Work Session Meeting of the Sandy Springs City Council was held on Wednesday, June 16, 2010 at 11:15 a.m., Mayor Eva Galambos presiding.

City Council Discussion Item

1. Question and Answer Session with Representatives from City of Weston, FL

City Manager John McDonough stated City Attorney Wendell Willard, Assistant City Attorney Cecil McClendon and he visited Weston, FL. This City is similar to Sandy Springs due to the fact they also contract with private companies to provide services for the City. The City of Sandy Springs is beginning to go through the re-bid process through the next 6-8 months. The City Manager John McDonough thought it would be a good educational process to hear from the Weston, FL, City Manager, John Flint, and his team, and their experiences.

Weston, FL, City Manager John Flint stated Weston, FL has been incorporated since 1996. They use a contract style of management for all of their services. The City started with three employees and they currently have nine. They are located 20 miles west of Ft. Lauderdale, FL. The population is approximately 63,000 over 27 square miles. Some of the service providers providing services to the area before incorporation worried that once Weston became a city, their services would no longer be needed. Weston went through a transition approximately two years ago from their primary service provider, with whom they could no longer successfully renegotiate to renew the contract. He asked the Council, what they would like to hear regarding Weston's experiences during this time.

Mayor Eva Galambos stated you mentioned renegotiate. You didn't have this going out for bid as a total policy?

Weston City Manager Flint stated the City initially contracted with a firm managing the Indian Trace Community Development District and continued the contract when first incorporated. The firm was subsequently sold to Severn Trent and the contract was continued. After several years, they were no longer satisfied with Severn Trent, so they decided to establish a new contract. The solicitation of a RFP covered the financial aspects such as accounting, budgeting, recreation and parks, and some purchasing.

Councilmember Karen Meinzen McEnerny asked what services their county provides.

Weston City Manager Flint stated that Broward County provides the court system, library system and traffic engineering to a limited extent. The City of Weston provides police, fire, sidewalks, etc. The City contracts with the Broward County Sheriff for police services. Within the contract, the City Manager has the ability to select the Police Chief from the three resumes the Sheriff sends him. The City Manager has the ability to remove the Police Chief, with or without cause, and any Deputy assigned to Weston.

Mayor Eva Galambos asked about the Fire Department.

Weston City Manager Flint stated their Fire Department is under the direction of the Broward County Sheriff. The County Commission no longer wanted to manage the Fire Department.

Mayor Galambos asked who manages the salaries of the Fire Department and the Police Department.

Weston City Manager Flint stated that the Broward County Sheriff manages the salaries.

Chief of Police Terry Sult asked how many police officers are employed by Weston.

Weston City Manager Flint stated there are 105 personnel, including 74 sworn officers. There is a ratio of 1 police officer per 1,000 citizens.

Mayor Galambos stated they probably have a very low crime rate.

Weston City Manager Flint stated they have the lowest crime rate in Broward County. He believes it is partly due to the fact that there are many gated communities.

Weston City Manager Flint stated the City went out to bid for the services. At the time, there was a start up organization that was a spinoff from Severn Trent and he found other companies that would be able to bid on the project. The day before the vendors were supposed to be interviewed by the City Commission, the City Manager went to visit the vendors unannounced. The first vendor visited was located in Boca Raton, FL. They had about eleven accountants and were very professional. They had their own building and everything looked great. The second vendor was working out of an executive office suite. The individual that represented the firm was a former City Manager at two different cities. The third firm was out of Tallahassee, FL. Due to the distance of the drive, he didn't visit that company. The firm from Boca Raton crashed and burned in front of the City Commission. The one from the executive suite didn't do well either. The firm from Tallahassee, FL, wanted to work out of Tallahassee. He didn't want the City's records kept out of the county. Lesson Number One: Never let your records leave the county. Of the three companies, none of them were desirable. The City decided to continue with Severn Trent for another year. That's about when Chief Financial Officer David Keller came on board and they tried to negotiate the contract about a year before the expiration. The way Weston paid for dedicated staff was by paying their salaries plus a multiplier. Severn Trent came in at 2.0 and the last offer was 1.85. CFO Keller ran the numbers and found they could bring on six department heads as city employees for a multiplier of 1.34. That made a difference of $250,000. They couldn't come to an agreement with Severn Trent, so they split the staff that was assigned to Weston among two of their other service providers.

Mayor Galambos asked if they put out an RFP to the world.

Weston City Manager Flint stated yes.

Mayor Galambos asked what the service issues were.

Weston City Manager Flint stated at the time they were having issues with Severn Trent, all of their data was on Severn Trent's hardware. Lesson Number Two: Own the hardware and the software. The City was in the process of migrating all the information to the City's new servers and desktops. Severn Trent decided to fire the employee responsible for the transfer of data. Weston City Manager Flint hired him, because he needed that person's assistance. Severn Trent felt the employee was more loyal to Weston than the company.

Mayor Galambos asked if the services being delivered to Weston's citizens were not up to par.

Weston CFO David Keller stated in the accounting department, the first thing he did was meet with the auditors and look at the previous year's records. What was happening was when they moved from the Moyer and Associates Group, and that became a part of Severn Trent, Severn Trent worldwide wanted to take Moyer and fit it into the boxes that worked globally for Severn Trent. New people were assigned that weren't familiar with municipal accounting and budgeting. As a result, there were serious issues that were going on in some of the accounting areas and the auditors made comments on it.

Mayor Galambos asked at the time these mistakes were being made, did you have a City Finance Director

or someone that was responsible?

Weston City Manager Flint stated the Finance Director was part of Severn Trent. Lesson Number Three: Control the money and the finance director.

Mayor Galambos stated that our Finance Director was initially part of CH2M HILL. We realized that could be a conflict of interest and changed it within the first nine months of the contract. The Finance Director of Sandy Spring is now a City employee.

Councilmember Ashley Jenkins stated that's why she asked about purchasing, too. Purchasing is still under control of CH2M HILL. She asked about his thoughts on purchasing. Who is the City employee that is in charge of the purchasing department?

Weston CFO Keller stated I'm the Chief Financial Officer and Darrel Thomas is our treasurer.

Weston City Manager Flint stated they don't purchase many items. What they do purchase they try to buy off of other contracts, like State of Florida contracts.

Councilmember Tibby DeJulio stated you have a very competent police and fire department, which we didn't have in Fulton County.

Weston City Manager Flint stated correct.

Councilmember Meinzen McEnerny asked about Public Works. Do you have a need to purchase storm water, asphalt, and sidewalk?

Weston City Manager Flint stated Public Works is included in the contract. In a few minutes he will put up the City organization chart that will show where the City employees are and where the contractors are. It will show the relationships they have with each other. The Director of Public Works is a city employee. The Public Works employees are contracted through Calvin, Giordano & Associates, Inc. The contract employees report to someone within the business group.

Mayor Galambos asked what percentage of their budget is capital improvement.

Weston City Manager Flint stated about $7 million was spent on improvements and enhancements.

Councilmember John Paulson asked how they gained a competitive advantage through their bid process?

Weston City Manager Flint stated Severn Trent provided dedicated staff and other work on a lump-sum basis. Weston was dissatisfied with how Severn Trent was handling the finance aspect on that basis.

Weston CFO Keller stated a majority of their funding comes from utility funds and state shared revenues.

Councilmember Meinzen McEnerny asked how many miles of roads are in Weston. How much of your public infrastructure is outside of the gated, homeowner managed roads?

Weston City Manager Flint stated the City is responsible for the five main roads, and about 15% of local roads which are public roads and non-gated communities.

Councilmember Ashley Jenkins asked what type of park system they have.

Weston City Manager Flint stated they have 225 acres of parks; all of them City parks.

Mayor Galambos asked how long it takes to issue a building permit for a single family home.

Weston City Manager Flint stated approximately five days.

Councilmember Meinzen McEnerny asked if they accept online permit applications.

Weston City Manager Flint stated they don't. They haven't progressed to that stage yet. They have three companies that mange the landscaping.

Councilmember Jenkins asked why they have three companies.

Weston City Manager Flint answered they have three companies just in case one goes out of business.

Mayor Galambos asked how many contracts they manage for regular operations.

Weston City Manager Flint responded about 30-35 contracts. The department heads manage the contracts.

City Manager McDonough asked who on your team is responsible for putting these contracts together.

Weston City Manager Flint stated the contracts are created by collaboration of the different departments. If he has any background in it, he will participate, and the City Attorney will perform the legal background work.

Councilmember Paulson asked if they had considered combining all these contracts together, so they have just one vendor to deal with.

Weston City Manager Flint stated if they put it all under one entity, someone will receive overhead profit as well as what they are getting paid from the contract.

Councilmember Jenkins asked if individually contracted people run soccer, baseball and other programs.

Weston City Manager Flint stated for small programs, such as chess lessons or painting lessons, the City contracts with private providers and then the City receives part of the profits. The City took all the sports leagues and arts council that were present when the City incorporated and paid to put them under an umbrella for the Weston Sports Alliance, Incorporated.

Councilmember Paulson stated you have a contracted IT person. What is your opinion on having an IT person be a city employee versus a contractor.

Weston City Manager Flint stated it ultimately should be in house.

Councilmember DeJulio asked when they did the RFP on landscaping, did they put out one RFP and give contractors the option to bid on only one part of it, or give them the option to bid on multiple parts of it.

Weston City Manager Flint stated for right-of-way maintenance, they split the city between east and west, because they wanted two contracts for that. They also have a third contractor for turf management.

Councilmember DeJulio stated, so you wouldn't let one person bid on both parts of it.

Weston City Manager Flint stated they would prefer it not happen that way.

Councilmember Fries asked if they have a high turnover for contractors.

Weston City Manager Flint stated not much. They are a very good client and they pay on time and they are willing to pay a fair price.

Mayor Galambos asked about their contract that ended early.

Weston CFO Keller stated that's why they have three contractors for emergency management. One is primary; the other two are for backup, just in case the primary can't perform. That is from experience from when Hurricane Wilma came through. The primary for emergency recovery failed to perform.

Mayor Galambos asked if they contract with fairly small companies.

Weston City Manager Flint stated with the disaster debris recovery contract for Hurricane Wilma, they went through $18 million in a few weeks. Most of that money can be reimbursed from FEMA.

Councilmember Meinzen McEnerny stated they have the lowest millage rate in Broward County at a rate of 1.76. What are the neighboring community's millage rates?

Weston CFO Keller stated seven to eight nearby cities have a millage rate over 6.

Councilmember Fries asked what is the City's annual income?

Weston City Manager Flint stated $100 million from all funds; general fund is just over $30 million, ad valorem tax is about 1/3 of that.

Councilmember Fries asked what the Public Works budget is for the year.

Weston Treasurer Darrel Thomas stated all together about $40 million.

Councilmember Fries asked how much of that is spent on beautification.

Weston City Manager Flint stated the Public Works aspect includes the water and sewer; probably $3 million goes to sidewalks.

Councilmember DeJulio asked if the homeowners pay a separate fee for water and sewer or if that is included in their taxes.

Weston City Manager Flint stated that the homeowners receive a bill every month.

Councilmember DeJulio asked what percentage of their tax bill goes to the City?

Weston City Manager Flint stated 8%.

Councilmember DeJulio stated that Sandy Springs homeowners pay approximately 13% for City taxes.

Councilmember Paulson stated how different Sandy Springs is from Weston. For our first contract, there were so many unknowns. The Sandy Springs model is one master contract compared to thirty separate contracts. He asked for an opinion on the transition of the Sandy Springs contract from a lump sum to

two or three or more contracts.

Weston City Manager Flint stated it's part policy decision from the Council and part a management decision on how best to accomplish what you want to get done.

Mayor Galambos stated the situation at Sandy Springs may be a little different from where you were. The delivery from Severn Trent wasn't what you wanted it to be.

Weston City Manager Flint stated that the current model they are using works for them. His concern is, if you hire an engineer to run the place, what is their expertise on financial management? Sandy Springs Council is in a luxurious position in that you have the opportunity to look at different avenues on how to serve your residents by the most cost effective manner. Thirteen cities, including Weston, contract with Sheriff of Broward County for police services and five cities contract for fire services. It makes him wonder if Weston is getting the best deal from the Sheriff. The only way to figure that out is to go through the exercise to see how much the city would pay to provide these services themselves.

Mayor Galambos asked if the Sheriff is elected or appointed.

Weston City Manager Flint stated the Sheriff is a constitutional officer that is elected.

Councilmember Jenkins asked how long they have been with this type of model.

Weston City Manager Flint stated they have been doing this from the beginning. When Severn Trent was there, they did mostly the financial aspect. The grounds maintenance was contracted out. The City of Weston has always administered the contracts.

Mayor Galambos asked how they put out their RFP and why they only got three companies to respond.

Weston City Manager Flint stated they wanted someone familiar with the area. They advertised on their website and the local newspapers.

Councilmember DeJulio asked about the morale of the employees when they knew Severn Trent was leaving.

Weston Treasurer Thomas stated Weston was a large client for Severn Trent. Weston CFO Keller communicated with Severn Trent that the City was going to look to another firm to offer positions for employees at Severn Trent who were working on the Weston account. The employees had the option to stay with the firm they were with or transfer to another firm to continue working with the client.

Mayor Galambos asked if Severn Trent had no intention or desire to bid.

Weston City Manager Flint stated that Severn Trent chose not to bid because of the cost and relationship.

Councilmember Fries asked about the contract cost for Severn Trent .

Weston Treasurer Thomas stated approximately $3 million.

Councilmember Meinzen McEnerny asked if in their current RFP's for the subcontractors they stipulate a multiplier, or put the RFP's out there to see the lowest price.

Weston City Manager Flint stated it depends on the contract. For grass cutting and tree trimming it is a

fixed amount. The billing department only receives what comes across the counter. There is a compensation schedule within the contract. When a building permit comes in and they issue the permit, the contractor receives 60% of the cost and the City holds back 40% until the certificate of occupancy is issued. In the building department, there is no risk to the citizens. They been working with the City Attorney for the past 2 years and by the end of September the City Commission will have completed the adoption of a new city code of ordinances. They originally started with the Broward County code, used pieces of code from other cities and added code of their own.

Councilmember Paulson asked if they have a Municipal Court.

Weston City Manager Flint stated all municipal courts were abolished in 1975 in the state of Florida. All they have are county and state courts. They have a special magistrate procedure for municipal code violations. Every other month they have a hearing process where cases are presented to the magistrate.

Mayor Galambos asked if they have a separate contract to develop their new zoning code.

Weston City Manager Flint stated that it's done through the City Attorney.

Councilmember Meinzen McEnerny asked about the footprint of their facilities.

Weston City Manager Flint stated they have a City Hall that is 15,000 square feet; a police station that they constructed and own at 15,000 square feet; they own 3 fire stations that they built; 1 community center; shelters and pavilions at the parks; and a Public Works building. Even though they contract with the Sheriff, last year they purchased all the fire apparatus and ambulances.

Councilmember Collins asked if the Police Department is all on one campus.

Weston City Manager Flint stated they have a campus at City Hall, the Police Department, and one at the three fire stations.

Councilmember Fries asked about their Public Works building.

Weston City Manager Flint stated the Public Works building is about 14,000 square feet.

Mayor Galambos asked what equipment is in there.

Weston City Manager Flint stated they own the equipment in there; two backhoes, John Deere gators and a few pick-up trucks.

Mayor Galambos asked about storm water. Doesn't that require fairly large equipment?

Weston City Manager Flint stated they have approximately six boats. After Hurricane Wilma, they purchased standby power systems for the thirty-six traffic light intersections, so they wouldn't have to tie up the police for directing traffic.

Councilmember Meinzen McEnerny asked if they ever looked at leasing fire trucks.

Weston City Manager Flint stated it was more cost effective to buy them.

Councilmember DeJulio asked about the financial reserve for the City.

Weston City Manager Flint stated their reserves are in three areas: $40 million in a disaster management fund; 20% of general operating in a credit reserve fund to maintain their AAA credit rating; and the balance is for rate stabilization.

Weston Treasurer Thomas stated there is a maintenance reserve where they have a maintenance schedule for all the equipment and property they own. They determine average useful life for roof, repainting, and equipment. Those annual amounts are stocked away in the reserve. This accomplishes two things: it reduces the capital improvement costs and keeps the millage rate stable.

Councilmember DeJulio asked how much debt they have.

Weston Treasurer Thomas stated about $25-$30 million.

Weston City Manager Flint stated the City of Weston is made up of the municipal government. The City started out as the Indian Trace Community Development District, which they converted to a dependent district of the city, before it was independent. That means the five elected officials, the Mayor, and the City Commissioner sit at the board that supervises the district. They then added the Bonaventure Development district when they annexed that portion of the city. He stated they have a $30 million debt, part of which was inherited.

Mayor Galambos asked what it cost them to build a City Hall.

Weston City Manager Flint stated City Hall went out to bid at peek construction prices right after Hurricane Wilma. It cost $6 million to build City Hall. They paid about $400 a foot. If they built it today, it would cost them about $300-$325 a foot. The building is built to withstand a CAT3 minimum hurricane standard, with full standby power.

Councilmember Jenkins excused herself from the meeting at this time.

Councilmember DeJulio asked what is the next big capital expenditure for the City?

Weston City Manager Flint stated they have a 2018 strategic value and business plan. They plan for the next ten years of infrastructure improvements that will be needed.

Councilmember Meinzen McEnerny stated she can see why they need a treasurer to manage their funds; they have a lot of reserves. She asked if Weston ever reduced the millage rate.

Weston City Manager Flint stated yes, once. They started out for 10 years at 1.5235. In 2007, the legislature mandated a new scheme for millage rate. It went down to 1.3215 for 1 year, and then went back up to 1.5235. Last year it was 1.7 and this year it will probably go up to 2.0, plus using reserves to balance the budget.

Councilmember Fries stated their organization chart shows a City Manager and Assistant City Manager. Does the Assistant City Manager watch over the subcontracts?

Weston City Manager Flint stated the City Manager and Assistant City Manager oversee the department heads that are there to manage those contracts.

Councilmember Paulson asked if Weston City Manager Flint had any other final thoughts or comments.

Weston City Manager Flint stated he thinks it goes back to a combination of decisions, the public policy

decision, but also an executive decision. He thinks it should be a joint decision amongst the manager and the legislative body on how best to serve the needs. He stated both cities are similar in that they want to provide the best services for the residents in the most cost effective manner.

Mayor Eva Galambos stated please don't leave out our constituents.

Councilmember Fries stated that she thinks Sandy Springs will be different in one main way; we won't have an issue with not getting through the RFP process. We're going to have a lot of bids.

Weston CFO Keller stated he comes from a traditional government. He worked in Pittsburgh for twenty years and the City of Hollywood for another ten years. This form of government attracted him to work there. They have a low tax rate and provide excellent services. The model works.

Weston Treasurer Thomas stated he comes from the private side. He worked in mutual funds before working for the City; almost no government exposure. When you privatize services, you get a different perspective. The department heads are both employees and contract managers.

Councilmember Fries asked if they have it in the contract that if someone isn't working out, they can just let that person go.

Weston Treasurer Thomas stated if he's having any HR difficulties, he speaks to the President or the person that is his direct contact. He lets them know the situation and the business manager handles those issues for the City.

Mayor Galambos stated we're very performance orientated. Our RFP is going to be very specific about what we want in terms of delivery of service. We're looking for a contractor that can perform the service.

Weston City Manager Flint stated Georgia Tech did a study last year and interviewed nine cities and compared those that are contract style managed with those that are traditionally managed. The study compared Weston, FL to Coral Gables, FL and six cities in Georgia by looking at the cost to deliver the services and the satisfaction level. The contract style management outperformed the traditional style.

Councilmember DeJulio asked if there are any more cities in Florida adopting a contract style management.

Weston CFO Keller stated absolutely, but they are doing it gradually, because it's a major change for them.

Councilmember DeJulio asked if Weston is growing at all and if they have much retail.

Weston City Manager Flint stated that they have industrial warehousing. They have national warehouse distribution centers located there.

Mayor Galambos asked if they have spare land that they are promoting for this.

Weston City Manager Flint stated they never gave a subsidy for economic development. Their location was good enough that there wasn't a need for that.

Councilmember DeJulio asked is they have had major problems with foreclosures and abandonment of homes.

Weston City Manager Flint stated the foreclosures in Weston usually get flipped within forty-five days.

Mayor Galambos asked if the prices have come down.

Weston City Manager Flint stated sure.

Councilmember Fries stated to balance their budget, Weston pulled some money out of reserves. What was the difference that you saw this last year? What was the shortage?

Weston CFO Keller stated their taxable value dropped by 10.9% from last year, so they are talking about raising the millage rate from 1.76 to 2.0 and using about half a million dollars in fund balance.

Mayor Galambos asked if they couldn't save any money in any of those contracts in order to prevent a millage increase?

Weston Treasurer Thomas stated that includes savings from the contracts.

Weston City Manager Flint stated a lot of their contracts are three or five year contracts.

Mayor Galambos asked if they re-opened those contracts.

Weston City Manager Flint stated they have re-openers, but a lot of them are tied to CPI. Calvin, Giordano & Associates, Inc. was contractually entitled to a 5% increase, and they reduced their increase to 3%; the same situation with the City Attorney. They've had good partnerships with their contractors.

Mayor Galambos asked even with the reductions, you can't avoid the tax increase?

Weston Treasurer Thomas stated no. If the property tax value falls 15% and you want to bring in the same amount of money, the millage rate has to go up by the same percent. Even if you cut that in half, whether that is a cost savings or use of reserves, you still have a 7 ½% millage rate increase, if you want to get the same dollars.

Mayor Galambos stated we decided to cut the budget.

Councilmember Meinzen McEnerny stated we have less capital to spend this year.

Weston Treasurer Thomas stated our general fund has no capital in it. The general fund budget is 70% Parks, Police, and EMS. The contracts with public safety allow for an annual 5% increase, plus to pay for any actual pension increases.

Councilmember DeJulio stated the City of Sandy Springs chose not to go with pensions, but instead with fixed contributions.

Weston City Manager Flint stated they went through an exercise with the City Commission this year. They looked at what would happen if they didn't raise any additional money, just had the same amount from this year for next year. It was quite an eye opener. They would have to do with 25% less employees, close a fire station which is an engine company and an EMS company, and close parks. They decided to bite the bullet and pay what they have to pay.

Fire Chief McElfish asked the size of their contract with Broward County for fire and EMS.

Weston Treasurer Thomas stated fire is $11 million and EMS is $8 million.

City Manager McDonough stated we are paying $450,000 for EMS. Our allotted costs for fire are $9.8 million.

Mayor Galambos stated we put out RFP's for two separate areas, one for Administrative Services, and the other for Community Development and Public Works. We did get some responses for each.

Fire Chief McElfish asked what the Broward Sheriff's office costs for police protection.

Weston City Manager Flint stated about $9 million.

Mayor Galambos thanked the representatives from Weston, FL, for their time.

There being no further discussion, the meeting adjourned at 1:00 p.m.

Date Approved: August 3, 2010

Eva Galambos, Mayor

Michael Casey, City Clerk