

City of Gainesville

*City Hall
200 East University Avenue
Gainesville, Florida 32601*



Meeting Agenda

December 19, 2005

6:00 PM

City Commission Special Meeting

City Hall Auditorium

City Commission

***Mayor Pegeen Hanrahan (At Large)
Mayor-Commissioner Pro Tem Chuck Chestnut (District 1)
Commissioner Warren Nielsen (At Large)
Commissioner Rick Bryant (At Large)
Commissioner Ed Braddy (District 2)
Commissioner Jack Donovan (District 3)
Commissioner Craig Lowe (District 4)***

Persons with disabilities who require assistance to participate in this meeting are requested to notify the Equal Opportunity Department at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.

ADOPTION OF THE AGENDA

AGENDA STATEMENT

"Citizens are encouraged to participate in City of Gainesville meetings. In general, speakers will be limited to 3 (three) minutes per agenda item. Additional time may be granted by the Mayor or by the City Commission as directed. The City of Gainesville encourages civility in public discourse and requests that speakers limit their comments to specific motions and direct their comments to the Chair. Citizens are encouraged to provide comments in writing to the Clerk of the Commission before meetings and/or during meetings for inclusion into the public record. Citizens may also provide input to individual commissioners via office visits, phone calls, letters and e-Mail, that will become public record. (In some instances, i.e., Quasi-Judicial Hearings, these particular contacts may be prohibited. Persons with disabilities who require assistance to participate in this meeting are requested to notify the Equal Department at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.)"

ROLL CALL

CITY MANAGER

050753

Settlement of Interest and Additional Principal Payments with Arthur J. Gallagher & Company (B)

This item involves the final settlement related to the over-retention of commissions by the City's former insurance broker Arthur J. Gallagher & Company.

Explanation: In June 2005, the City's insurance broker, Arthur J. Gallagher & Company, presented the City with a check of approximately \$1.3 million. This amount was deposited in a City account under agreement with Arthur J. Gallagher and Company. The check represented excess commissions improperly retained by Arthur J. Gallagher & Co. for insurance policies placed for the City between 1991 and 2005 under agreements with the City. At the time the check was delivered to the City, Arthur J. Gallagher & Co. agreed to allow for a review of their files and to pay interest to the City related to the excess commissions.

Based on the results of a review by the City Auditor's Office, adjustments to the original payment amount and interest due the City were identified. Ensuing negotiations with Arthur J. Gallagher & Co., as discussed in a December 8, 2005 communication from the City Auditor to the City Commission, have resulted in a proposed additional settlement amount of \$514,272 due the City. (See Attachment). Arthur J. Gallagher & Co. has agreed to this proposed settlement amount and the City Manager, City Auditor and City Attorney support the City Commission's acceptance of the final settlement amount.

Fiscal Note: The funds received through this settlement will be placed in the General Insurance Fund, pending a final decision by the City Commission regarding the allocation of the funds.

RECOMMENDATION

The City Commission: 1) accept the settlement for principal and interest of \$514,272 from Arthur J. Gallagher & Company, and 2) authorize the City Manager or his designee to negotiate and execute the necessary documents required to complete the settlement, subject to approval from the City Attorney as to form and legality.

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050757**Acceptance of the Voluntary Settlement Agreements from Arthur J. Gallagher & Company (B)**

This item involves the acceptance of the Voluntary Settlement Agreements related to the Fund established in Illinois to repay portions of contingent commissions received by Arthur J. Gallagher & Company.

Explanation: On May 18, 2005, Arthur J Gallagher & Company entered into an agreement with the Illinois Division of Insurance and the Illinois Attorney General to resolve issues related to the receipt of contingent commissions. Contingent commissions are additional revenues received by a broker based on such things as gross volume, new business and favorable loss experience on policies placed by the broker. The fund was established to repay portions of the contingent commissions received by Arthur J. Gallagher & Co. Many other large brokers have entered into similar agreements throughout the country. The City of Gainesville received notice from Arthur J. Gallagher & Co. that the City was eligible to receive compensation from the fund for contingent commissions received on some City-purchased insurance policies.

The total amount of the funds set aside for the City of Gainesville is \$48,277.28, and is unrelated to any other funds due to the City of Gainesville related to the over-retention of commissions. Based on conversations with the City Attorney's Office, it was determined that the City should wait until resolving the interest due on the over-retention prior to accepting the Voluntary Settlement Agreements related to the Illinois Fund. The City has tentatively reached an agreement on the interest with Arthur J. Gallagher & Co. and is now in a position to accept the Voluntary Settlement Agreements.

The City Manager and the City Attorney agree that the City should accept the Voluntary Settlement Agreements associated with the settlement fund established in Illinois. This settlement includes all claims that the City may have against Arthur J. Gallagher & Company arising out of the purchase, renewal, placement or servicing of insurance for the City.

Fiscal Note: The funds received through this settlement will be placed in the General Insurance Fund.

RECOMMENDATION

The City Commission: 1) accept the Voluntary Settlement Agreements totaling \$48,277.28 from Arthur J. Gallagher & Company, and 2) authorize the City Manager or his designee to negotiate and execute

the necessary documents required to complete the settlement, subject to approval from the City Attorney as to form and legality.

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ORDINANCES, 1ST READINGS - ROLL CALL REQUIRED

041138

HOGTOWN CREEK CHARTER AMENDMENT (B)

Ordinance No. 0-06-12

An ordinance of the City of Gainesville, Florida; approving an amendment to the Charter Laws of the City of Gainesville; amending Article V of the Charter Laws, entitled "Special Provisions" to allow paving for parking and recreational facilities on Recreation areas while continuing to prohibit paving for trails or transportation corridors on City-owned land in Conservation areas; providing a map of the Hogtown Creek Watershed area (1998); providing for submission of the charter amendment to the voters for approval or disapproval at the March 7, 2006 regular municipal election; approving the ballot title and summary to be placed on the ballot; providing that this charter amendment shall become effective immediately; providing directions to the codifier; providing directions to the clerk of the commission; providing a severability clause; providing a repealing clause; and providing an immediate effective date.

Explanation: On November 14, 2005, the City Commission authorized the City Attorney to prepare an ordinance amending the city charter. The ordinance proposes an amendment to Section 5.06 of the City Charter.

The ordinance must also contain the ballot language. By law, the number of words cannot exceed 75.

After adoption of the ordinance by the City Commission on second reading (January 9, 2006), the charter amendment is subject to approval or rejection by the voters at the municipal election to be held on Tuesday, March 7, 2006.

RECOMMENDATION *The City Commission adopt the proposed ordinance.*

Legislative History

6/16/05	Recreation and Cultural Affairs Committee	Discussed
11/8/05	Recreation and Cultural Affairs Committee	Approved as Recommended
11/14/05	City Commission	Approved as Recommended (7 - 0)

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ORDINANCES, 2ND READINGS - ROLL CALL REQUIRED

050716**ANNEXATION - SANTE FE COMMUNITY COLLEGE AND SURROUNDING AREA (B)****Ordinance No. 0-06-13**

An Ordinance of the City of Gainesville, Florida, annexing a portion of the City of Gainesville Reserve Area Pursuant to Chapter 90-496, as amended, Special Acts, Laws of Florida, known as the Alachua County Boundary Adjustment Act; making certain findings; including within the corporate limits of the City of Gainesville, Florida, that certain compact and contiguous area generally described as follows: generally located South of State Road 222 (NW 39th Avenue), with an Eastern boundary at the western side of section 33, township 09, range 19 and section 28, township 09, range 19 and the City limits; North of the City Limits and East of Fort Clarke Boulevard and Interstate 75, as more specifically described in this ordinance; providing for inclusion of the area in Appendix I of the City Charter; providing for a referendum election; providing directions to the City Manager and Clerk of the Commission; providing ballot language; providing for land use plan and zoning regulations; providing for persons engaged in any occupation, business, trade or profession; providing a severability clause; and providing effective dates.

Explanation: ANNEXATION ORDINANCE

The annexation ordinance proposes to annex a contiguous, compact, unincorporated portion of the reserve area. The Boundary Adjustment Act requires the ordinance to be adopted as a nonemergency ordinance and to include one reasonably compact area. The ordinance will be submitted to a vote of the registered electors for their approval.

In the Ordinance the City Commission makes certain findings of fact related to the area proposed for annexation. The area must meet certain standards as required by the Boundary Adjustment Act. In this regard, your attention is drawn to Section 1 of this Ordinance and the presentation by the City Manager.

The annexation is effective on June 1, 2006 unless there is a tie vote or majority vote against the annexation. Sections 4, 5 and 6 of the Ordinance provide for the special referendum election which will be held on April 25, 2006.

Sections 7 and 8 of the Ordinance relate to special matters which may be of interest to the owners and residents and those persons engaged in any business or occupation. The Alachua County land use plan and zoning or subdivision regulations will remain in effect until the City adopts a comprehensive plan amendment that includes the annexed area. Those persons engaged in any occupation, business, trade or profession in the area proposed for annexation will have the right to continue their occupations, businesses, trades or professions and shall obtain an occupational license from the City of Gainesville for the term commencing on October 1, 2006. Those persons engaged in the construction industry within the annexation area will be required to register with the City on or before 4:00 p.m. June 1, 2006 in order

to maintain their certificate of competency issued by Alachua County.

This ordinance requires two readings. If approved on first reading, the second and final reading will be December 19, 2005.

RECOMMENDATION *The City Commission adopt the proposed ordinance.*

Legislative History

12/12/05 City Commission Adopted on Final Reading, as amended (Ordinance) (6 - 0 - 1 Absent)

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050718

BOUNDARY FOR COLLEGE PARK/UNIVERSITY HEIGHTS REDEVELOPMENT AREA AND TRUST FUND (B)

Ordinance 0-06-04

An ordinance of the City of Gainesville, Florida, amending Division 9 of Chapter 2 of the Code of Ordinances of the City of Gainesville relating to Community Redevelopment, amending Section 2-410.2 by expanding the boundaries of the College Park/University Heights Community Redevelopment Area; amending Section 2-413 relating to the trust fund for the College Park/University Heights Community Redevelopment Area; providing directions to the codifier; providing a severability clause; providing a repealing clause; and providing an immediate effective date.

Explanation: At its meeting of November 28, 2005, the City Commission authorized the City Attorney to draft, and the Clerk of the Commission to advertise, an ordinance expanding the boundaries of the College Park/University Heights Community Redevelopment Area and setting the base taxable value for the expanded area.

If this ordinance passes on first reading, second and final reading will be held on December 19, 2005.

RECOMMENDATION *The City Commission adopt the proposed ordinance.*

Legislative History

12/12/05 City Commission Adopted on First Reading (Ordinance) (6 - 0 - 1 Absent)

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ADJOURNMENT