

City of Delray Beach

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Minutes - Draft

Tuesday, October 9, 2018

3:00 PM

Workshop Meetings

Delray Beach City Hall

City Commission

Mayor Shelly Petrolia

Vice Mayor Adam Frankel

Deputy Vice Mayor Shirley Ervin Johnson

Commissioner Bill Bathurst

Commissioner Ryan Boylston

Pursuant to Section 3.12 of the Charter of the City of Delray Beach the Mayor has instructed me to announce a Workshop Meeting of the City Commission to be held for the following purposes:

The roll call was taken by the City Clerk.

The following were in attendance:

Mayor Shelly Petrolia
Vice Mayor Adam Frankel
Deputy Vice Mayor Shirley Ervin Johnson
Commissioner Bill Bathurst
Commissioner Ryan Boylston

Others present were:

Mark R. Lauzier, City Manager
R. Max Lohman, City Attorney
Katerri Johnson, City Clerk

Workshop No. 1 - 1st Floor Conference Room (to start immediately after CRA Board Meeting)

WS.1. [18-670](#) OLD SCHOOL SQUARE FINANCIAL DISCUSSION

Sponsors: City Manager Department

Mayor Petrolia called the Workshop Meeting to order at 3:00 p.m.

A brief discussion followed by the City Commission and the Old School Square (OSS) Board of Directors regarding the finances for Old School Square.

Scott Porten, Chair of the Old School Square (OSS) Board of Directors, introduced Frances F. Bourque, former Chairman and Emeritus of OSS, Chief Financial Officer for OSS Kim Jones, and current Chairman of the CRA Board Bill Morris.

Bill Branning, Chairman of OSS, gave a brief presentation regarding the Old School Square budget for 2018-2019 going from \$3.6 million to \$2.6 million.

A brief discussion between Mr. Scott Porten and the City Commission followed regarding the finances for Old School Square.

Mayor Petrolia stated the City Commission would like to see nothing but

success coming from Old School Square. She stated the City Commission is here to make sure that happens, however, at the same time they also answer to the taxpayers who are funding this. Mayor Petrolia stated the Old School Square Board of Directors has made tremendous strides in just five months since they have made these changes. However, she expressed concern that it might be too much in the sense of cutting to the point where OSS is not able to continue and are we doing things that are not necessarily bringing about the people to put the money in so that there is less reliance on the City for funding.

A brief discussion between Mr. Branning, Mr. Porten, and Mayor Petrolia ensued.

Mr. Branning stated in the last year they have done partnerships where they host and split the profits and they are structuring themselves to mitigate their risks. He explained that last year OSS had a business plan and the revenue side of it did not materialize.

The City Commission made a few brief comments.

Evelyn Dobson gave a few brief comments and suggested to start taking the steps toward inclusiveness for the properties west of Swinton Avenue and help Delray Beach be a better place for everybody to enjoy the arts, dining, etc.

A brief discussion between the Old School Square Board of Directors, the City Commission, and the City Manager followed.

The City Manager gave a few brief comments.

The City Manager stated the City is fiscally restrained and staff needs clarity and direction of what Old School Square should be paying for and what the City should support. The City Manager stated that a special events policy discussion with respect to who will be absorbing the costs for hometown events and non-profit events will be on the November 9, 2018 City Commission Workshop Meeting at 6:00 p.m.

With nothing further to discuss, this meeting was adjourned at 5:00 p.m.

Workshop No. 2 - Commission Chambers (to start immediately after Closed Attorney/Client Session)

WS.1. [18-664](#)

PRESENTATION OF PROCUREMENT PROCESSES,

RESPONSIBILITIES, AND BEST PRACTICES

Recommendation: Engage a discussion of procurement processes, responsibilities, and best practices.

Sponsors: Purchasing Department

Attachments: [Agenda Cover Report](#)
[Purchasing Best Practices](#)
[Agency Comparison Table](#)
[Guide for Public Procurement Officials NIGP](#)
[OIG Advisory 2014-01](#)
[OIG Contract Oversight Review 2015-R-0001](#)
[OIG Tips and Trends 2017-0003 RFP or ITB](#)
[OIG Tips and Trends 2015-0004 Evaluation Criteria](#)
[Purchasing Policies and Procedures Manual - Approved July 11 2018](#)
[FINAL](#)

Mayor Petrolia called the Workshop Meeting to order at 6:00 p.m.

The City Manager stated this item was requested because of the transportation services Request for Proposal (RFP) and he provided a brief background where some of the issues arose and how the City ended up where they are now.

A brief discussion between the City Attorney and the City Commission ensued.

Mayor Petrolia commented about the gap in the City's transportation services as a result of how the RFP went.

The City Manager recommended to keep it in the Community Redevelopment Agency (CRA) boundaries, have the Livability and Placemaking Team form it and have the Downtown Development Authority (DDA) form it, and have the CRA do the RFP which is a sixty (60) day process. He stated staff would need direction on the following for the RFP: (1) where the service routes and stops are, (2) only keep it in the CRA boundaries so that the CRA could fund the entire thing, (3) should the service be free or charge for it.

Commissioner Bathurst commented that although the City Commission did not want the trolley services as it was currently operating, that did not mean to eliminate a fixed route.

The City Manager stated staff will take the existing Request for Proposal (RFP) and have the City Commission give more direction on it.

Vice Mayor Frankel stated Palm Tran has fixed route transportation and is operating. He stated other cities have transportation.

Mayor Petrolia stated the City Commission asked staff to find the right mix to be able to offer the dynamic part of the business that the Downtowner was offering and the fixed part of it that the tri-rail to the downtown area was offering (i.e. something all inclusive). Mayor Petrolia reiterated that there were three (3) parts: (1) a fixed route, (2) the fixed route plus the dynamic part, and (3) the combination.

Jennifer Alvarez, Purchasing Director, stated the RFP allowed proposers to propose on (1) a fixed route, (2) a point-to-point, or (3) if anyone want to propose on both they could propose a combination.

A brief discussion by the City Commission followed and the City Commission stated they had discussed a pilot program with the group that knows more about transportation in this area than anyone. The previous company was a private company that left the city.

Commissioner Boylston stated the Downtowner was a private business that refused to service the northwest/southwest communities.

The City Manager stated staff will take the existing RFP and let the City Commission give more direction on it and try to fastrack another process. He also stated there is funding in the CRA budget and that there was a disconnect with what the City Commission's goal was versus what the City had.

Mayor Petrolia inquired about the possibility of piggybacking on another contract and stated the Downtowner is not going to be providing rides in the gem carts/cars and there are other places that have rides that use the gem carts/cars in their towns that might want to come to Delray Beach and provide this service. Mayor Petrolia stated this does not necessarily have to be done via an RFP process, but that it be done by picking up the telephone and doing the right thing to get that service up and running. She also commented that with respect to the single route system, if the City could find another vehicle to use, employ, and obtain data for the actual RFP where the City Commission knows what they want, then this would be the route to take.

Ms. Alvarez stated in order to piggyback off of a contract, the City Commission would need to ensure that the contract that is being piggybacked off of is legitimately competitive and meets the City's competitive threshold. She stated the description on the types of vehicles is essential because it has to do with strategic long-term considerations

because of the grant. Ms. Alvarez stated although there is flexibility in the vehicles, in order to be reimbursed from that grant, the grant will have some federal considerations that the City will need to adhere to. The City Manager stated staff will expedite this, do something creative, and to restore the service that the City had.

WS.2. [18-655](#) PRESENTATION OF IN LIEU OF PARKING POLICIES, PROGRAM, AND FUNDING

Recommendation: Provide direction regarding the in lieu of parking policies, program, and funding.

Sponsors: Development Services Department

Attachments: [Agenda Cover Report](#)
[In Lieu Parking 10.09.18 CC Workshop FINAL PPT](#)
[In Lieu Parking Inventory Final 092518](#)

Tim Stillings, Development Services Director, gave a brief presentation regarding in-lieu of parking. He briefly reviewed the purpose and intent, disadvantages, history, areas/pricing, in-lieu parking - by "Program" year, projects approved and stated according to the City's records there are 182 approved in-lieu parking spaces. Mr. Stillings commented about Area 1 and the capital investment and economic contribution, Area 2 and capital investment. He stated the downtown parking "inventory" includes (public parking spaces) less than 6% of the total number of spaces equates to the in-lieu that has been approved. Mr. Stillings stated the options would be: (1) leave the program as is, (2) adjust in-lieu fees/areas, or (3) eliminate in-lieu. Staff recommends option #2. Mr. Stillings stated the Parking Management Advisory Board (PMAB) reviewed this at their meeting of September 25, 2018 and Downtown Development Authority (DDA) at their meeting of October 8, 2018 and both boards were in agreement with the recommendations and support doing something with the in-lieu fees.

Mayor Petrolia stated she has mixed emotions about the in-lieu parking spaces because parking spaces are becoming more scarce. Mayor Petrolia stated there is a difference between new development and buildings that are currently in existence.

Mr. Stillings stated a new build is limited to 30% of their required parking whereas a reuse or a conversion can be up to 100%.

Mayor Petrolia commented about parking spaces in the Community Redevelopment Agency (CRA) district that are CRA owned that could potentially be a place for parking. She expressed concern about traffic entering further into the town and backing up. Mayor Petrolia suggested

that the City have an agreement with the County to connect the two garages and offer them a benefit (i.e. the City clean the garages) in order to be able to gain not just their garage (which is closed at night that nobody can access), but to be able to utilize an additional garage. She stated this may potentially be a way to problem solve for parking and keeping it from getting as far east as Swinton Avenue.

Commissioner Boylston concurred with comments expressed by Mayor Petrolia. Commissioner Boylston stated the Downtown Development Authority (DDA) tested this and one of issues was that the library does not want any cars there overnight, and people were not utilizing the garage because of the limitation that they would have to move their car by a certain time.

A brief discussion between the City Commission and Mr. Stillings followed.

Commissioner Boylston stepped away from the dais briefly.

Deputy Vice Mayor Johnson stepped away from the dais briefly.

A brief discussion between the City Commission and Jeff Costello, Executive Director of the CRA followed.

Mr. Stillings stated something the City Commission can consider is the incentive to provide additional public spaces to the private developments that come forward. He stated iPic is providing some; both Midtown and Atlantic Crossing looked at what they could provide in addition to what they felt their needs were. Mr. Stillings suggested that there be discussion on the overall parking district for the downtown to address some of the smaller properties and their limitations on their ability to provide parking so they can redevelop or develop off Atlantic Avenue.

Commissioner Bathurst inquired about the process to do the suggestion about the core area. Mr. Stillings stated staff would have to draft a Land Development Regulation (LDR) amendment. Commissioner Bathurst recommended to move forward with directing staff to draft the LDR amendment.

It was the consensus of the City Commission to direct staff to move forward with drafting a LDR amendment and that staff re-evaluate the spaces and look into the 30% for new development.

Vice Mayor Frankel asked if the Robert Federspiel Garage elevator can be repaired with the \$1.9 million current in-lieu funds that has been out-of-order for over a year. Mr. Stillings stated this money can be used for

parking or pedestrian bicycle improvements.

Caryn Gardner-Young, Assistant City Manager, stated staff is working with the Purchasing department to get the company in to get the repairs done with respect to the Robert Federspiel Garage elevator.

WS.3. [18-675](#) PRESENTATION REGARDING BUILDING HEIGHT AND DENSITY IN THE CENTRAL BUSINESS DISTRICT (CBD)

Recommendation: Provide direction regarding building height and density in the Central Business District (CBD).

Sponsors: Development Services Department

Attachments: [Agenda Cover Report](#)
[CBD Height-Density 10.09.18 CC Workshop](#)

Ms. Anthea Gianniotis, Principal Planner, gave a brief presentation with respect to the building height and density current regulations in the Central Business District (CBD). She briefly reviewed the height and density incentive. Ms. Gianniotis reviewed the options and impacts: (1) Option #1 - make no changes, (2) Option #2 - offer height/density only for a Transfer of Development Rights (TDR) Program, and (3) Option #3 - Offer height and/or density for % of workforce housing. Staff recommendation is to: (1) offer bonuses in height and density to achieve focused community benefit, (2) provide direction on priority community needs, and (3) provide direction appropriate location for additional height.

A brief discussion between the City Commission and Ms. Gianniotis followed.

Commissioner Bathurst stepped away from the dais briefly.

A brief discussion between the City Commission, Ms. Gianniotis, and Mr. Stillings ensued.

Vice Mayor Frankel stated he would like to see what has been done regarding the rooftop bars and space before a final decision is made.

At this point, the City Commission moved back to Workshop Item #4 (WS.4.).

WS.4. [18-663](#) FISCAL YEAR 2019-2020 BUDGET POLICY ISSUES

Recommendation: N/A

Sponsors: City Manager Department

Attachments: [Agenda Cover Report](#)
[Short Term Rentals Cover Memo](#)
[Short Term Rentals Analysis Memo](#)
[Short Term Rentals PPT](#)
[Fire Assessment Program Development](#)
[Pension Data Revised](#)

Mayor Petrolia requested that Workshop item WS.4. be moved up as the first item on the agenda.

The City Manager stated one of the things the City Commission agreed to on their strategic plan was to identify additional opportunities for revenue enhancement. He stated there were discussions about revenue enhancements by the City of Delray Beach through a fire assessment program. He said this would be a non-advalorem assessment that goes on the property tax bill and it provides fire protection, fire combat and suppression services. The City Manager stated it is based on a square footage or per residential type of assessment based upon call demands. He stated with the new goal and fiscal challenges the City is facing, higher pension costs and the possibility of increased personnel for the Fire-Rescue Department, staff felt this was a good time to explore this revenue opportunity. The City Manager briefly reviewed the proposal from Stantec and stated there are two phases each costing approximately \$25,000.00. If the City Commission wishes to do this, he stated he would then come back to the City Commission at their meeting of December 11, 2018 with the data and put the property appraiser on notice that the City Commission would like to consider placing this on the tax bill. At that point, the City Manager stated the City would go through the rate setting process and the resolution process during the summer.

Neal de Jesus, Fire-Rescue Chief, introduced the Senior Fire Assessment Consultant with Stantec.

Erick Vanmalssen, Senior Managing Consultant with Stantec, gave a brief explanation on the benefits of a fire assessment fee. He stated the properties within the City of Delray Beach that benefit from fire protection services could proportionately pay their reasonable rate for that service to directly fund fire protection services and that revenue would be earmarked specifically for that service.

The City Manager commented that several years ago in Pompano Beach, there were several properties that were paying no property taxes and they were significant users of the fire services.

Commissioner Bathurst stated he would like to know how many of those

properties do not pay any property taxes and asked if the City does the justification to reduce the ad valorem. Mr. Vanmalssen stated if the City is authorized to proceed with the study they will provide the statistics.

Vice Mayor Frankel stated in order for him to support a fire assessment fee there would have to be a condition that there be a reduction in the millage thus spreading out the burden.

Commissioner Boylston concurred with comments expressed by Vice Mayor Frankel and stated this is a best practice of the Florida League of Cities.

Deputy Vice Mayor Johnson expressed concern over the proposed fire assessment fee and Amendment #1.

The City Manager stated he and Chief de Jesus had discussions about the advantages of moving forward with this now since there is not a specific law yet related to Amendment #1. The City Manager stated the cost is \$25,000.00 and the City Commission can give direction at a policy discussion in December. The City Manager stated the City would not authorize them to spend the other \$25,000.00 unless they receive a resolution of intent and the policy discussion, complete the report, comparative analysis and data. The City Manager stated second phase could then be completed (i.e. ordinance).

Mayor Petrolia expressed concern over this fire assessment fee and stated she does not support it.

Commissioner Bathurst asked if the report will show the neighboring communities where they started and where they are now. Mr. Vanmalssen stated a historical survey is not something they would typically look into; however, if requested, they would provide a current survey of where fees are compared to where the City Commission would be considering fees as it relates to commercial or residential properties.

Chief de Jesus stated he and his staff will do the research with respect to Commissioner Bathurst's comments and include this in the report.

Mayor Petrolia stated some neighboring communities have a much lower mill rate compared to Delray Beach. Mayor Petrolia expressed concern that the mill rate will not be reduced that much other than affecting a population that may not be able to pay this as easily as some others would be able to.

It was the consensus of the City Commission to move forward with Phase

One, 3-2 (Mayor Petrolia and Deputy Vice Mayor Johnson not in favor).

The City Manager commented about Vice Mayor Frankel's suggestion about improving the enforcement of short-term rentals.

Jamael Stewart, Assistant Director of Community Improvement, gave a brief overview and history of the short-term rentals that are currently throughout the city along with the fiscal impacts. Mr. Stewart explained staff's recommendations: (1) Option #1 - require vacation rentals to register with the Business Tax Office before March 2019, (2) Option #2 - bring back to the City Commission for discussion after March 2019 Legislative session (HB 773 - local law ordinance may not prohibit vacation rentals, regulate the duration, nor frequency; HB 789 - The state will regulate the registration of real property owners who lease or rent their property).

Vice Mayor Frankel stated if someone rents their home for more than three times a year, it is considered a business and brings instability to a neighborhood. Vice Mayor Frankel suggested that the permit fee be \$1,000.00 per year (or less but in his opinion \$200.00 is too low) and stated if someone wants to run a business out of their home, they should pay for the right to operate and homeowners' should not have to pay for the inspections, monitoring, and code enforcement.

The City Attorney gave a few brief comments and advised the City Commission to wait and see what is going to happen with the Legislature in March at its Legislature Session.

Deputy Vice Mayor Johnson stated the League of Cities cancelled meetings in Orlando and she was pushing for the short-term/transient rentals to be the number one municipal administrative legislative policy because it is affecting the entire State of Florida.

The City Manager briefly spoke about the Police Officers' and Firefighters' Retirement Systems Actuarial Valuation Assumption changes.

Kimberly Ferrell, Finance Director, stated she is a representative on the City's General Employees' Pension Board; however, there is no representative on the Police and Fire Pension Board. Ms. Ferrell stated the General Employees' Pension Board was to lower the assumed return further than the 7.25% (one-tenth) over six years. Ms. Ferrell stated at the last General Employees' Pension Board Meeting, the Board decided to get an experienced study and decide whether or not they even have to lower the 7.25%. She stated this study will be brought back in April or May 2019 in order for the General Employees' Pension Board to make that decision.

A brief discussion between Mayor Petrolia and Ms. Ferrell followed regarding how quickly the actuarial valuation assumption changes were done rather than the assumption rate gradually being lowered. Mayor Petrolia stated staff now has to do an amendment to the budget right away to adjust for \$2.3 million that was just handed to the City Commission immediately.

Ms. Ferrell stated for the General Employees' Pension Fund it has performed so well that the City's required contribution is 13.3% and the Police and Fire Pension Fund is 54% and 64%. Ms. Ferrell stated for every dollar spent in payroll there is an additional amount (more than .50) that is required for retirement alone that does not count other benefits. Ms. Ferrell stated the General Employees Pension Fund is 97.3% funded. The City Manager stated at this point there is a \$2.3 million occurring problem with respect to the Police and Fire Pension Fund.

WS.5. COMMISSION COMMENTS

The City Commission had no comments.

There being no further business to discuss, Mayor Petrolia adjourned the meeting at 8:57 p.m.