regarding a moratorium on pain clinics within the area. City Manager William Moss stated that it was his understanding that Collier County is drafting an ordinance addressing the matter and that it had been requested by the City that municipalities be included. Mrs. Heitmann received confirmation that representatives of the NAA (Naples Airport Authority) would be in attendance

City Council Regular Meeting – December 1, 2010 – 8:29 a.m.

during the December 13 workshop discussion regarding the Part 150 Noise Study and disbanding of the TAC (Technical Advisory Committee). She recommended that the TAC membership be invited also and Vice Mayor Sorey added that they should be allowed to make a presentation if so desired; Council agreed, indicating that its Chairman, Alan Parker, should be contacted with regard to the presentation. Mrs. Heitmann concluded by commending the City Dock with regard to recent positive comments received and noted the upcoming boat parade on December 11th.

ADJOURN
11:46 a.m.

Bill Barnett, Mayor

Tara A. Norman, City Clerk

Minutes prepared by:

Vicki L. Smith, Technical Writing Specialist

Minutes Approved: 01/19/11

City of Naples

**NAPLES CITY COUNCIL AGENDA MEMORANDUM****Regular Meeting Date: December 1, 2010**

Agenda Section:	Prepared By: Adam A. Benigni, Senior Planner	
Regular	Date: October 29, 2010	Department: Planning
Agenda Item:	Legislative <input type="checkbox"/>	Quasi-Judicial <input checked="" type="checkbox"/>
7		
SUBJECT:		
Resolution determining Indoor and Outdoor Live Entertainment Petition 10-LE9 and Residential Impact Statement Petition 10-RIS18 with an after 9 p.m. extended hours waiver for Amador's Bistro Italiano located at 2500 9 th Street North.		
SUMMARY:		
City Council is asked to consider a resolution determining Indoor and Outdoor Live Entertainment Petition 10-LE9 and Residential Impact Statement Petition 10-RIS18 with an after 9 p.m. extended hours waiver for Amador's Bistro Italiano located at 2500 9 th Street North. In that this is a Quasi-Judicial matter, disclosures and the swearing in of those giving testimony are required.		
BACKGROUND:		
Amador's Bistro Italiano is an Italian restaurant located in the Plaza Walk commercial building at 2500 9 th Street North. The petitioner wishes to obtain an Indoor and Outdoor Live Entertainment Permit consisting of the following:		
<u>Indoor entertainment</u> consisting of a maximum of 5 entertainers from 5:00 p.m. to 11:30 p.m. Sundays – Wednesdays and from 5:00 p.m. to 12:00 a.m. Thursdays – Saturdays.		
<u>Outdoor Entertainment</u> (facing US 41) consisting of a maximum of 5 entertainers from 5:00 p.m. to 10:00 p.m. Sundays – Wednesdays and from 5:00 p.m. to 12:00 a.m. Thursdays – Saturdays.		
An extended hours waiver is necessary since the petitioner wishes to have live entertainment after 9 p.m. The Police Department has reviewed the Computer Aided Dispatch (CAD) and has found no noise complaints or City ordinance violations for this restaurant.		
File Reference: 10-LE9 and 10-RIS18		
Petitioner: Amador's Bistro Italiano		
Agent: Dennis Maccagnano		
Location: 2500 9 th Street North		
Zoning: HC, Highway Commercial		
PUBLIC NOTICE:		
A total of 272 public notices were mailed out October 28, 2010. As of the date of this report, there have been three letters and one phone call in opposition in regards to the proposed entertainment.		
RECOMMENDED ACTION:		
Approve the resolution with conditions determining Indoor and Outdoor Live Entertainment Petition 10-LE9 and Residential Impact Statement Petition 10-RIS18 with an after 9:00 p.m. extended hours waiver for Amador's Bistro Italiano located at 2500 9 th Street North.		
Reviewed by Department Director Robin Singer	Reviewed by Finance N/A	Reviewed by City Manager A. William Moss
City Council Action:		

City of Naples

**NAPLES CITY COUNCIL AGENDA MEMORANDUM****Regular Meeting Date: December 1, 2010**

Agenda Section:	Prepared By: Ann Marie S. Ricardi, Director	
Regular	Date: November 15, 2010	Department: Finance
Agenda Item:	Legislative <input checked="" type="checkbox"/>	Quasi-Judicial <input type="checkbox"/>
10		
SUBJECT:		
Resolution to authorize the issuance of a revenue note not to exceed \$18,500,000 to refund the City's outstanding Public Service Tax Revenue Bond Series 2001, Redevelopment Revenue Bond 2003 and Capital Improvement Revenue Note Series 2008 and authorizing the execution of an Interlocal Agreement between the City and the Community Redevelopment Agency.		
SUMMARY:		
City Council is asked to consider a resolution authorizing the issuance of a Capital Improvement Refunding Revenue Note Series 2010 for not to exceed \$18.5 million to refund the City's outstanding Public Service Tax Revenue Bond Series 2001, Redevelopment Revenue Bond 2003 and Capital Improvement Revenue Note Series 2008 with the debt service payable from budgeted non-ad valorem revenues, allowing for the purchaser of the revenue note to be Fifth Third Bank, and authorizing the execution of an Interlocal Agreement between the City and the Community Redevelopment Agency.		
BACKGROUND:		
The City of Naples continues to qualify for excellent interest rates because of its high bond rating. In November 2010, the City's Public Service Tax Bonds were upgraded from AA+ to AAA, and the implied General Obligation Bond rating was confirmed as AAA. A bond credit rating assesses the creditworthiness of a debt issues, and for Fitch, AAA is the highest rating.		
A review of the City's outstanding debt determined that the current interest rate environment would support a refinancing of the City's 2001 Public Service Tax Bond. The City solicited quotes from banks to refund the existing Bond. Quoted interest rates confirmed the benefits of refinancing and prompted review of additional bonds and notes. Analysis confirmed that both CRA issues (parking garages and other CRA improvements) should be refinanced to reduce annual debt service payments.		
The attached Resolution:		
<ol style="list-style-type: none"> 1) Provides for the issuance of a not to exceed \$18,500,000 Capital Improvement Refunding Revenue Note to refund the City's outstanding Public Service Tax Revenue Bond series 2001, Redevelopment Revenue Bond 2003 and Capital Improvement Revenue Note Series 2008 and pledges budgeted non-ad valorem revenues to pay for the annual debt service; 2) Allows for the purchaser of the Note to be Fifth Third Bank; and 3) Authorizes a new Interlocal Agreement dated December 1, 2010 between the Issuer (City) and the Community Redevelopment Agency of the City of Naples that will commit the CRA to pay the annual debt service. 		
The City requested proposals for a fixed rate 10-year note fully funded at closing. Ten valid		

City of Naples

**NAPLES CITY COUNCIL AGENDA MEMORANDUM****Regular Meeting Date: December 1, 2010****Page Two**

Agenda Item:

10

BACKGROUND (cont.):

responses were received. The top three were Fifth Third Bank with the lowest and most advantageous terms at 2.29%, BB&T with an offer of 2.31% and Chase with 2.40%. Further negotiations with Fifth Third Bank established that should the City change to monthly payments from semi-annual payments, the rate would decrease to about 2.18%. The attached page shows the savings based on the new debt.

Bank of America	2.78%	Fixed two days prior to closing based on 64.1% of the 7 Year Interest Rate Swap Rate plus 140 basis points	Make-whole provision	\$ 4,000	Secured by PST instead of CBA
BB&T	2.31%	Fixed for 45 days	May be prepaid on any payment date with a 1% premium	\$ 5,500	None
Capital One	3.25%	Fixed until December 3, 2010	Non-callable for the first 8 years, callable on any payment date without penalty thereafter	None	None
Chase	2.40%	Subject to change until closing. City may opt to fix rate prior to closing but breakage fee may apply if transaction doesn't close	Make-whole provision	\$ 5,500	Bank requests discussions with City on other banking services that may be available.
Fifth Third Bank	2.29%	Fixed at closing based on Weighted Average Life (WAL) Swap Curve plus 161 basis points	May be prepaid at any time without a prepayment penalty	\$ 5,800	None
Iberiabank	3.88%	Rate fixed	May be prepaid at any time without a prepayment penalty	None	None
Pinnacle	2.74%	Fixed until December 2, 2010	May be prepaid at any time without a prepayment penalty	None	None
Regions	3.05%		Make-whole provision	\$ 3,500	City required to maintain at least \$500,000 in Monday Market Balances for the life of the loan.
SunTrust	2.545% with prepayment penalty; 2.689% without	Rates fixed for 30 days	City may choose no prepayment penalty at a higher interest rate	\$ 3,500	None
TIB	2.70%		At any time without penalty with 90 days notice	\$ 5,000	None

The City's other debts are revenue bonds, are not yet callable, or otherwise do not fit into the parameters of this refinancing. However, they will continue to be monitored.

FUNDING SOURCE

This action will result in an overall cost savings to the City, with a net present value savings of just under \$2 million, or around \$160,000 annually in the Public Service Tax Fund, and more than \$60,000 annually in the CRA fund. Furthermore, the CRA debt is restructured to have the debt paid off in 10 years.

RECOMMENDED ACTION:

Approve a Resolution authorizing the issuance of a Capital Improvement Refunding Revenue Note Series 2010 for not to exceed \$18.5 million to refund the City's outstanding Public Service Tax Revenue Bond series 2001, Redevelopment Revenue Bond 2003 and Capital Improvement Revenue Note Series 2008 with the debt service payable from budgeted non-ad valorem revenues, allowing for the purchaser of the revenue note to be Fifth Third Bank, and authorizing the execution of an Interlocal Agreement between the City and the Community Redevelopment Agency. In addition, City Council members will be asked to sign the required Certificate of Public Meetings.

Reviewed by Department Director
Ann Marie RicardiReviewed by Finance
N/AReviewed by City Manager
A. William Moss

City Council Action:

SAVINGS

City of Naples
 Series 2010 Capital Improvement Revenue Bonds
 RBC Capital Markets
 November 10, 2010

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 12/01/2010 @ 2.1399248%
07/01/2011	1,172,589.20	1,461,584.15	(288,994.95)	(290,125.13)
07/01/2012	2,028,434.00	1,797,178.56	231,255.44	221,872.19
07/01/2013	2,035,253.70	1,768,910.09	266,343.61	250,948.04
07/01/2014	2,039,950.20	1,765,934.94	274,015.26	252,713.44
07/01/2015	2,041,275.80	1,777,016.93	264,258.88	238,216.75
07/01/2016	2,040,224.80	1,769,493.91	270,730.89	238,857.68
07/01/2017	2,036,099.00	1,771,349.72	264,749.28	228,508.57
07/01/2018	2,035,630.50	1,765,340.71	270,289.79	228,212.01
07/01/2019	2,031,883.90	1,759,830.37	272,053.53	224,783.05
07/01/2020	2,025,181.50	1,761,542.47	263,639.03	213,032.33
07/01/2021	2,020,313.10	1,750,449.75	269,863.35	213,315.11
07/01/2022	1,033,988.30	843,373.69	190,614.61	150,646.90
07/01/2023	610,774.20		610,774.20	472,763.61
07/01/2024	610,079.60		610,079.60	462,150.97
	23,761,677.80	19,992,005.28	3,769,672.52	3,105,895.52

Savings Summary

PV of savings from cash flow	3,105,895.52
Less: Prior funds on hand	(1,109,731.67)
Plus: Refunding funds on hand	1,104.07
Net PV Savings	1,997,267.92

**NAPLES CITY COUNCIL AGENDA MEMORANDUM****Workshop Meeting Date: December 1, 2010**

Agenda Item:	13	Prepared By: David M. Lykins, Director	Date: November 19, 2010	Department: Community Services
SUBJECT: Community Services Department Programs.				
<p>BACKGROUND: During budget hearings conducted in September 2010, City Council requested additional discussion regarding recreation programs offered through the Community Services Department. The subject was prompted in recognition of the challenges to fund City operations and capital improvements, including those services provided by the Community Services Department.</p> <p>City parks, facilities and recreation programs:</p> <ol style="list-style-type: none"> 1. Support various goals, objectives and policies within the City's Comprehensive Plan (Parks, Recreation and Open Space Element) 2. Achieve measures within the City's Level of Service 3. Support the City's 2007 Vision Plan <ul style="list-style-type: none"> > Goal #3 – Maintain an extraordinary quality of life for residents (a) Maintain and improve public amenities for residents > Goal #5 – Maintain and enhance governance capacity for public service and leadership <p>Recreation programs are offered at Cambier Park, Fleischmann Park, the Naples Preserve, River Park and Anthony Park. City parks annually host in excess of 360 classes, 165 camps, 80 theatrical/musical productions, 50 outdoor concerts, 300 facility rentals, 60 youth and adult athletic programs and 3,200 skate park memberships. Many activities are provided without cost to participants. User fees or paid registrations cover a small portion of the costs or services with the majority of park operations and activities supported and funded through General Fund revenues.</p> <p>In 2009, combined facility programming averaged 34% City and 66% non-City participation. In 2008, recognizing the ratio of non-City participants, Collier County offered, and City Council approved, an Interlocal Agreement that provides \$1.0 million to the City for beach maintenance, parking and the use of park and recreational facilities. Unless otherwise modified by written agreement, it will end September 30, 2018. After the third year (September 30, 2011), either party may terminate the Agreement by written notice to the other at least 180 days prior to the end of each fiscal year (March 31, 2011).</p> <p>A PowerPoint presentation summarizes programs including levels of participation offered through City parks. Benchmarks prepared with the budget for FY 2010-11 (Exhibit A), current use fees (Exhibit B), and the 10-Year Interlocal Funding Agreement between the City and Collier County (Exhibit C) are included for reference.</p>				
Reviewed by Department Director	Reviewed by Finance	Reviewed by City Manager		
Dave Lykins	N/A	A. William Moss		
Council Action:				

Excerpted Text of Item 13 / Recreation Division Program Review

RECREATION DIVISION

- **Programming**
 - Classes; Recreation, Athletics and Cultural Services
 - Youth Camps
- **Locations**
 - Fleischmann Park (Community Center/Skate Park)
 - Cambier Park (Norris Center/Tennis Center)
 - River Park (Community Center/Pool)
 - Anthony Park
 - Naples Preserve/Hedges Family Eco-Center
 - Sea Gate Elementary School Park
 - Gulfview Middle School (summer only)
 - Lake Park Elementary (summer only)
- **Special Events**
- **Rentals/Clubs/Meetings**

RECREATION PROGRAMS

- **Classes** – Over 360 classes per year
 - Gymnastics, Dance, Martial Arts, Yoga, Art, Culinary, After School, Ecology, Swim, Zumba, Fitness, Language, etc.
 - Most classes are offered by contracted instructors who receive a percentage of class fees (normally 70%-80%).
- **Camps** – Over 165 different camps per year
 - Camps offered by contracted instructor typically 70%-80% of registration fee. Gymnastics, Dancing, Martial Arts, Drawing, Art, Fishing, Yoga, Culinary, Super Science, Snorkel, Rock Climbing, etc.
 - Camps run by City staff. Day Camps, Holiday Camps, Special Needs Camps, Schools Days Off, Swim, Lifeguard, etc.
- **Special Events** – Over 15 City-staff run special events with over 20,000 participants per year
 - Bunnymania, Spooktacular, Cultural Heritage, Chalk Art, Santa's Visit, Family Fest, etc.
- **Rentals/Clubs** – Over 300 rentals and club meetings with more than 3,500 hours per year
- **The Edge Johnny Nocera Skate Park** – Open over 3,600 hours per year with over 3,200 members.

CULTURAL PROGRAMS

- **Theatrical/Musical Productions** – Over 80 different stage productions per year
 - Gulfshore Playhouse, Bluegrass, Musical Shows, Comedy Acts, Cabaret, etc.
- **Free Concerts/Movies in the Park** – Over 50 free outdoor events per year
 - Naples Concert Band, Gulfcoast Big Band, Naples Philharmonic, Music Makers, Naples Daily News Jazz Band, etc.
- **Athletic/Sports Programs** – Over 60 youth and adult athletic programs with more than 3,500 hours of practice/games per year
 - Gators Football, Boys Little League, Girls Softball, Adult Coed Softball, Table Tennis, Golf, Flag Football, Soccer, etc.

PROGRAM FEES

- **Determined By:**
 - Comparison: Similar programs offered by Collier County Parks and Recreation, Collier County Public Schools, local or regional municipalities, etc.
 - Fair Market Price: What the public is willing to pay (location, benefit and demand).
 - History: What programs and prices have worked and what has not worked in the past.
- Parks and recreation facilities and programs are provided in most city and county agencies, and funded as a public service, such as police, fire, personnel services, etc.
- Most program fees are designed for affordability and to supplement the parks overall expenses. Current programs do not recover 100% of both direct and indirect costs and in most cases will not cover all direct costs.
- Most public parks and recreation programs (state and national) recover 25%-35% of general park operating costs through program or rental fees. Programs are dependent on availability of individuals discretionary income.

PROGRAM INSTRUCTION

- Majority of the City's classes and camps are offered through contracted instruction
- City retains 30% of gross revenue per class
 - Offsets portion of facility costs such as utilities, custodial and office coordination
- Instructor receives 70%
 - Provides for instructor's time, promotion, personal supplies, etc.

GENERAL USE COST RECOVERY

- Fee policies vary, but most parks and recreation facilities do not charge a fee to use:
 - Basketball, racquetball, horseshoes, shuffleboard, volleyball and bocce play; playgrounds, public restrooms, game rooms, computer labs, neighborhood association meetings, open spaces, park lighting, etc.
- Some parks and recreation facilities charge a low or minimum fee for:
 - Youth sports leagues, community meetings, rentals by non-profit organizations, band shell use, pool, etc.
- Programs offered during normal center or park operating hours are considered a public benefit and a supported use of public facilities.

PROGRAM CONSIDERATION

- **Duplication of Service**
 - As a general rule, duplicated programs are not offered by governments if similar programs are offered at schools or other agencies.
 - After School Program
 - Summer Camp
 - Staff recommended elimination of the City's after school program in FY 2009 and summer camp for FY 2010. Programs remained supported and funded.
- **Program Demand**

- Low participation programs are routinely reviewed for continuation and are discontinued as necessary.

DIRECT AND IN-DIRECT COST

- **Direct Program Cost**
 - Supplies and equipment used only for the specific program, staff/contracted instructor that works directly in the specific program, etc.
- **Indirect Program Cost**
 - Supervisory/office staff that work at the centers, park maintenance staff, custodial staff, utility costs, shared supplies and equipment used in other programs, supplies and equipment used in public restrooms, other public areas, staff offices, etc.

PROGRAM PARTICIPATION

- **Fleischmann Park Participation***

– City Resident	1674	23%
– Non Resident	5719	77%
- **Norris Center Participation***

– City Resident	784	18%
– Non Resident	3695	82%
- **River/Anthony Park Participation***

– City Resident	1593	60%
– Non Resident	1042	40%

*Based on 2009 registrations

SAMPLE 2010 PARTICIPATION

- **Summer Camp Programs at Fleischmann Park**

– City Resident	771	41%
– Non Resident	1129	59%
- **After School Program at Fleischmann Park**

– City Resident	20	53%
– Non Resident	18	47%
- **Naples Gators Football at Fleischmann Park**

– City Resident	22	11%
– Non Resident	171	89%
- **Naples Girls Softball at Cambier Park**

– City Resident	15	12%
– Non Resident	116	88%

FLEISCHMANN PARTICIPATION

- Averaged Annual Participation:**

	<u>Resident</u>	<u>Non-Resident</u>
2001	11,334 (21%)	69,182 (79%)
2002	17,802 (20%)	86,544 (80%)
2003	19,843 (20%)	95,748 (80%)
2004	21,824 (20%)	106,968 (80%)
2005	24,312 (20%)	123,847 (80%)
2006*	3,395 (27%)	9,301 (73%)
2007*	3,387 (21%)	12,680 (79%)
2008*	1,811 (22%)	6,362 (78%)
2009*	1,674 (23%)	5,719 (77%)

*2006-2009 **Does Not** include major special events/art shows and reflects only class registrations entered into the RecWare registration system.

RECREATION BUDGET**2010-11 General Fund Operation Budget**

	<u>Expense</u>	<u>Revenue*</u>	<u>Percent of Cost</u>
Fleischmann Park	\$1,209,500	\$402,000	33%
Norris Center	\$ 398,964	\$181,000	45%
River/Anthony Park	\$ 546,457	\$ 88,600	16%

*Revenues do **not** include Collier County \$500,000 annual payment toward county-resident use.

RECREATION BUDGET (cont.)

Fiscal Year:	08/09	09/10	10/11
	Actual	Actual	Projected
Expenses:			
Fleischmann	\$1,275,729	\$1,204,092	\$1,209,500
Norris Center	\$ 428,105	\$ 376,479	\$ 398,964
River/Anthony Park	\$ 558,421	\$ 558,514	\$ 546,457
TOTAL	\$2,262,255	\$2,139,085	\$2,154,921
Revenues:			
Fleischmann	\$ 503,612	\$ 528,029	\$ 402,000
Norris Center	\$ 212,723	\$ 213,022	\$ 181,000
River/Anthony Park	\$ 96,704	\$ 91,507	\$ 88,600
*Collier County	\$ 500,000	\$ 500,000	\$ 500,000
TOTAL	\$1,313,039	\$1,332,558	\$1,171,600

Percent of Cost **58%** **62%** **54%**

*Revenues **include** Collier County \$500,000 annual payment.

RECREATION BUDGETING

- Recreation programs are not funded separately or budgeted in detailed formats as enterprise funds.
- Recreation programs and park facilities do not utilize zero base budgeting. If public parks, programs and events are community priorities, subsidies are needed to support programs.

- Recreation program staff, supplies, equipment, etc. are shared among all facility activities and events – sometimes combined with other facilities programs or events.
- Determining full costs (profit/loss) for each individual program is not achievable based on shared or integrated uses.

COLLIER COUNTY FUNDING

- October 1, 2008, the City entered into a ten-year interlocal agreement with Collier County that provides \$1.0 million to the City for beach maintenance, parking and the use of parks.
- Unless otherwise modified by written notice, agreement will end September 30, 2018.
- After the third year (September 30, 2011), either party may terminate the Agreement by written notice to the other at least 180 days prior to the end of each fiscal year.
- Notification deadline: March 31, 2011.

MARKETING

- **Community Services Program Brochure** (3 productions per year)
- **Promotional Fliers** – Schools, library, local businesses, visitor centers, etc.
- **City of Naples Web Site**
- **Promotional Signage/Banners at Parks**
- **Free Advertising** – Press releases to all local newspapers, magazines, radio stations, television stations, etc.
- **Paid Advertising** – Local newspaper and magazines and on line, booths at events, etc.
- **Promotional Give-a-Ways**

TENNIS PROGRAMS

- **Instruction** – Over 2,150 participants per year
 - Junior After School, Private Lessons, Adult Clinics, etc.
- **Camps** – Over 190 participants per year
 - Summer Camp and Holiday Camps
- **Socials** – Over 1,170 participants per year
 - Round Robins, League Play, Key Biscayne Trip, etc.
- **Tournaments** – 13 per year with over 2,400 total participants

FEE STRUCTURE

- The City Council on 2/21/07 authorized an increase in park user fees to reflect current demands and establish a single fee structure regardless of residency status.
- The intent of the single tier fee approach was to provide consistency for any individual utilizing a City or County park and encourage continued County funding for City programs/services.