



CITY OF FORT LAUDERDALE

APPROVED

**BUDGET ADVISORY BOARD MEETING
CITY OF FORT LAUDERDALE
FEBRUARY 16, 2022 – 5:00 P.M.
8TH FLOOR CONFERENCE ROOM
100 NORTH ANDREWS AVENUE
FORT LAUDERDALE, FL 33301**

Board Member	Attendance	10/2021 through 9/2022 Cumulative Attendance	
		Present	Absent
Brian Donaldson, Chair	P	4	0
Jeff Lowe, Vice Chair	P	4	0
Ross Cammarata	A	3	1
Michael Marshall	P	3	1
Prabhuling Patel	P	3	1
Adam Sabin	P	3	1
Christopher Williams	P	4	0

Staff

- Chris Lagerbloom, City Manager
- Laura Reece, Director, Office of Management and Budget
- Susan Grant, Finance Director
- Megan Gaillard, Assistant City Auditor III
- Aricka Johnson, Structural Innovation Manager
- Yvette Matthews, Assistant Budget Manager
- Charmaine Crawford, Budget Department and Board Liaison
- Jamie Opperlee, Prototype Inc. Recording Secretary

Communications to the City Commission

None

I. Call to Order

The meeting of the Budget Advisory Board was called to order at 5:00 p.m.

II. Roll Call

Roll was called, and it was determined a quorum was present.

III. Approval of Last Meeting Minutes – January 19, 2022

Motion made by Mr. Sabin, seconded by Mr. Lowe, to approve the minutes of the Board’s January 19, 2022 meeting. In a voice vote, motion passed unanimously.

IV. Floor Open for Neighbor Input

None

V. Old Business

None

VI. New Business

A. Benefits and Overview of Public-Private Partnership, City Manager Chris Lagerbloom

Mr. Lagerbloom discussed Public/Private Partnerships [P3] in general. He said the soccer stadium, for which the City had received an unsolicited proposal, had been the City's first P3. He described the process the soccer stadium had gone through to be approved by the City Commission and to be built. He explained that an unsolicited proposal followed a different statute from a solicited P3 or conventional procurement. Mr. Lagerbloom said the City had never solicited a Public/Private Partnership.

Mr. Lagerbloom said they had four proposals for the Fiveash Water Treatment Plant. Initially, there were two unsolicited proposals from Suez and IDE, which had been rejected. Both had returned with new proposals, which had been accepted for consideration, and in the interim, two more companies had submitted unsolicited proposals: Aqualia and NextSpring. He explained that the companies had referred to the City's Corolla report for specifications.

Mr. Lagerbloom said all four proposals must go through financial and technical analyses. The City had done the technical analysis and Ernst & Young had done the financial analysis. Three out of the four companies could not provide a cost estimate immediately but needed to study this for a period of time first. IDE was far enough along in the design process that they had given the City a guaranteed maximum price and were ready to move forward with a comprehensive agreement. Mr. Lagerbloom stated the Infrastructure Task Force had considered the options of an RFP process or a P3 and had voted 6-1 to recommend a traditional procurement process: write a scope of work, put it to the market, build the plant, operate the plant, and set rates the way they always had.

Chair Donaldson said at the previous evening's meeting, the City Commission had voted to move forward with the ranking of the P3 proposals received. Mr. Lagerbloom explained that if/when the City Commission ranked the P3s, then staff would begin negotiations with the top-ranked firm. He explained how they would set water rates based on variable/fixed rate setting or "take or pay."

Mr. Lagerbloom acknowledged that having one of the four companies build the plant would be faster than if the City did it. He estimated it would take seven years for the City to build a new water plant and Ernst & Young estimated it would take 42-48 months for one of the companies to build it.

Chair Donaldson expressed his concern: they may get a plant two years earlier, but they would pay an outside company a profit for the next 30 years, which could amount to \$1billion.

Mr. Lagerbloom said the best thing to do at this point was to continue to provide good information to the City Commission. He stated they had compared the bids against the recommendations in the Corolla Report to determine if each proposal met the criteria.

Chair Donaldson pointed out that the profit was not in the construction of the plant, it was in running the plant and providing water for 30 years. They also needed to consider staffing the new plant.

Mr. Patel asked about guarantees against rate increases and Mr. Lagerbloom stated this was something they would negotiate, and even if the City did the project, there would be an increase.

Mr. Lagerbloom said the City Commission had directed him to bring forward the resolution so they may rank the proposals. If they did rank, they would begin negotiations with the top-ranked firm. Hazen and Sawyer would continue as their representative to design the scope for the City to build its own plant.

Mr. Sabin asked about rates for cities to which Fort Lauderdale provided water and Mr. Lagerbloom said their rates would be set as well. He noted they delivered to the limits with a large meter, not to individual addresses. The cities would be responsible for everything beyond that large meter. Mr. Sabin asked about regulations controlling utilities and Mr. Lagerbloom stated the plant operator must operate under a consumptive use permit the City received from the Department of Environmental Protection, which set the amount of water they could extract and make each day.

Mr. Lagerbloom asked the Board to move their joint meeting with the City Commission from April to May. Board members agreed and Ms. Reece would determine an agreeable date.

B. Commission Prioritization and Goal Setting Workshop Outcomes

Ms. Reece reported there were four major goals on which the Commission wished to focus:

- Homelessness, housing opportunities
- Infrastructure and resilience
- Parks and public places
- Transportation and traffic

The goals for next year included:

- Community response and safety
- Economic diversification

- Historic Preservation
 - Develop thematic districts
 - Evaluate the City's historic preservation staffing and resource levels
 - Incentivize the designation of buildings
 - Recognize and retain the City's built history
- Smart growth
- Waterway quality
- Workforce training and education

Chair Donaldson said the Commission wanted staff to come up with additional incentives for historic preservation. He wondered how the City would budget for initiatives.

Mr. Marshall believed some priority areas overlapped. Aricka Johnson, Structural Innovation Manager, said there was a table in the budget book and they did indicate such overlaps there.

C. Infrastructure Task Force Update

Chair Donaldson said the ITFC had voted 6-1 for the City to create an RFP for the Fiveash water plant. Board Chair Marilyn Mammano had made a presentation the previous day to the City Commission.

VII. Communications to/from the City Commission

None

VIII. Board Member Comments

Chair Donaldson said next month, the department heads would attend the BAB meeting for their "What keeps you up at night" discussion. He asked them to be brief and to provide data to validate their requests.

Ms. Reece reviewed the process for the March presentations and said Board members would be provided everyone's business plans prior to the meeting. Chair Donaldson also wanted updates regarding programs that had been added over the previous few years. Ms. Reece said she would provide the Budget Modification Tracking report, which was designed to respond to requests from the BAB.

Mr. Sabin asked about the ramifications to the BAB of losing the City Auditor. Megan Gaillard, Assistant City Auditor III described the current staffing levels of the department. Chair Donaldson said the Board could rely on the team in place.

Chair Donaldson remarked the report sent to him by Police Chief Sciroto was very comprehensive. He said it was obvious that Melrose Park should get the next Shot Spotter.

Ms. Reece said next month, staff was gearing up for the budget process. She explained that every year, staff developed a current service level budget that considered what it would cost in fiscal year '23 to do what they were doing in '22, based on certain assumptions.

Ms. Reece said Mr. Lagerbloom would give the Board his recommendations for balancing the budget, based on the City Commission's direction. The BAB would then weigh in on Mr. Lagerbloom's recommendations.

IX. Adjourn

The meeting was adjourned at 6:23 p.m.

The Board's next meeting was scheduled for March 16, 2022 at 5 PM.

Minutes prepared by J. Opperlee ProtoType Inc.