

**CITY OF RIVIERA BEACH  
PALM BEACH COUNTY, FLORIDA  
CITY COUNCIL BUDGET WORKSHOP MINUTES  
MUNICIPAL COMPLEX COUNCIL CHAMBERS  
MONDAY, AUGUST 22, 2011 AT 5:00 P.M.**

**I. CALL TO ORDER/ROLL CALL**

Chairperson Davis was present and presided. Upon a roll call by Deputy City Clerk Anthony, the following were present: Mayor Thomas A. Masters, Chairperson Judy L. Davis, Chair Pro-Tem Billie E. Brooks, Councilperson Cedrick A. Thomas, Councilperson Dawn S. Pardo, and Councilperson Shelby L. Lowe. Also present were City Manager Ruth Jones, Deputy City Clerk Claudene Anthony, and City Attorney Pamala H. Ryan.

Councilperson Thomas was tardy.

**II. INVOCATION AND PLEDGE OF ALLEGIANCE**

Everyone stood for a Moment of Silence with the pledge led by Deputy City Clerk Anthony.

Chairperson Davis requested that discussion start with the capital budget due to Councilperson Thomas being tardy.

**III. PURPOSE OF WORKSHOP**

**City Manager Ruth Jones** stated that the purpose of the workshop was to continue with finalizing 2011/2012 budget. She stated that there were three major areas that needed to be discussed which included the Five Year Capital Plan, Enterprise Funds, Debt Service and Trust Funds, Special District, the Fire Assessment. She requested that a separate workshop be scheduled for the Fire Assessment only.

**Councilperson Pardo** inquired if a final decision on everything would need to be done tonight.

**City Manager Jones** stated that this would be the final workshop in order to advertise the proposed budget for the public hearings scheduled for September 7 and September 21.

**IV. ENTERPRISE FUNDS, SPECIAL REVENUE, DEBT SERVICE AND TRUST FUNDS. ITEM DISCUSSED OUT OF SEQUENCE**

**Interim Finance Director Karen Hoskins** gave a review of the Utility Special District Operating Fund. The proposed budget for FY 2011-2012 was \$16,366,030 with a .06%

decrease from the current year. She stated the Utility Special District Capital Impact Fees had a tentative budget of \$8.8 million inclusive of a 47% increase. The Utility Special District Renewal and Replacement Fund proposed budget of \$5.8 million included of a decrease of \$1.7million and the Utility Special District Debt Service Fund proposed budget was \$1,991,000.

**Councilperson Thomas** inquired about the amount of money recouped from the elevated water charges.

**Ms. Hoskins** stated the current revenues were 2% to 3% lower than the projected revenue.

**Councilperson Thomas** inquired if it was worth keeping the elevated charges since there weren't any visible reductions in any other areas.

At this point Ms. Hoskins began discussing the Enterprise Fund for the Marina. She stated that Marina staff changes included the elimination of four forklift operators, one custodian, and three dock attendants which were being converted to part time. The projected Marina revenue budget for FY 11/12 was \$1.4million which included an increase of 22.25% from last year.

**Councilperson Thomas** inquired if the small rental space on the other side of Newcombe Hall was included in the Rent and Lease revenue and why it wasn't presented to the board for approval.

**Marina Director Edwin Legue** stated that the lease was established prior to him becoming the marina director and continued with it due to the amount of the lease being a minimal amount of \$400 month and because it did not meet any monetary threshold it would not come to the City Council for approval.

**Councilperson Thomas** requested that a plan be implemented to recoup money from the different vendors within the marina. He stated that people were making money and using city facilities while the city was cutting back on the budget.

**Mr. Legue** stated that the current rate structure analysis and a dockage and warfage study was in process and should be completed by mid September.

**Councilperson Pardo** inquired if the utilities were separated from the Tiki Bar.

**Mr. Legue** stated that all utilities had been changed except the gas and water due to the huge dollar amount needed to make the change.

**Councilperson Pardo** inquired if the current agreement was being modified to indicate that the gas and water would not be separated.

**Mr. Legue** stated the agreement had not been modified as to date.

**City Manager Jones** stated that she previously provided a recommendation in the report when the electricity was separated that because the gas and water amounts were close that the city would pay for one and the Tiki Bar would pay for the other. She stated in the recommendation that the separation would not come until the reconstruction of the City Marina.

**Chairperson Davis** inquired about the increase of parking fees to \$5,000.

**Mr. Legue** stated the amount was the actual \$10 fees that were charged for overnight parking for water taxi customers.

**Councilperson Thomas** inquired of how money was collected for overnight parking.

**Mr. Legue** stated that the security guards collected the money and issued a parking pass to the customer.

**Ms. Hoskins** stated the proposed expenditures budget for the Marina was \$1.6 million which included a reduction of \$371,000. She stated this would be the last year for the Debt Service payment of \$539,000 and the Renewal and Replacement Fund was estimated at \$77,600 which included a 14% decrease.

**Councilperson Pardo** stated that she had spoken with a Florida Inlet Navigation Commissioner and the city would be receiving notice on the \$1.5 million grant that was requested by the city.

At this point Ms. Hoskins continued with the proposed budget for the Stormwater Division. She stated that the projected Stormwater revenue was \$1.7 million and the projected expenditures totaling \$4.4 million. She reviewed the Special Revenue Funds which included the Jag Recovery Act Program, Department of Justice Cops Hiring Recover Program and the Department of Justice Cops Universal Program.

**Councilperson Lowe** inquired about the expiration of the grants.

**Ms Hoskins** stated that the grants were three year grants which started last year. She continued with the Debt Service Fund and the Liability Insurance Trust Fund.

**Councilperson Thomas** inquired about the overall savings of the liability insurance trust fund.

**Ms. Hoskins** stated the projected budget was \$1.4 million less than current year, which was the overall savings.

**Councilperson Brooks** inquired about revisiting the investment policy.

**Ms. Hoskins** stated that a memo was forwarded in July and that the city follows State Statutes when distributing public funds to include safety, liquidity and availability.

**Ms. Hoskins** stated that per city charter there was a mandatory transfer of 1.5% of the ad valorem tax dollars to the Major Disaster Fund and \$15,000 to the Housing Trust Fund.

**Councilperson Pardo** reminded the City Council that an additional \$6,000 was approved and accepted for the 32 parking spaces from the Healy Center.

**V. FIVE YEAR CAPITAL PLAN PRESENTATION  
ITEM DISCUSSED OUT OF SEQUENCE**

**Interim Finance Director Karen Hoskins** stated the total capital needs for five years was \$81,640,000 and \$40,680,000 was needed for the first year. She gave a review of the Identified Capital Funding Sources and the Identified Projects by Departments for FY 2011/2012.

**Chair Pro-Tem Brooks** inquired about the amount of the land acquisition.

**Ms. Hoskins** stated the amount was the left over money from the sale of the land on Congress Avenue which was the previous recycling center. She stated the amount was used to build the new Public Works building.

**Chairperson Davis** inquired if the \$1 million funding for Bicentennial Park was still in the Parks and Recreation budget.

**Ms. Hoskins** stated that the amount was \$800,000 and that it was still in the Parks and Recreation budget. She continued with the Identified Projects by Function for FY 2011/2012 which totaled \$40 million. She stated the major projects currently underway included the S.R. A1A Resurfacing & Beautification project, the new Police Department Building, the new Public Works Complex Building, and the Marina Expansion Project.

**Chairperson Davis** requested a list of the NSA street improvement areas and a list of the traffic calming areas.

**City Manager Jones** stated she would provide a copy of both lists.

**Chairperson Davis** inquired about Palm Beach County abandoning the \$901,000 for the Singer Island Beach Breakwater Project.

**Councilperson Pardo** stated that Palm Beach County had not abandoned the project altogether and that they hired a consultant who started on August 1<sup>st</sup>. She stated that they were going to study the possibilities of growing fields instead of the breakwater and that the consultant would be putting models together in order to make a recommendation to Palm Beach County Commission on November 30<sup>th</sup>. She stated

that she received a letter from the Department of Environmental Protection which she forwarded to staff advising that they were following the study. Councilperson Pardo stated that the cost would not be available until all of the models were done. She continued with stating that the city was still on line for the \$9 million from the state and the county still had the \$16 million for breakwater in their budget. She then inquired about who made determination for the departmental capital funding.

**City Manager Jones** stated that requests were submitted by the departments.

**Councilperson Pardo** inquired if the information technology and telephone system went out for bid or went through a contractor.

**City Manager Jones** stated that ATT had been working with the city in what they felt would be the best solution for the city in regards to Voice over IP.

**Chair Pro-Tem Brooks** inquired if the purchasing director had any contact with Johnson Communication.

**Purchasing Director Ben Guy** stated that he was familiar with Johnson Communications, but since they generally dealt with a traditional PBX system, which was what the city currently had, no contact was made. He stated the city was looking to transition to Voice over IP to be able to eliminate some of the mega link circuits and some of the T1 lines, as well as being able to reduce the cost of local and long distance charges.

**Mayor Masters** inquired if a bid was done for the Voice over IP or were the suggestions of ATT relied upon.

**Mr. Guy** stated that a bid did go out and several responses were and it was determined that outsourcing was more cost effective than having it maintained in-house.

**Mayor Masters** requested the names of the bidders that responded and inquired as to whether or not Johnson Communication was one of the respondents.

**Mr. Guy** stated the companies that submitted a bid were NEC, a company out of Atlanta and two other companies. He stated that Johnson Communications did not provide a response and his understanding of Johnson Communications was that they did not specialize in this area and was not sure if they had expanded to Voice over IP.

**Mayor Masters** stated that he had a chance to visit Johnson Communications a couple of months ago and was very impressed.

**Ms. Hoskins** continued to give a review of the Identified Projects by Function for FY 2011/2012.

**Mayor Masters** inquired as to whether or not any of the Water and Sewer projects would be impacted by a crisis i.e. a hurricane.

**Executive Director of Utilities Louis Aurigemma** stated that the North Singer Island Pump Station project was completed and the pump station provided additional pressures in case of a hurricane. He stated the other items would be emergency services ready.

**Councilperson Lowe** inquired whether or not the disinfection project was in the capital budget.

**Mr. Aurigemma** stated that there was \$2.2 million in the capital budget for the project. He stated that it was in the last capital budget but because it was not used it was moved forward into FY 2012 budget.

**Councilperson Lowe** inquired if additional money needed to be allocated. He stated that a pilot study was requested at a previous meeting.

**Mr. Aurigemma** stated that part of the pilot study would be on-site generation of sodium hypochlorite, purchasing bulk hypochlorite from a manufacturer, or manufacturing bulk hypochlorite on site which would cost roughly \$20,000 to \$30,000. He stated that once the board made a final decision, additional funds would be allocated for the initial disinfectant facility. He further stated the design and bid process would be estimated at \$2.2 million and additional funding may be need.

**Chair Pro-Tem Brooks** inquired if any other projects on the current list were completed.

**Mr. Aurigemma** stated that the Old Dixie Hwy and Blue Heron Blvd project was almost complete and should not be on the list.

**Councilperson Lowe** inquired if the new Public Works building square footage could be increased to move other departments into the building to eliminate the lease at the Port Center building.

**Interim Public Works Director Brynt Johnson** stated the preliminary layout was slightly bigger than the original building but due to budget restraints it was limited to size increase.

**City Manager Jones** stated she would be submitting an item for consideration to explore the option of public private partnerships in order to leverage the dollars in order to get additional space.

**Chairperson Davis** inquired about the Silver Beach Road improvements being a part of the unfunded projects on page A3.

**Ms. Hoskins** stated that Palm Beach County was improving and widening Silver Beach Road from Old Dixie Highway to Congress Avenue. She stated the proposed improvements would impact the location of the existing water mains. She stated the Utility Division would be required to accommodate the road improvement and would have to relocate the existing water mains.

**City Manager Jones** stated that most of the land would be on the Lake Park side.

**Councilperson Pardo** inquired as to how often Barracuda Bay was open.

**Parks and Recreation Director John Williams** stated Barracuda Bay was open eight months out of the year and closed for the winter starting in December.

**Councilperson Pardo** inquired if people were paying for swim lessons and how much.

**Mr. Williams** stated that swim lessons were \$20 per lesson.

**Councilperson Pardo** also inquired about the current budget for Barracuda Bay and the hours of operation.

**Mr. Williams** stated the budget was approximately \$300K,.

**City Manager Jones** stated for the FY 11/12, there was an anticipated budget of \$384,000.

**Councilperson Pardo** inquired if there was consideration to sale Barracuda Bay.

**City Manager Jones** stated the financial arrangements with the County provided for the city to pay them back if Barracuda Bay was closed.

**Chair Pro-Tem Brooks** stated that several months ago it was discussed that Councilperson Pardo and City Manager Jones were to meet with Palm Beach County in regards to Barracuda Bay. She suggested that Barracuda Bay be marketed more for family reunions and other special events.

**Councilperson Lowe** stated that the premise of building a brand new pool in the City of Riviera Beach was for kids to swim.

**Mayor Masters** inquired as to the number of attendees not including special events.

**Mr. Williams** stated there is about 200-300 person per day in attendance not inclusive of special events.

**Councilperson Pardo** inquired if the schools were being accommodated and how much did they pay.

**Mr. Williams** stated that the schools did pay and that an amount would be provided at a later date.

**Councilperson Thomas** stated that he was a big supporter of Jazz After Dark and that it was a great event and that the city council needed to discuss whether the event would be supported by the city council. He inquired of the amount of money seeded for Jazz After Dark during the last budget year.

**Mr. Williams** stated the amount was \$20,000 for the last budget year and that the amount was working and there was a profit with the last three events.

**Ms. Hoskins** gave a briefing on the FY 2011-2012 budget for recreational sports.

**Councilperson Thomas** requested the reduction amount for the senior citizen programs and the activities that were eliminated.

**Ms. Hoskins** stated there had not been reductions in the senior citizen programs.

## **VI. FIRE ASSESSMENT**

**Mr. Paul White, Assistant City Manager** gave an overview of the Fire Assessment.

A representative from Government Services Group gave a brief background of the company and reviewed several topics of discussion to include Special Assessment Case Law Requirements, Why Use Assessments, Data Components, Apportionment Methodology, Rate Scenarios, and Police Decisions. She stated the Proforma Budget Assumptions was a five year budget which would increase 3% annually.

A discussion ensued amongst the mayor, city council, and the representative from Government Services Group.

**Assistant City Manager Paul White** stated that residents would be paying the same amount for services because the rate was based upon cost of the service not the value of service.

**City Manager Jones** requested that the city council consider the capital needs and that the fire assessment fee was one way of purchasing additional capital items.

**Councilperson Davis** stated that she liked the idea of fire assessment fees because the city council maintained the control of the fees and it could be a start of rebuilding the budget and lowering the millage rate.

**Mayor Thomas** that he was not in support of the fees because it was still considered a tax for the residents.

Councilperson Brooks stated that the presentation was only for information gathering and wanted to continue to have the workshop for the community to understand the pros and cons.

## VII. CITY COUNCIL'S COMMENTS/DISCUSSION

**Councilperson Thomas** requested to revisit the Weed and Seed Budget. He stated that he noticed the new budget submitted showed the same amount as the previous program and it did not have any reductions.

**Ms. Inda Spencer, Director of the Weed and Seed**, stated that the budget was readjusted to eliminate duplicate programs and she was currently applying for grants to cover cost of the Weed and Seed budget. She furthered stated that the Weed and Seed included in-kind donations.

**Councilperson Thomas** stated that he would still like to see a reduction in the budget and the total impact if positions were converted to part time.

**City Manager Jones** gave a review of the impact on the budget by converting positions to part time within the Weed and Seed program.

**Chairperson Davis** stated to have the budget revisited and resubmitted by the end of session.

**Councilperson Thomas** requested for another workshop concerning the budget for the Fire and Police Departments and for the response from Attorney McLean regarding the Police Department.

**City Attorney Ryan** stated that a letter was drafted by Attorney McLean and it was being reviewed by her and Mrs. Perry.

**City Manager Jones** requested for the workshop to be held on Tuesday, August 30<sup>th</sup>.

**Councilperson Thomas** requested that the city manager provide two different budgets for the workshop to include one with employee cuts and one without cuts and to include the responses from the attorneys.

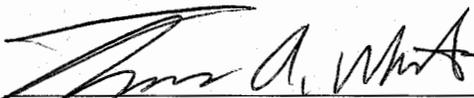
**Councilperson Davis** stated there was a consensus of board to schedule a budget workshop for August 30<sup>th</sup> at 5:30pm which should include the budgets for the Fire Department Police Department, and Weed & Seed program.

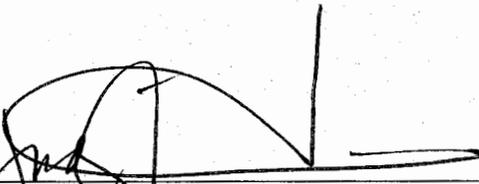
## VIII. ADJOURNMENT

There being no further discussion, the meeting was duly adjourned.

PLEASE NOTE: A COMPLETE AGENDA PACKAGE AND RECORDING IS ON FILE IN THE OFFICE OF THE CITY CLERK.

APPROVED:

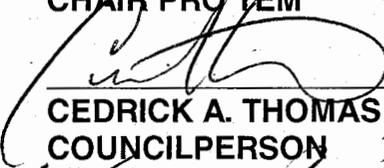
  
THOMAS A. MASTERS  
MAYOR

  
JUDY L. DAVIS  
CHAIRPERSON

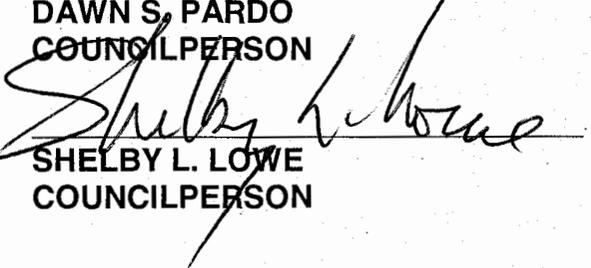
ATTEST:

  
CARRIE E. WARD  
MASTER MUNICIPAL CLERK  
CITY CLERK

  
BILLIE E. BROOKS  
CHAIR PRO TEM

  
CEDRICK A. THOMAS  
COUNCILPERSON

  
DAWN S. PARDO  
COUNCILPERSON

  
SHELBY L. LOWE  
COUNCILPERSON

MOTIONED BY: B. BROOKS

SECONDED BY: D. PARDO

J. DAVIS AYE

B. BROOKS AYE

C. THOMAS AYE

D. PARDO AYE

S. LOWE AYE

DATE APPROVED: 01/18/2012