

**CITY OF RIVIERA BEACH
PALM BEACH COUNTY, FLORIDA
CITY COUNCIL WORKSHOP MINUTES
MONDAY, JUNE 16, 2014 AT 5:30 P.M.**

(The following may contain inaudible or misunderstood words due to the recording quality.)

ANY PERSON WHO WOULD LIKE TO SPEAK ON AN AGENDA ITEM; PLEASE FILL OUT A PINK PUBLIC COMMENT CARD LOCATED IN THE BACK OF THE COUNCIL CHAMBERS AND GIVE IT TO THE STAFF PRIOR TO THE BEGINNING OF THE MEETING. MEMBERS OF THE PUBLIC SHALL BE GIVEN A TOTAL OF THREE (3) MINUTES FOR ALL ITEMS LISTED ON THE CONSENT AGENDA. MEMBERS OF THE PUBLIC WILL BE GIVEN THREE (3) MINUTES TO SPEAK ON EACH REGULAR AGENDA ITEM. IN NO EVENT WILL ANYONE BE ALLOWED TO SPEAK ON AN AGENDA ITEM AFTER THE RESOLUTION IS READ OR ITEM CONSIDERED.

I. CITY CLERK CALLS TO ORDER

CHAIRPERSON DAVIS: Good evening, everybody. Welcome to our Budget Workshop. Madam Clerk, please call the roll.

II. ROLL CALL

DEPUTY CITY CLERK ANTHONY: Mayor Thomas Masters? Chair Judy Davis?

CHAIRPERSON DAVIS: Here.

DEPUTY CITY CLERK ANTHONY: Chair Pro Tem Dawn Pardo?

CHAIR PRO TEM PARDO: Present.

DEPUTY CITY CLERK ANTHONY: Councilperson Bruce Guyton? Councilperson Cedrick Thomas? Councilperson Terence Davis?

COUNCILPERSON DAVIS: Here.

DEPUTY CITY CLERK ANTHONY: City Manager Ruth Jones?

CITY MANAGER JONES: Present.

DEPUTY CITY CLERK ANTHONY: Deputy City Clerk Claudene Anthony is present. City Attorney Pamala Ryan?

CITY ATTORNEY RYAN: (No audible response).

CHAIRPERSON DAVIS: Okay. Let's all stand for a moment of silence and the Pledge. I'll lead it.

III. INVOCATION AND PLEDGE OF ALLEGIANCE

(Everyone stood for a moment of silence with the Pledge of Allegiance being led by Chairperson Davis).

CHAIRPERSON DAVIS: Okay. I'm turning it over to you, Miss Jones.

IV. DISCUSSION - RUTH JONES, CITY MANAGER

CITY MANAGER JONES: Thank you, Madam Chair and members of council. Seems like just yesterday but this time has rolled around again. Comes pretty quick, seems like. But we're very pleased to begin our budget workshop cycle for the 2014/'15 budget year. This is our first workshop. You will have at least four more of these prior to the approving of the budget. What we do in these meetings is to get information that you feel is important. We present information on what we project the revenues and expenditures to be so that by the time we get to September, everything that individuals would like to consider have been added to the budget. So tonight we're going to start with the revenues and the revenue projections that we see for the 2015 budget, as well as to then end up talking about the budget assumptions and so what we know is already ahead of us as we begin to go and plan for the expenditures.

On June the 30th, in two weeks, you will have a -- a workshop on the expenditure parts as it relates to the budget for 2014 and '15. So right now if there's no other questions from members of council, I would like to ask Randy Sherman, the Director of Finance and Administration, to go over our projected revenues and budget assumptions for 2015. Thank you.

CHAIRPERSON DAVIS: Okay. And let the record reflect that Miss Ryan finally has made it to the dais. Mr. Sherman?

V. FISCAL YEAR BUDGET DISCUSSION

A. Budget Workshop for Fiscal Year 2015

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Thank you. As Miss Jones said, this evening we're talking about the revenues. Again, what we're trying do is set the framework so we know what boundaries we're working on when we're developing the actual operating budgets. First thing is we get some more good news from the property appraiser. You can see in the bottom row there is the preliminary 2015 appraised values. We are increased 4.45 percent. Now, just keep in mind that is the appraised values. That does not net out any exemptions that someone have. So even though a value of a property went up, that doesn't necessarily equate to additional taxes if they're in the range where they may be getting an exemption. But certainly we're moving in a -- in a positive direction there.

2009 was our peak year so we still have a long way to go to get back up to \$4 billion. But again, at least the last two years have been moving in our favor. This slide here, it's an update from the slide that we spoke about when we did our mid-year budget. This is

general fund revenues. What you have in the first two columns are the 2012 and 2013 actuals. So you can see for 2012, brought in 41.1 million. 2013, that went up to 48.4 million. In the third column is the main numbers. Now, if you recall when we did the mid-year, we were talking about the '14 numbers, the '13/'14 numbers. We're running about a million and a half dollars ahead of budget. We're now two months further in. We now have May numbers. We were looking at March numbers back then. And I'm pleased to announce that we are still running that million and a half dollars ahead of the -- the budget that was adopted last year. So when we look into the next-to-last column where we project --

CHAIRPERSON DAVIS: Excuse me.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yes?

CHAIRPERSON DAVIS: Please explain just in case people watching don't understand what that means.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Okay.

CHAIRPERSON DAVIS: When you say you're a million and a half ahead.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yes. Well, we -- we budgeted 49 and a half million dollars of revenue and when you track that out on a month-by-month basis and compare that to where we were last year at this time, the revenues that have actually come in through May are a million and a half dollars more than the revenues that we were anticipating. We -- we -- we obviously budgeted some increases but over that eight-month time period, the revenues are coming in a million and a half to our -- to our good through the end of May as compared to the budget.

CHAIRPERSON DAVIS: Okay.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: So for 2014 as I just said --

CHAIRPERSON DAVIS: Oh, excuse me one more time.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah.

CHAIRPERSON DAVIS: And let the record reflect Mr. Guyton is on the dais.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Okay.

CHAIR PRO TEM PARDO: Excuse me, Madam Chair?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yes.

CHAIR PRO TEM PARDO: I --

CHAIRPERSON DAVIS: Yes, Miss Pardo.

CHAIR PRO TEM PARDO: I have a question. So does that include the budget adjustment that we made?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: That the budget --

CHAIR PRO TEM PARDO: \$300,000?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: No, the budget adjustment that we made was coming out of contingency so that was already in those numbers.

CHAIR PRO TEM PARDO: Okay.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Okay? So as you can see for the -- the 2014 projected number, again, as I just said, we had budgeted 49 and a half million. And as you can see, we're just shy of 51 million on that 2014 projection. So again, very, very positive news there. So now when we take the 2014 actual numbers or the projected numbers that we're anticipating and we now roll those forward into 2015 and we add in what we just saw from the property appraiser, we're actually projecting that our 2015 general fund revenues -- and again, this -- this kind of lays out the framework for the operating budget -- we're looking at \$52.3 million. So again, it's another million three increase or so.

CHAIRPERSON DAVIS: 1.3, yeah.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: And again, we will continued to track the June and July numbers, which may obviously raise the 2015 or may decrease the 2015. But you know, we'll follow June and July's so we have more accurate numbers. You know, it gets kind of difficult to -- to be trying to budget August and September of next year and -- and get a good handle on it. But we actually have been able to -- a revenue database. It shows the trends. So we're pretty -- feel pretty confident with that 52.3 million. Okay?

CHAIRPERSON DAVIS: Okay. Any questions?

CHAIR PRO TEM PARDO: The only comment I'll make is that a great. Great news. So I'm really looking forward to the part --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: It's -- it's going --

CHAIRPERSON DAVIS: Absolutely.

CHAIR PRO TEM PARDO: -- where we discuss lowering the millage.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: It's (inaudible). Uh-huh.

CHAIR PRO TEM PARDO: Okay.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON DAVIS: Mr. Guyton?

COUNCILPERSON GUYTON: I -- I -- this might have been covered. Have you gotten into the fund balance yet?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: No. We haven't talked about fund balance at all.

COUNCILPERSON GUYTON: Okay. I'll wait. That's all I have.

CHAIRPERSON DAVIS: Okay.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Okay. The -- the second slide here is the Utility Special District. Again, it's the same columns. Back in 2012, brought in \$17 million. 2013 was 20.7 million. And through May it's 12.4, but for the 2014 we're actually projecting to be at \$22.4 million. Keep in mind, I know that may not look right, but because the billings kind of trail, it's not necessarily that you have eight months in the system right now. But 22.4 and we think that'll actually get up to 23.9 million. Now, a good amount of that is the fact that FPL has come back on line. FPL's monthly bill since April has been over \$100,000 a month, and before they were in the \$30,000 range. So it's a significant impact to those revenues, the fact that FPL is back up and running. These numbers have all been provided to the rate consultant, so they now, as they're looking at the rates and the rate structures, they're building, for example, FPL into their -- their database so they can look at the rates and figure out if we have the appropriate rate structure or not.

The -- the next slide is on the marina. And again, as we talked last year during the budget time, this is probably, despite it -- it's -- it's one department, one function, there's still a lot going on there and it's really -- we've had a difficult time again trying to budget how this was going to operate during construction period. And now as we come out of the construction, uh, you know, what's the usage gonna be? So we've taken our -- our best efforts to come up with these 2015 numbers. You know, as you can see, you go back to 2012. We're at a million four, then a million two in 2013, dropping down to \$900,000 during '14 as we were under construction. The main issue that is impacting 2014 is that the fuel depot is shut down. Then as we get back into 2015, the fuel depot will be back open, which will explain what that increase is. And again, now you have -- both Phase one and Phase two will be open so, again, it's a best guess. You know, will occupancy be 60 percent or 80 percent? We don't know. I mean, you know, but these are the numbers that -- that we kind of feel, you know, fairly confident on. But again, they may -- they may change over the next several months.

CHAIRPERSON DAVIS: Okay. Any questions or comments?

COUNCILPERSON GUYTON: Yeah, I've got a --

CHAIRPERSON DAVIS: Mr. Guyton?

COUNCILPERSON GUYTON: question. But it's actually regarding Newcomb Hall. Is there going to be a -- I didn't see that dealt with specifically in the information I had.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah.

COUNCILPERSON GUYTON: Is -- is that lumped in to something or --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: No. Newcomb Hall would show up on the rent line which is about halfway down. Okay? But if you notice in 2015, all of the rents go away. And the reason that the rents go away is because the rents are generated from the land side operations, and where you're leasing all of the land to the CRA, all of those leases go with the -- go to the CRA.

COUNCILPERSON GUYTON: Okay. At -- at our CRA meeting, we were going over some documents and I was looking at a pro forma that was done by a consultant, and it was indicated that they couldn't retrieve numbers for 2-'12, '13 and I think '14. And I wanted to know why. I posed that question then and I think it was Vice Chair Pardo that advised me that that is an issue that we probably need to address on the City's side, which I agreed to because it's the C -- City-run facility.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Uh-huh.

COUNCILPERSON GUYTON: So could somebody answer that question for me?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah. No -- no one has asked me anything about the rents on that side. No?

CITY MANAGER JONES: Let me -- I'll ask Mr. Legue.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah.

CITY MANAGER JONES: 'Cause no one --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Is Ed --

CITY MANAGER JONES: Mr. Legue?

COUNCILPERSON GUYTON: It was HVC, I think is the consultant.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Oh, H -- HVCS, yeah, who would have done the pro forma for the --

COUNCILPERSON GUYTON: Yeah. That's what --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: for the marina, right.

COUNCILPERSON GUYTON: I just articulated, the pro forma.

MARINA DIRECTOR LEGUE: Good evening. Ed Legue, Marina Director. I'm not sure

what your question is exactly. What -- what numbers did they not get?

CITY MANAGER JONES: Newcomb Hall rentals, I think, is one of them.

CHAIRPERSON DAVIS: And it was also indicated in Mr. Broussard's report that he had trouble getting the actual documents, too.

CITY MANAGER JONES: Yeah. The records for Newcomb Hall and is it -- that the only rental, the Newcomb Hall rental?

COUNCILPERSON GUYTON: That was the one that jumped out at me.

CITY MANAGER JONES: Yeah.

CHAIRPERSON DAVIS: Yes.

COUNCILPERSON GUYTON: There -- there may have been others but -- and I can pull the information and get it to the city manager, get it to you.

MARINA DIRECTOR LEGUE: Yeah.

COUNCILPERSON GUYTON: Where we won't hold up the workshop but I would like to --

CITY MANAGER JONES: And we will get that.

COUNCILPERSON GUYTON: I would like to know why they could not be provided with the information that they needed.

MARINA DIRECTOR LEGUE: Well, when we --

COUNCILPERSON GUYTON: They said they only could use numbers from 2010 because they couldn't retrieve the numbers from '12, '13 and none of '14.

MARINA DIRECTOR LEGUE: No. Well, nobody ever spoke to me about that. And -- but, you know, when we booked it, we do things a lot by hand now so it's not a lot of digitized information. But all the revenue that is -- is attributed to Newcomb Hall goes into the accounting for Newcomb Hall. So when we do our batch reports, if we have income from Newcomb Hall, it goes into whatever the account is that -- that Finance has set up for Newcomb Hall.

COUNCILPERSON GUYTON: Oh, okay.

MARINA DIRECTOR LEGUE: So I -- I don't -- I don't really have any idea why they would --

COUNCILPERSON GUYTON: Well, okay. We can deal with that later.

MARINA DIRECTOR LEGUE: Yeah.

COUNCILPERSON GUYTON: But I would provide the specific information --

MARINA DIRECTOR LEGUE: Absolutely. Sure.

COUNCILPERSON GUYTON: and data where it indicated that it couldn't get the information.

MARINA DIRECTOR LEGUE: Perfect.

COUNCILPERSON GUYTON: Okay.

CITY MANAGER JONES: Okay.

CHAIRPERSON DAVIS: I have a question. Do the numbers that we're seeing reflect -- I think it was, like, 800,000 or so that we received from the sale of some miscellaneous properties that we had and also the 1.3 million that we're receiving from the State. I know the increase in property tax revenues --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: No. No, we're dealing exclusively with operating.

CHAIRPERSON DAVIS: Okay.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: That check that sits behind you over there will be in the capital discussion.

CHAIRPERSON DAVIS: Okay. So that's not --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Correct.

CHAIRPERSON DAVIS: Okay.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Correct.

CHAIRPERSON DAVIS: But the 800,000?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: The --

CHAIRPERSON DAVIS: I think it was -- was it -- what was the number for the sale of those properties?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: For -- for Life Span?

CITY MANAGER JONES: For the --

CHAIRPERSON DAVIS: Not Life Span.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: No?

CHAIRPERSON DAVIS: The other miscellaneous properties that we auctioned?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Oh.

CITY MANAGER JONES: It's only about 400 and --

CHAIRPERSON DAVIS: Oh, 400 some thousand?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah.

CITY MANAGER JONES: Yeah.

CHAIRPERSON DAVIS: So is -- are -- is that included in these numbers?

CITY MANAGER JONES: It's in your revenues for --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: It's in the revenues for the --

CHAIRPERSON DAVIS: Okay.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah.

CITY MANAGER JONES: up through your May 31st, 2014.

CHAIRPERSON DAVIS: Okay.

CITY MANAGER JONES: It's in the revenue in that column there.

CHAIRPERSON DAVIS: Okay. And you said the sale of the Congress Avenue property is going where? In --

CITY MANAGER JONES: Well, we're hoping to get it in this year.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Right.

CITY MANAGER JONES: Otherwise it will be revenue into --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Right.

CITY MANAGER JONES: to next year, whenever she closes.

CHAIRPERSON DAVIS: Was --

CITY MANAGER JONES: But it'll show up on the revenue sheet.

CHAIRPERSON DAVIS: Uh-huh. Okay.

CITY MANAGER JONES: But it won't --

CHAIRPERSON DAVIS: All right.

CITY MANAGER JONES: Yeah.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Right.

CHAIRPERSON DAVIS: I just want to make sure. And -- and I think I saw -- okay. Okay. That -- that's all for me. What I -- I'm sorry. I got one more question. What I'd like to see are -- or you can tell me, when are we going to see the line item of -- of the increases in each line item like, for instance, tickets or stormwater fees or --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah.

CHAIRPERSON DAVIS: impact fees or gas tax or whatever?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: We -- we -- we could give you all the detail behind these numbers, if you like.

CHAIRPERSON DAVIS: Okay. When -- when do you expect we're going to get that?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Oh, I mean, we can send those out whenever you're ready.

CHAIRPERSON DAVIS: Okay. Thank you.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah.

CHAIRPERSON DAVIS: Any other questions, comments?

COUNCILPERSON DAVIS: Yes.

CHAIRPERSON DAVIS: Mr. Davis?

COUNCILPERSON DAVIS: Thank you. Mr. Sherman?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yes.

COUNCILPERSON DAVIS: Back about a year ago we had an issue that came before us with the port. They came over and we was discussing the issue with the security.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Uh-huh.

COUNCILPERSON DAVIS: In that meeting I asked the question about the projects for the last two and a half, three years. At that time I know Miss McKinney had reached out to the port to find those projects that we wasn't getting permitting fees on.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Right.

COUNCILPERSON DAVIS: At some point did you all start going through those boxes

of all those information that you all received from the port just so we can find out how much money's owed to us by the port?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Where is Mary McKinney? Is she -- Mary is not here.

CITY ATTORNEY RYAN: (Inaudible).

CHAIR PRO TEM PARDO: She's not (inaudible).

CITY ATTORNEY RYAN: Oh. I thought I saw her.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: No. We haven't done anything. I know, you know, Mary and her group have -- have certainly looked at it but I couldn't give you a status update on that.

COUNCILPERSON DAVIS: Yes. City Manager, Miss Jones?

CITY MANAGER JONES: Yes, sir.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah.

COUNCILPERSON DAVIS: Are -- are you aware of the information that Miss McKinney has received from the port talking about the projects that they have done over in that area, that we have received any payment fees for those permits?

CITY MANAGER JONES: I know we did ask them for the information.

COUNCILPERSON DAVIS: Yes, ma'am.

CITY MANAGER JONES: So that we could determine if they were projects that required a permit fee. We have not -- I have not seen their final assessment so I'll do that. But it -- she hasn't brought back anything to say they've done all this and, therefore, they owe us these permit -- have -- have -- have you finished it?

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Have I finished the -- what?

CITY MANAGER JONES: The review of the port's activities where they did work without a permit fee.

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Yes. They -- there were a couple of jobs that they did work without permit fees and they have paid for both of them. And we're monitoring them almost daily. We have someone at the port on the slip 3 project and monitoring everything that -- all the activities there.

COUNCILPERSON DAVIS: How much did we receive in those two projects?

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: One of them I think was

\$40,000 and what was the other big permit fee?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: (Shakes head).

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: I can't remember the amount of the other permit fee. I think it was for \$200,000.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: I think it was a couple hundred --

CITY MANAGER JONES: .A couple hundred thousand.

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Yeah

COUNCILPERSON DAVIS: A couple hundred? But there -- so there were no other --

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Yeah.

COUNCILPERSON DAVIS: fees that they had done projects?

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: They've had -- they've had small projects but I don't know the -- the amounts.

COUNCILPERSON DAVIS: The numbers of that?

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: But those are, yeah, small things that they've had other small contractors in.

COUNCILPERSON DAVIS: Okay. I'm pretty sure you're still going through the information now, correct?

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Oh, well, we can give you --

COUNCILPERSON DAVIS: Yes. Because --

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: we can get out all of the fees that --

COUNCILPERSON DAVIS: we need -- every dollar's going to count, you know?

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Oh, yeah.

COUNCILPERSON DAVIS: For, like, they haven't been paying any fees to us over the last five years. It's only fair that this city receive what's only owed to them.

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Right.

COUNCILPERSON DAVIS: So we make a lot of these budget decisions moving

forward into 2015 --

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Oh, yeah.

COUNCILPERSON DAVIS: we can see where we are.

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Okay.

COUNCILPERSON DAVIS: Thank you.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON DAVIS: Mr. Guyton?

COUNCILPERSON GUYTON: Thank you. Miss City Manager and Mr. Legue, I found the information I was referencing. I had -- I have it digital but it's in the -- so you all can go and look at it. I don't expect to respond now. Um, it's page 7 of the pro forma memorandum that was done for the CRA. It's under Historical Demand. And it reads, "The Riviera Beach CRA provided HVC with a list of historical events for 2010. Information was not available for 2011 or 2012." And then it goes on to explain other things. But that is what I would like to know what was not available. Thank you, Madam Chair.

CHAIRPERSON DAVIS: Okay. So are you going to be responding to that at a later date?

CITY MANAGER JONES: Oh, yes. That's what he --

CHAIRPERSON DAVIS: Okay.

CITY MANAGER JONES: Well --

CHAIRPERSON DAVIS: In writing?

CITY MANAGER JONES: In writing.

CHAIRPERSON DAVIS: Okay.

CITY MANAGER JONES: (Inaudible). I will send it to all when we respond to (inaudible).

CHAIRPERSON DAVIS: Okay. Thank you very much.

COUNCILPERSON GUYTON: Yes. Okay.

CHAIRPERSON DAVIS: Any other questions or comments? Okay.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Okay. And the final revenues that we have here are on the stormwater. Now, one thing you'll notice on the

stormwater is -- and I'm not sure what the fluctuation 13 is. I guess I should have looked at that. But stormwater is just very flat. It's the same charges every year to the same --

CHAIRPERSON DAVIS: Right.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: people every month. And unless we do something here about the rate structure -- and again, I know it was looked at back in -- I believe it was 2009 -- this is going to just constantly be at the same level. And what's going to happen over time -- and I think we're very close to being there -- is that this flat amount is going to start to be less than what your -- as your operating expenses grow, this flat amount, you know, isn't going to meet that demand. What we've done in the past is had enough dollars to throw into capital every year. But as again, the -- this revenue stream and the operating expenses get close together, that's going to be less for capital. So again, you can see, you know, we're still estimating the million 650. But again, there's not a lot of change that's coming in this revenue stream.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON DAVIS: Mr. Guyton.

COUNCILPERSON GUYTON: Mr. Sherman, why did Mangonia Park dip at the end of May 14?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: That's only half the year.

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: I mean --

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah.

CHAIRPERSON DAVIS: And my question is, why does it stay the same every year?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Because you're assessing a flat fee per, you know, the equivalent residential unit. So if the building's a hundred thousand square feet and the fee stays the same, it's always going to be the same fee for -- forever. So unless there is new construction creating new square footage to assess --

CHAIRPERSON DAVIS: Okay.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: the fee will always be the same.

CHAIRPERSON DAVIS: All right.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: I mean, the residents have picked the same rate, you know, and same on commercial.

CHAIRPERSON DAVIS: Okay. Any other questions or comments?

COUNCILPERSON DAVIS: Yes.

CHAIRPERSON DAVIS: Mr. Davis?

COUNCILPERSON DAVIS: As far as representative water fees, where are we at with the fees referencing to the Boys & Girls Club?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Boys & Girls Club, Miss Jackson and I met with them last Wednesday. Actually got a tour of the facility, a very nice facility, and it was packed. We are still working. We have resolved their issue internal to the building. What we're now studying is the irrigation issue. What's coming across on our readings -- we've tested the meter. We've -- you know, we've done all those -- but you should be able to swim outside right now based on how much water it's registering. So we clearly think that there's an underground leak somewhere so now we have to go back and do it by zone and get them all measured. Turn them on, read the meter, turn them on, you know, and make shire that what is being through the sprinkler heads is actually what's showing up on the meter reads.

COUNCILPERSON DAVIS: So how long have they gone without paying a bill?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: They actually started paying, I want to say January/February. You know, they've been making their -- their payments. But they haven't been doing any catch-up. We've made the adjustment again for the -- for the structure meter but we haven't made any adjustments on the -- on the irrigation yet.

COUNCILPERSON DAVIS: So what was the lapsed time on payments that they didn't pay, for how long?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: How long have they not paid?

COUNCILPERSON DAVIS: Yes.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: The outstanding bill is about 39 months.

COUNCILPERSON DAVIS: Thirty-nine months.

CHAIRPERSON DAVIS: Oh. I thought they had fixed -- they had found the leak in the wall.

CITY MANAGER JONES: But that's it. They just found it.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Right.

CITY MANAGER JONES: The bill is a 39-month --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Right.

CITY MANAGER JONES: But they did find -- and that's why he was --

CHAIRPERSON DAVIS: Well, okay. When you say just -- 'cause I -- I had a conversation with you about a month ago and you told me, or someone --

CITY MANAGER JONES: Well, no. I'm -- I'm -- it was --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: No, it -- I would say April. It was April.

CITY MANAGER JONES: April or so.

CHAIRPERSON DAVIS: Okay.

CITY MANAGER JONES: When they found the building leak.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Right.

CHAIRPERSON DAVIS: Okay.

CITY MANAGER JONES: And that adjustment has been made.

CHAIRPERSON DAVIS: Okay.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Correct.

CITY MANAGER JONES: Now they're trying to find the irrigation leak.

CHAIRPERSON DAVIS: Oh, okay.

CITY MANAGER JONES: To see, to make that adjustment.

CHAIRPERSON DAVIS: And we do know that it is an irrigation leak?

CITY MANAGER JONES: It's a different meter.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: I can't --

CITY MANAGER JONES: So --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah.

CITY MANAGER JONES: something -- it's not the same meter as --

CHAIRPERSON DAVIS: Yeah. We definitely need to find that.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah. It -- it's a different meter. And again, the volume that we're getting just -- there has to be something that's just pouring right into the ground somewhere.

CHAIRPERSON DAVIS: Okay.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Okay. Okay. So these are the -- the budget assumptions that we're working off of as we go and start dropping on the expense sides. We have the framework on the revenue side. As you know, our wage and salary agreements, two of them have been voted on. You've approved them. Fire is ready to go to -- to print and a vote and that'll just leave the one union unsettled at this point. The DROP opportunities, those are, again, the employees that -- that are in the -- the DROP program. We have 10 employees in the DROP that'll be leaving in fiscal '15. So again, we're looking at how do we best use those positions. How do we maybe reorganize. And what -- what we can do there to -- to possibly generate some savings. We talked about the ad valorem tax. The health and dental insurance. We actually met and we believe that this is actually going to be a single-digit increase. But right now we're still carrying 10 percent because under the -- the Health Care Act, more people become eligible for health insurance. So we're -- we're monitoring how many hours people are working and trying to figure out who gets health insurance and who doesn't get health insurance.

So right now we're going to carry the 10 percent until we can get that number narrowed down and -- and really determine where we need to be on that. Liability insurance, that's the same estimate we used last year, was 2 percent. And I believe we actually are very close to that next year. The pension contribution numbers. I will tell you, between the three plans, it's about a \$326,000 increase. General is going up. Fire is going up. Police is actually going down due to some of their unfunded liabilities being amortized, coming off the books. So they are actually going down a few hundred thousand dollars. But in total it's a \$326,000 increase. CRA. This is actually -- this 4 percent increase in the CRA is actually positive for us.

If you recall last year we had about a 6 percent increase in your values. CRA went up 8. So even though it was 6 bottom line, they took a larger chunk out of it than -- than was coming to us. So this year they're about 4 percent which, again, is a little bit less than where we are. And then finally all of those issues that we did at mid-year where we were adding money into maintenance budgets and we were trying to take care of, you know, certain things in -- in individual line items, well, all of those have to be built into this year's budget. So that's obviously expenses that we've got to get right. You know, and we're trying to, again, look at the spending habits, know what's coming down the line and trying get all of those line items to be in the right place.

CHAIRPERSON DAVIS: Question. I'd like for you to provide us with the documents of

the DROP persons.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Okay. The participants?

CHAIRPERSON DAVIS: And I'm -- I don't know if you'd need to put the names on it but you can, you know --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Positions?

CHAIRPERSON DAVIS: Positions.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Okay.

CHAIRPERSON DAVIS: And what the expected savings we'll get from that.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Okay.

CHAIRPERSON DAVIS: Okay?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Can do.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON DAVIS: Mr. Guyton.

COUNCILPERSON GUYTON: Mr. Sherman, when will you have the rebalanced the adjustments calculated so that we would have a figure as to its impact on our budget?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah. Yeah, when we come back on June 30th, that's when we'll talk the expense side and we'll have all of this presented for you.

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: And then finally I didn't want you to -- to go a budget meeting without looking at this chart 'cause I know -- I know you're so -- so used to seeing it. And again, this is kind of those -- the bar graphs are the City's valuation. So again, you can see. We -- we hit bottom in -- in 2012 and we have started climbing back out of -- out of this. Again, it's -- it's a positive sign. I think, again, as -- as we move into, you know, future years -- recession pending, 'cause there will always be another recession -- again, I think we're going to, you know, slowly go back. We -- the -- the DROP was three years. Certainly in three years we will not be back to 4 billion but over time, you know, it certainly is moving.

CHAIRPERSON DAVIS: Any questions or comments?

VI. CITY COUNCIL'S COMMENTS / DISCUSSION

CHAIR PRO TEM PARDO: Yeah. I have a comment.

CHAIRPERSON DAVIS: Miss Pardo?

CHAIR PRO TEM PARDO: So are we going to talk about the millage rate? Are you recommend -- recommending a decrease in the millage? I believe we discussed it last year and we all went along with what you presented but made it clear that we wanted to look at possibly lowering the millage again.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah.

CHAIR PRO TEM PARDO: You know, we've had -- we've been at 8.998 --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah. Four years.

CHAIR PRO TEM PARDO: Right. For four years.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah.

CHAIR PRO TEM PARDO: So, you know, there's a lot of taxpayers that need some kind of relief.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah. And I'll -- I'll just tell you, the number that we showed on the first one with the 52 million, that was at 8.998 so --

CHAIR PRO TEM PARDO: No. I know.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: But --

CHAIR PRO TEM PARDO: Well, we can all read here.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: I --

CHAIR PRO TEM PARDO: But I'm just asking. So are you going to be recommending anything to us or are you just showing that -- us that to say, Well, we're not back up to 50 million yet so eat the 8.998 percent? I'm asking because my constituents --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah. No.

CHAIR PRO TEM PARDO: on the island are asking me.

CHAIRPERSON DAVIS: Uh-huh.

CHAIR PRO TEM PARDO: Okay? So I would like to know what staff is going to recommend?

CITY MANAGER JONES: Yeah. We -- you will have that final number for approval. We have looked at this like each of you. We were trying to see what the options were in

order to reduce the budget. And we'll -- we're continuing to look at that. But with the additional expenditures coming on line, we've got to go back and reassess can we do it. If we want to reduce the budget -- the millage by .5, for example, how much revenue is that and then how much we need go back and cut. 'Cause right now, until we get back to a certain level, you're gonna -- in order to cut the millage, you're gonna have to look at the existing budgets and adjust them accordingly in order to get that type of savings.

CHAIRPERSON DAVIS: And I just want to point out that, you know, everybody keep in mind, I'm all for reducing the millage also, but I also have -- want to -- everybody to keep in mind that we've got four union contracts where we're settling and raises and so, you know, what the is offset there. So it's tough. Okay? Any other questions or comments?

CITY MANAGER JONES: And on the revenue, we'll let you know if we were to do that. And that's about in the -- in the next workshop. .25 percent is equivalent to this amount of money.

CHAIRPERSON DAVIS: Right.

CITY MANAGER JONES: If we want to cut the millage of that, then we --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: We could do that.

CITY MANAGER JONES: would cut the -- the millage (inaudible) .

CHAIRPERSON DAVIS: Uh-huh. 'Cause a mill usually is what, around a million? That's what I've heard in the past. About a million dollars.

CITY MANAGER JONES: A million?

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: No. It's probably closer to 2.5 million.

CITY MANAGER JONES: 2 point -- yeah.

CHAIRPERSON DAVIS: Oh, 2 point -- phew.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: 2.5.

CHAIRPERSON DAVIS: 2.5 mill.

CITY MANAGER JONES: One mill is 2.5 million.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Yeah.

CHAIRPERSON DAVIS: Okay. So a quarter -- a quarter of 2.5 is --

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Right. Yeah, it's --

CHAIRPERSON DAVIS: whatever that number is.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: it's a quarter of a million dollars for every .1 or something, yeah.

CHAIRPERSON DAVIS: 250 -- okay.

CHAIR PRO TEM PARDO: Right.

CITY MANAGER JONES: Or either trying to find some other revenue sources.

CHAIRPERSON DAVIS: Right.

CITY MANAGER JONES: That could balance off some of that so that then you then can cut the millage.

CHAIRPERSON DAVIS: I -- I gotcha. Okay.

CHAIR PRO TEM PARDO: Madam Chair?

CHAIRPERSON DAVIS: Yes, Miss Pardo.

CHAIR PRO TEM PARDO: Yeah. But you know, remember, when you're writing a tax check for \$20,000 year after year, even if you get an -- you know, a \$50 or \$75 savings, it is a lot of money.

DIRECTOR OF FINANCES AND ADMINISTRATION SHERMAN: Immense.

CHAIRPERSON DAVIS: Uh-huh.

CHAIR PRO TEM PARDO: So -- all right. So we'll have this discussion on June 30th, correct?

CITY MANAGER JONES: 30th.

CHAIR PRO TEM PARDO: Okay.

CITY MANAGER JONES: That's when you get into the details of the revenues.

CHAIR PRO TEM PARDO: My peeps --

CHAIRPERSON DAVIS: Okay?

CHAIR PRO TEM PARDO: All right. That's fine.

CHAIRPERSON DAVIS: All right. Any --

CITY MANAGER JONES: Anything in particular Council would like for us to start looking at, investigating, information you want us to bring back in any particular area?

CHAIRPERSON DAVIS: Oh.

CHAIR PRO TEM PARDO: Well, I would like to see -- are we talking about departments?

CITY MANAGER JONES: Either way.

CHAIR PRO TEM PARDO: Okay. I would like to see Police.

CITY MANAGER JONES: Police.

CHAIRPERSON DAVIS: What? Anything in particular?

CITY MANAGER JONES: 'Cause they're one -- yeah, 'cause generally we --

CHAIR PRO TEM PARDO: I would -- yeah, I'd really like a --

CITY MANAGER JONES: sit and talk with them about their budget in --

CHAIR PRO TEM PARDO: exactly. And how many, you know -- how many openings we have.

CHAIRPERSON DAVIS: Yeah.

CHAIR PRO TEM PARDO: How many people we have on the street, how many people are inside.

CHAIRPERSON DAVIS: Uh-huh.

CHAIR PRO TEM PARDO: Just --

CHAIRPERSON DAVIS: I think we need that.

CHAIR PRO TEM PARDO: all of that. We really need to have a discussion about that.

CITY MANAGER JONES: Okay.

CHAIR PRO TEM PARDO: Please.

CHAIRPERSON DAVIS: And I'd like -- are you done?

CHAIR PRO TEM PARDO: (Nods head).

CHAIRPERSON DAVIS: Okay. I'd like you to look at Public Works because, I mean, with all this stuff coming on line, you know, the -- the landscaping and things of that nature, we don't want to go back to where we were. I mean, we want to keep things looking really good. And I know that they are understaffed. So that's one for me. Okay? Anybody else?

CHAIR PRO TEM PARDO: One other thing. Yeah. And I really think we need to have a discussion -- and I'm sure we will -- just about the legislative office.

CITY MANAGER JONES: Okay. When we do that next meeting?

CHAIRPERSON DAVIS: Yeah, sure.

CHAIR PRO TEM PARDO: That's fine.

CHAIRPERSON DAVIS: Why not?

CITY MANAGER JONES: Okay.

CHAIRPERSON DAVIS: Okay? And you know, I -- I'm -- I'm just going to bring this up. We spent a lot of money on offices upstairs for legislative assistants.

CITY MANAGER JONES: Uh-huh.

CHAIRPERSON DAVIS: But I -- I see one person up there most of the time. Nobody's up there. So I mean, that was -- seems like a waste of money.

CITY MANAGER JONES: Yeah. Well, the space really -- it's always been used for that for a long time. We just bought smaller cubicles and -- and put off in there.

CHAIRPERSON DAVIS: I understand that. But we were -- we were talking about making some space for our IT guys and is that back office where Rose Anne used to be, is it still there? We were trying to figure out how we could expand IT, you know, to -- I mean, 'cause if the assistants are going to be downstairs and I -- I don't have a problem with that. You know, I'm just saying that we spent the money for their offices to be there. And that's not happening. So if -- if -- if that's going to stay how it is, then you know, I can bring my assistant down. She can work in my office. I -- you know, I have no problem with that. But can we do something with IT?

CITY MANAGER JONES: With IT?

CHAIRPERSON DAVIS: I mean, you know, the TV people.

CITY MANAGER JONES: Oh, the TV? Okay. 'Cause I was (inaudible) --

CHAIRPERSON DAVIS: I mean, yeah, the TV production. I'm sorry.

CITY MANAGER JONES: Okay. TV.

CHAIRPERSON DAVIS: You know, TV people.

CITY MANAGER JONES: Eighteen?

CHAIRPERSON DAVIS: Yeah, channel 18.

CITY MANAGER JONES: Oh, okay. All right. If you can (inaudible) -- yeah, we can look at that.

CHAIRPERSON DAVIS: Well, IT.

CITY MANAGER JONES: I know what you meant. I know what you're talking about. I know what you're talking about.

CHAIRPERSON DAVIS: Yeah.

CHAIR PRO TEM PARDO: I thought you were talking about (inaudible) guys.

CHAIRPERSON DAVIS: Yeah. Not them. I'm talking about the TV crew.

CITY MANAGER JONES: I know. I know what you're -- yeah. Yeah. TV.

CHAIRPERSON DAVIS: Yeah.

CITY MANAGER JONES: I know what you're talking about.

CHAIRPERSON DAVIS: Okay? So just my comments.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON DAVIS: Mr. Guyton?

COUNCILPERSON GUYTON: Speaking of legislative office, the -- the equipment in there, specifically that copier. I mean, we're supposed to be the highest office --

CHAIRPERSON DAVIS: That's -- that's everywhere.

COUNCILPERSON GUYTON: and I mean, it gives substandard copies and the -- when you do the -- how you -- when you try to copy it to an e-mail and I -- it has a very poor quality.

CHAIRPERSON DAVIS: Uh-huh.

COUNCILPERSON GUYTON: We should have the same thing that you all have in the city manager's office. I -- I -- I mean, the quality of our equipment in general should be no less because when we send out information from our office, it need to be of quality. And it's not right now. So I would like for you all to take a look at that.

CITY MANAGER JONES: Well, we were trying do that in this year's budget rather than next year.

COUNCILPERSON GUYTON: Okay. Well, whenever you do it. Whenever --

CITY MANAGER JONES: Okay. We were talking about next year or we can do it this year.

COUNCILPERSON GUYTON: Oh, oh. Oh, oh, okay, all right. Just deal with it.

CITY MANAGER JONES: Okay. Yeah.

CHAIRPERSON DAVIS: Okay?

CITY MANAGER JONES: We were trying to do that now.

CHAIRPERSON DAVIS: Is that it?

CHAIR PRO TEM PARDO: Yes.

CHAIRPERSON DAVIS: Okay. Any other questions, comments? Okay. Motion for adjournment.

COUNCILPERSON GUYTON: So moved.

VII. PUBLIC COMMENTS

APPROVED:



THOMAS A. MASTERS
MAYOR

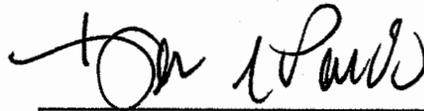


JUDY L. DAVIS
CHAIRPERSON

ATTEST:



CARRIE E. WARD
MASTER MUNICIPAL CLERK
CITY CLERK



DAWN S. PARDO
CHAIR PRO TEM



BRUCE A. GUYTON
COUNCILPERSON



CEDRICK A. THOMAS
COUNCILPERSON

ABSENT

TERENCE D. DAVIS
COUNCILPERSON

MOTIONED BY: D. PARDO

SECONDED BY: C. THOMAS

B. GUYTON TARDY

J. DAVIS AYE

C. THOMAS AYE

D. PARDO AYE

T. DAVIS ABSENT

DATE APPROVED: 08/06/2014

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