

**CITY OF RIVIERA BEACH  
PALM BEACH COUNTY, FLORIDA  
SPECIAL CITY COUNCIL MEETING MINUTES  
SEPTEMBER 3, 2009, 7:00 P.M.  
MUNICIPAL COMPLEX CITY COUNCIL CHAMBERS**

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

**CHAIRPERSON PARDO:** Okay. We're gonna begin now. Welcome, everyone, to the City of Riviera Beach Special Meeting. We're here to discuss the budget, 2009-2010 budget. Madam Clerk, roll call, please.

**DEPUTY CITY CLERK ANTHONY:** Mayor Thomas Masters? Chairperson Dawn Pardo?

**CHAIRPERSON PARDO:** Present.

**DEPUTY CITY CLERK ANTHONY:** Chair Pro Tem Judy Davis?

**CHAIRPERSON PRO TEM DAVIS:** Here.

**DEPUTY CITY CLERK ANTHONY:** Councilperson Billie Brooks?

**COUNCILPERSON BROOKS:** Here

**DEPUTY CITY CLERK ANTHONY:** Councilperson Cedrick Thomas.

**COUNCILPERSON THOMAS:** Here. Here.

**DEPUTY CITY CLERK ANTHONY:** Councilperson Shelby Lowe.

**COUNCILPERSON LOWE:** Here.

**DEPUTY CITY CLERK ANTHONY:** City Manager –

**COUNCILPERSON THOMAS:** Testing.

**DEPUTY CITY CLERK ANTHONY:** -- Ruth Jones?

**COUNCILPERSON:** Wait a minute now.

**CITY MANAGER JONES:** Here.

**DEPUTY CITY CLERK ANTHONY:** Deputy City Clerk Claudene Anthony is present.

City Attorney Pamala Ryan?

**CITY ATTORNEY RYAN:** Here.

**CHAIRPERSON PARDO:** Okay. I have a quorum. I'd like to invite everyone to stand for a moment of silence, followed by the pledge. (Everyone stood for a Moment Of Silence with the Pledge of Allegiance being led by Chairperson Pardo).

**CHAIRPERSON PRO TEM DAVIS:** (inaudible).

**COUNCILPERSON BROOKS:** Well, we can share mine, if you don't have an extra one.

**CHAIRPERSON PARDO:** Okay. Public hearings. Ordinances on first reading?

**DEPUTY CITY CLERK ANTHONY:** Ordinance number 3068, an ordinance of the City Council of the City of Riviera Beach, Palm Beach County, Florida, fixing the adjusted tax valuation of real property located within the corporate limits of the City, levying a tax on real property and tangible business personal property located within the corporate limits of the City for fiscal year beginning October 1<sup>st</sup>, 2009, and ending September 30<sup>th</sup>, 2010, fixing the millage rate at 8.9260 mills thereon for said year, providing a severability clause and providing an effective date.

**CHAIRPERSON PARDO:** Is there a motion?

**CHAIRPERSON PRO TEM DAVIS:** So moved.

**COUNCILPERSON BROOKS:** Second.

**CHAIRPERSON PARDO:** Properly moved and second. Okay. Miss Jones, or –

**CITY MANAGER JONES:** Good evening Chair Pardo and members of City Council.

**CHAIRPERSON PARDO:** Good evening.

**CITY MANAGER JONES:** What I would like to share with you now, and we have available also in the back some additional -- it's some additional information that was pulled together today as a result of the City Council meeting on yesterday. Just in a way of summary, let me talk about briefly how the document before you now differs from the one that you received on July the 30<sup>th</sup>. Since July the 30<sup>th</sup> we have received confirmation that the Police Department was awarded the Cop's Grant that would fund six police officers for three years. What we had to do was to move those individuals from general funded positions to grant funded positions.

In addition, the police department also received the formula stimulus grant which was able to fund one crime scene analyst and one police technician. Those two positions were moved from the general fund to grant funds. As a part of this grant, also,

we had to show that that money came out of the budget. The other thing that has happened in the area of expenditures is that the Palm Beach County will not be able to take over the communication, um, responsibilities October 1, as we thought. However, they will be ready to do that shortly after the beginning of the year. So we had to go back and fund four months of the communication office staffs' salary, and we chose to be able to do that by part-time monies, so that we could carry them until the County could pick up. So you'll see that basic change. Also, from the original budget the contract services for legal services in the police department has been increased by \$50,000 to cover the legal expenses in the police department. So we were able to put back \$50,000 in the police department for that.

**CHAIRPERSON PARDO:** But are we still laying off the attorney?

**COUNCILPERSON:** Yes.

**CITY MANAGER JONES:** And doing it by contract.

**CHAIRPERSON PARDO:** Uh-huh.

**CITY MANAGER JONES:** With the 50,000.

**CHAIRPERSON PARDO:** Okay.

**CITY MANAGER JONES:** As well as the support staff that supported that position.

**COUNCILPERSON BROOKS:** It's still to total more than 50,000. Is that what you're saying?

**CITY MANAGER JONES:** Well, we were only doing 50,000 for the legal, the administrative. We didn't have to worry about -- so \$50,000 to cover the legal expenses.

**COUNCILPERSON BROOKS:** Okay.

**COUNCILPERSON LOWE:** That's just for -- you saying now you gonna contract the --

**COUNCILPERSON BROOKS:** The legal services.

**CITY MANAGER JONES:** The legal services.

**COUNCILPERSON LOWE:** For the --

**CITY MANAGER JONES:** In the police department.

**COUNCILPERSON LOWE:** Okay.

**CHAIRPERSON PRO TEM DAVIS:** What, the special -- what's the title, special manager?

**COUNCILPERSON:** Legal Special Counsel.

**COUNCILPERSON BROOKS:** Special Counsel.

**CITY MANAGER JONES:** That was a full-time position.

**CHAIRPERSON PRO TEM DAVIS:** It was a (inaudible) special counsel.

**COUNCILPERSON BROOKS:** Yeah, uh-huh.

**COUNCILPERSON LOWE:** Okay.

**CITY MANAGER JONES:** The other thing that we have on the sheet in front of you, as it related to the expenditures, is the fact that we have increased an additional eight positions to be eliminated. These additional increases are the result of not receiving in 2010 one million dollars from the FP&L franchise agreement. So we went back and reduced the budget by eight additional positions from when you saw the original tentative budget on July the 30<sup>th</sup>. We have added six additional furlough days. In the budget received on July 30<sup>th</sup> we were only budgeting for 12. However, now we're budgeting for 18.

In the area of operating part of the budget, the police department has also eliminated the funding for two vehicles and we are increasing the amount by \$54,000, the money that we would propose to use from fund balance in order to balance the budget.

So based on all the information that I have just said, detailing the change in the budget from the tentative budget received on July the 30<sup>th</sup>, the first change in revenue is a decrease of a million dollars. The additional change on the expenditures side is a reduction in eight additional positions, which will give us \$386,058, six additional furlough days for a total of 18. That equal -- the six additional days equates to \$499,310; the elimination of the two police cars, 60,000; and the additional fund balance appropriation of \$54,632; our revenues are projected to be \$52,463,376, and our expenditures, \$52,463,376, for a balanced budget. We will entertain questions that you might have of me, the finance director, or any of the department heads that are present.

**COUNCILPERSON LOWE:** I can start it off.

**CHAIRPERSON PARDO:** Mr. Lowe?

**COUNCILPERSON LOWE:** Number one, can everybody hear me? Is this mic -- it sounds like it's not on.

**COUNCILPERSON:** It's not on.

**COUNCILPERSON LOWE:** Hello?

**COUNCILPERSON:** Yeah.

**COUNCILPERSON LOWE:** Okay. The FP&L one million, now, I know Jeff Williams has stated that it's our policy to keep a certain amount of reserves, but that's not a state policy. That's our policy. Am I correct in assuming that?

**COUNCILPERSON THOMAS:** That's correct.

**COUNCILPERSON LOWE:** Okay. And you know, it was also mentioned that we missed our moment in terms of, you know, not negotiating for that one million, but you know, I don't see that as being the case. We're not saying that we're not going to negotiate an agreement with FP&L. We were just saying now wasn't the time. That's in my own opinion, because at some point or another we will have to settle the franchise issue, and to me, the simple fix would be to, you know, just be a little risky and -- and take that one million from reserve, because eventually we're gonna work that -- we're gonna work the problem out with FP&L -- you understand where I'm going with this? As opposed to, you know, biting the bullet with these other -- with these other cuts.

And in addition to that, we are anticipating establishing an inter-local with the CRA to bring in some more money that we hadn't accounted for. So when you factor in those things, I think we can be a little bit more created and also find some -- find some room to kinda play with the millage rate a little bit.

**COUNCILPERSON THOMAS:** Madam Chair? Yeah, I -- I just wanna dialogue with Councilman Lowe for a minute. I heard you say "risky" and, well, I'm just not -- you know, in light of the circumstances, I'm just not feeling very risky right now. But the issue that I'm really speaking to is that if we have another three years on this agreement, then FP&L can choose not to negotiate with us for another, you know, three years. So then what would we do?

**COUNCILPERSON LOWE:** That's not true, because the Hollywood case says that, you know, right now the situation that we're in, the findings that came out in the Hollywood case said it was illegal for a municipality to pay ad valorem tax out of franchise fees.

**COUNCILPERSON THOMAS:** I -- I just --

**COUNCILPERSON LOWE:** Am -- am I correct, Mrs. -- Mrs. Ryan? So at any time we can negotiate the franchise fee. We should have --

**COUNCILPERSON THOMAS:** Wait a minute. Is he correct? I didn't hear you say whether he was or not.

**CITY ATTORNEY RYAN:** I'm not really sure. I'm not really sure what your -- what your point is. In the City of Hollywood case they settled their case with FPL and received

the franchise fees that FPL was offering to the city. So we don't know if they would have won their lawsuit. So unless you're prepared to file a lawsuit against FPL, FPL is - I can't speak for FPL. They're not -- you know, they're not here and -- but I'm just assuming that they will not pay us those extra franchise fees without a new agreement or without the City going to court.

**COUNCILPERSON THOMAS:** That was my saying that they don't have -- they still have three years on the current agreement.

**CITY ATTORNEY RYAN:** Correct.

**COUNCILPERSON THOMAS:** So they don't have to come back and negotiate with us for another three years if they wanted to.

**COUNCILPERSON:** They're not. They're not.

**CITY ATTORNEY RYAN:** That is correct.

**COUNCILPERSON THOMAS:** Right.

**COUNCILPERSON LOWE:** They've been coming back every year.

**COUNCILPERSON THOMAS:** Well, I don't think that that's -- I don't think that that's gonna still be the case at this time. You know, they, you know, their issue died here. So I mean, I don't see them in a rush to come back, you know, and negotiate. I'm not saying that it's impossible. I just don't believe that that's gonna be the case. So I mean, I understand maybe for this year, if we was going to do that, um, Dip further into our reserves. But I just don't understand what would happen in -- over the next two years.

**COUNCILPERSON LOWE:** Well, the reason why they wanted to renegotiate the franchise fee -- and I'm sure I'm correct in this fact, that they were taking out property tax out of the franchise fee, and that was ruled to be unjust.

**CHAIRPERSON PRO TEM DAVIS:** Madam Chair?

**CHAIRPERSON PARDO:** You have to -- we have to be careful.

**CHAIRPERSON PRO TEM DAVIS:** I have -- I have a question here. I have a question.

**CHAIRPERSON PARDO:** Okay.

**CHAIRPERSON PRO TEM DAVIS:** In that legal document that Miss Brooks provided us yesterday I read it and basically, the City of Hollywood was collecting a 5.5 percent franchise fee amount. And what happened is, they settled with FP&L for the 5.9 franchise fee amount that is exactly what is in the franchise fee -- franchise agreement

that was put before us with exactly the same language. It differs, maybe, in two or three words here or there, but as far as the collections, concerning we would not get any money on turn-ons and –

**CHAIRPERSON PARDO:** Right.

**CHAIRPERSON PRO TEM DAVIS:** And that kind of thing. The language is identical. So I mean, I spoke to Mr. Newbold this morning. He worked his behind off trying to bring this to us and, you know, I had some questions. And after I got my questions satisfied after the first reading, I was fine with it. They said they're done. They don't have a reason to come back to the City to negotiate anything. But they are willing, if we want to bring -- go through the process again, because we're gonna have to go through the advertising and all of that -- and bring them back the exact same agreement, they're willing to accept it. But anything over and above what was in that contract, PERT did -- not PERT -- Public Employees (inaudible) -- the Public Service Commission dictates that they cannot offer anything to anybody, any -- any other municipality than they offer the other. So –

**COUNCILPERSON BROOKS:** Let me ask -- okay when you are finished.

**CHAIRPERSON PRO TEM DAVIS:** I'm done.

**COUNCILPERSON BROOKS:** With the existing franchise agreement -- well, with what this ordinance read, how does that impact or compare with our current franchise agreement with FP&L? Apparently, and I'm not understanding all of the legalities of it, with the City of Hollywood, their agreement, and it might have been very similar to one we are in now –

**CHAIRPERSON PARDO:** Right.

**COUNCILPERSON BROOKS:** It was -- wasn't it discovered that that was –

**CITY ATTORNEY RYAN:** Okay.

**COUNCILPERSON BROOKS:** -- that Florida Power and Light –

**CITY ATTORNEY RYAN:** Okay. This is what happened in the City of Hollywood. City of Hollywood had an agreement with FPL in 1981 that is very similar to the one that we have right now that was entered into in 1982.

**COUNCILPERSON BROOKS:** Uh-huh.

**CITY ATTORNEY RYAN:** In 1991, the City of Hollywood said to FPL, "The way you're calculating the -- your formula exempts your property taxes, and we don't believe that that is the proper way to give us a franchise." City of Hollywood on its own changed the ordinance and tried to get FPL to change the formula. FPL never changed the

formula. In 1993, I believe, or '96, the City of Hollywood sued FPL. They sued them based upon that same formula arrangement, and at that time they were getting 5.5 percent and not 5.9 percent. The two of them were in litigation and at the trial court level the court determined that the City of Hollywood did not have a colorable issue.

The City of Hollywood appealed to the 4<sup>th</sup> DCA, and the 4<sup>th</sup> DCA -- that's the 4<sup>th</sup> District Court of Appeal -- said that they do have a good issue, that they have an issue that could at least go forward. So the 4<sup>th</sup> DCA sent it back to the trial court for a ruling. Before the trial court ever ruled on the case, there's nothing that says what the court would have done, City of Hollywood and FPL entered into a new franchise agreement in 1997.

FPL said when they looked at the calculation, they didn't care one way or the other. They said, "You know what? The money that you're getting is the same." And I think that point needs to be -- to be made very clear. The franchise fees that they raised are a pass-through fee. When they deduct the property taxes from their franchise fee, they adjust the amount that is deducted from the residents. So the residents are actually paying less than 6 percent or 5.9 percent. They're paying closer to 3.2, 3.3 percent, and the City gets that franchise.

FPL always pays its property taxes, but then they reduce it. If we enter into the agreement that the City of Hollywood entered into in 1997, the effect is that the municipality, the City of Hollywood, and the City of Riviera Beach, you get to keep more of that money. So the actual amount being paid by the residents is higher, because they're not gonna deduct out the property taxes. Does that make sense?

**COUNCILPERSON LOWE:** Yeah. But how do you know they're doing that? How do you know that they're -- I mean, they're just --

**CITY ATTORNEY RYAN:** Okay. They're --

**COUNCILPERSON LOWE:** -- they're telling us that they're doing that, but they --

**CITY ATTORNEY RYAN:** Okay. Number one, we always have --

**COUNCILPERSON LOWE:** The bottom line -- the bottom line is when you pay a franchise fee and then they take the property tax, it's like the taxpayers are paying the property fee --

**CITY ATTORNEY RYAN:** Okay. I just want -- let me just --

**COUNCILPERSON LOWE:** -- out of the -- out of the franchise --

**COUNCILPERSON:** (inaudible) or something.

**CITY ATTORNEY RYAN:** Okay.

**COUNCILPERSON:** He can --

**CITY ATTORNEY RYAN:** Let me finish –

**COUNCILPERSON THOMAS:** Well –

**CITY ATTORNEY RYAN:** -- the -- let me finish the analysis of the City of Hollywood. So at that time the City of Hollywood started getting more money. FPL said, All right. Since we entered into this agreement with the City of Hollywood, we will give the same rate -- we will give the same option to other municipalities, should they want it. At that time FPL went around to many municipalities in South Florida, including the City of Riviera Beach, including the City of West Palm Beach, and Delray, a lot of other cities, and they said, If you want to get what the City of Hollywood has, we will be happy to give it to you.

For varying reasons, municipalities have chosen not to do it. And one of the reasons is because the rate will be passed on to your customers. The city gets the extra money, but your taxpayers are paying the extra money. So that's -- you know, that's how it falls out. They cannot, under the law -- FPL cannot keep any of the franchise fees. They cannot keep it in their pockets. We have the right to audit FPL. Jeff has -- Jeff Williams has done a comparison to make sure that they have been doing exactly what they're saying, and I'll let him speak on that. So that was the 1997 case.

In 2003 the City of Hollywood sued FPL again, because they said, You are supposed to be calculating the franchise agreement on all of your revenues, and that includes late fees, that includes revenues that you get from other utilities who use your lines, et cetera, et cetera, et cetera. They ended up settling that lawsuit, as well, and that's the ordinance that you see that they have in place right now.

In that ordinance it outlines that they did not -- the City of Hollywood were able to get FPL to increase their franchise fee from 5.5 to 5.9. That gave them more money. But FPL, if you read the ordinance very carefully, they did not calculate the revenues according to the late fees and those other things. So the 2003 agreement that talks about they're -- you know, what happened with them over the years is laid out very carefully in their 2003 agreement, and it's that agreement that all of the municipalities -- and since that case, that's the same agreement that they've -- I say the "same," but they, you know, they do make some small alterations in their agreements. But basically, the 5.9 percent came from the City of Hollywood. Changing the formula came from the City of Hollywood. But the actual amount that they're offering us, the actual franchise agreement, is the same that the City of Hollywood has presently.

**CHAIRPERSON PRO TEM DAVIS:** And Madam Chair? How long –

**CHAIRPERSON PARDO:** Miss Davis?

**CHAIRPERSON PRO TEM DAVIS:** -- has –

**COUNCILPERSON THOMAS:** Talk into the mic, Judy.

**CHAIRPERSON PRO TEM DAVIS:** Oh, I'm sorry. Um, the agreement that we're currently under –

**CITY ATTORNEY RYAN:** Yes.

**CHAIRPERSON PRO TEM DAVIS:** -- what is that amount that residents pay right now?

**CITY ATTORNEY RYAN:** Okay. I'll let Jeff talk about that but I will say this, the rate that they take in --

**CHAIRPERSON PRO TEM DAVIS:** Uh-huh.

**CITY ATTORNEY RYAN:** -- and they base it on all of --

**CHAIRPERSON PRO TEM DAVIS:** Uh-huh.

**CITY ATTORNEY RYAN:** -- the users. Your --

**CHAIRPERSON PRO TEM DAVIS:** Uh-huh.

**CITY ATTORNEY RYAN:** -- residential --

**CHAIRPERSON PRO TEM DAVIS:** Commercial.

**CITY ATTORNEY RYAN:** -- commercial, and industrial. It is 6 percent.

**CHAIRPERSON PRO TEM DAVIS:** Uh-huh.

**CITY ATTORNEY RYAN:** But that amount is adjusted --

**CHAIRPERSON PRO TEM DAVIS:** Uh-huh.

**CITY ATTORNEY RYAN:** -- per resident. If you got your own -- if you get your own bill, you'll be able to calculate it and tell that --

**CHAIRPERSON PRO TEM DAVIS:** Right

**CITY ATTORNEY RYAN:** -- it's not 6 percent.

**CHAIRPERSON PRO TEM DAVIS:** And that has been in existence since when, 19 --

**CITY ATTORNEY RYAN:** '82.

**CHAIRPERSON PRO TEM DAVIS:** -- '80 -- '82?

**CITY ATTORNEY RYAN:** Yes.

**CHAIRPERSON PRO TEM DAVIS:** I thought there was an agreement that went back to even 1959 or something.

**CITY ATTORNEY RYAN:** That is true. I personally don't have –

**CHAIRPERSON PRO TEM DAVIS:** Okay.

**CITY ATTORNEY RYAN:** -- that agreement.

**CHAIRPERSON PRO TEM DAVIS:** Okay. But this is not something that's brand new, you know, to the City of Riviera Beach, is basically what I'm saying. But I'd like to know what that number is, if you don't mind, sir.

**FINANCE DIRECTOR WILLIAMS:** I had the -- I had the same concerns, and I checked various utility bills and the franchise fee calculation does, indeed, come out to between 3.3 and 3.5 percent. Another factor to consider, about 10 years ago when I worked in Utility Billing, I reviewed all the customer accounts that we have as utility accounts and matched them to utility accounts that FP&L had to make sure they had the proper city designation. In other words, make sure that we were getting credit for those franchise fees. And I found their listing to be -- to be very accurate. I think out of the 12, 14,000 accounts, there was only about ten addresses that there was a discrepancy either way.

**CHAIRPERSON PRO TEM DAVIS:** And you mean those addresses with a different ZIP code other than 33404?

**FINANCE DIRECTOR WILLIAMS:** I looked at all the ZIP codes. I –

**CHAIRPERSON PRO TEM DAVIS:** Okay.

**FINANCE DIRECTOR WILLIAMS:** I went by addresses inside the city district, regardless of ZIP code.

**CHAIRPERSON PRO TEM DAVIS:** Uh-huh.

**COUNCILPERSON BROOKS:** Madam Chair?

**CHAIRPERSON PARDO:** Yes, Mrs. Brooks?

**COUNCILPERSON BROOKS:** So within the period of time from 1982 to now, have there been annual audits performed going into their home base of wherever and making sure that all of the figures were accurate?

**FINANCE DIRECTOR WILLIAMS:** We -- that is the City of Riviera Beach doesn't have the staff to audit FP&L's revenue collections in that manner.

**COUNCILPERSON BROOKS:** That -- I just thought it was a little interesting. In their

contract that they had crafted to us is that it's stated that they would not want there to be a third party to do -- perform an audit if that party would be getting a percentage of the fees for collection, and I just thought that was a very odd condition. Because what difference does it make if we were to pay someone to go in and to audit their books to make sure that everything was correct? I don't know if I have that ordinance.

**FINANCE DIRECTOR WILLIAMS:** They could possibly be concerned with frequent frivolous audits that take them time to answer and address.

**COUNCILPERSON BROOKS:** Here's what it reads. "The grantors right to examine the records of the grantee in accordance with this section shall not be conducted by any third party employed by the grantor whose fee in whole or part for conducting such audits is contingent on findings of the audit."

**FINANCE DIRECTOR WILLIAMS:** The only --

**COUNCILPERSON BROOKS:** And perhaps you can't answer for FP&L, and they're not here, but what do you think, Miss Ryan? Is that -- how does that strike you when you look at something like this? They're saying we couldn't pay someone, or we couldn't contract with someone to go in and do an audit if the agreement is that such audit is contingent on findings of the audit or something. But I mean, is that something that we should be comfortable with, even if we were to consider negotiating with them in the future?

**CITY ATTORNEY RYAN:** I know that FPL has raised a lot of issues about confidentiality, safeguarding their customer's personal information. And you know, without them being here I really can't say why that is --

**COUNCILPERSON BROOKS:** But when you reviewed this --

**CITY ATTORNEY RYAN:** -- important. But that did not strike us as anything that's --

**COUNCILPERSON BROOKS:** You know, because I don't have experience in --

**CITY ATTORNEY RYAN:** -- bothersome.

**COUNCILPERSON BROOKS:** -- this, but I would think, like, what difference does it make if we were to pay someone to conduct an audit?

**COUNCILPERSON LOWE:** Madam Chair?

**COUNCILPERSON BROOKS:** Yeah, I just thought it strange. Go ahead.

**COUNCILPERSON LOWE:** What's striking is the fact that FP&L did settle on both occasions with Hollywood, and they rarely settle if they feel like they're 100 percent correct. So the point that I'm bringing out is that it does need some investigation, and I

think in my own opinion that they will be willing to come back to the table. But the main point that I was making, that we could at least, in anticipation of that, you know, be a little lenient in our policy with fund balance, with the idea of replacing that once we settle the issue with FP&L. You know? Just dip into that reserve on a temporary basis. You know? But, of course, we can follow, you know, the Manager's plan and it causes a deeper impact on the employees. But it's an alternative. But I do think we're gonna settle -- we'll end up eventually settling the issue with FP&L. I'm confident of that.

**CHAIRPERSON PARDO:** My problem is, what happens if we do take the million dollars out and FPL doesn't come back to the table until 2012? You know, I talked to them --

**COUNCILPERSON LOWE:** I think they're gonna come back.

**CHAIRPERSON PARDO:** -- too, also, you know, today, and what I heard from them is they won't come back to the table until 2012.

**COUNCILPERSON LOWE:** Well --

**CHAIRPERSON PARDO:** So then what happens?

**COUNCILPERSON LOWE:** I don't believe that.

**COUNCILPERSON BROOKS:** Well, why can't we find out if there are any issues here that are very similar to the ones that were in Hollywood --

**COUNCILPERSON LOWE:** Yeah, they almost --

**COUNCILPERSON BROOKS:** -- that might give us a posture.

**COUNCILPERSON LOWE:** -- parallel.

**COUNCILPERSON BROOKS:** Right.

**COUNCILPERSON LOWE:** They almost parallel each other. But we just have to have the nerves to fight. I mean, for 27 years we haven't been getting 6 percent franchise because they've been taking the property tax out of the franchise.

**COUNCILPERSON BROOKS:** And then in addition I'm hearing that we're not really auditing, so we don't know if we're getting all that we should get, because we don't have the staff and the time to do it. But then they're saying, You can't pay someone or hire someone to come and do the audit. I just think we just need to have, you know, maybe even a separate conversation or workshop to really have some people come in and have us -- give us some real advice on this. Attorney Ryan, the attorney that you spoke with and you had contracted with to review this matter, what was his or her determination about this? I believe we paid someone.

**CITY ATTORNEY RYAN:** Correct. What was his determination? We hired –

**COUNCILPERSON BROOKS:** I need to know about the Hollywood matter.

**CITY ATTORNEY RYAN:** We hired Mr. Wright to negotiate -- assist us in negotiating a franchise agreement with FPL. We met with Mr. Wright several times and we discussed many options. The City -- and I believe I mentioned this on first reading -- the City has an option right now to buy out the infrastructure and possibly the facility. That will be a bone of contention with FPL, I assure you. And we talked about things we could do as a city, if the City decided to buy out the -- to buy out the actual facility.

On the other hand, he was very clear that FPL does not change its posture. He has been involved in different franchise negotiations throughout the State of Florida for years and that was why we hired him, because we wanted somebody who had a history with FPL and who knew who the players were with FPL, and who knew how to not necessarily find their weaknesses, but determine where they would be willing to negotiate. And he was very clear that they're not gonna give up a whole lot if you are not willing to purchase the facility or at least let them know that you are willing to explore that.

So, um, management decided that getting the million dollars was more important, because the City was not interested in pursuing the buy-out because of the expense of - - and this is the prior management -- because of the expense, and so we were directed to negotiate a final contract and to have it done before this budget season, because the City was putting the one million dollars in extra revenue in the proposed budget.

**COUNCILPERSON LOWE:** Well, then –

**CITY ATTORNEY RYAN:** You know? And I -- you -- we can -- if the City Council wants to continue -- I don't -- you know, as Miss Davis said, I do not believe that FPL is interested in negotiating further at this time, but the City could always say it wants to buy the facility and we could, you know, take measures to make that happen. If you do that, then it -- you know, it may force them back to the table.

But there is a franchise agreement that's in place until 2012. You can always file a lawsuit and get them, you know -- try to get a judge to finish what City of Hollywood started. City of Hollywood was not trying to renegotiate a new franchise agreement. They wanted a change in the calculation of the formula for the franchise. The City could always litigate that issue with FPL and keep the same franchise if the judge rules in our favor.

**COUNCILPERSON LOWE:** Well, the way the franchise formula looks right now, it looks like the taxpayers are paying the property taxes for FP&L because it comes straight out of our 6 percent franchise fee. That's just -- I mean, that's just how it looks. That's -- and that's -- you know, something's wrong with that. And we've been doing that for 27 years. Now, show me on the FP&L bill where they're discounting the customer. You know, I need to see, you know, how they're balancing this out, and I haven't seen it. But we're not getting our full six percent.

**COUNCILPERSON BROOKS:** We just want to make sure that -- I mean, they're big boys, FP&L. We just want to make sure that we're not being taken advantage of in any way. Whatever the process needs to occur, we just need to know, Miss Ryan, what --

**COUNCILPERSON LOWE:** And our --

**COUNCILPERSON BROOKS:** -- is going on.

**COUNCILPERSON LOWE:** I'm sorry, Miss Brooks.

**CITY ATTORNEY RYAN:** That's fine. Let's --

**COUNCILPERSON BROOKS:** And -- okay.

**COUNCILPERSON LOWE:** I'm sorry.

**COUNCILPERSON BROOKS:** That's okay.

**COUNCILPERSON LOWE:** And our permit fees -- you know, they pay us permit fees. Then we -- then they take them out of the franchise fee, so they're not paying any permits. That's fact.

**FINANCE DIRECTOR WILLIAMS:** I can -- I can give you examples of those bills and show you how we calculated the fee and saw that it was indeed much less than the 6 percent stated in the agreement. But let me also mention the difference between contingent audit fees and set audit fees. There's a lot of audit companies that call or write and say that they will come in and do audits of different specific things on a contingent fee basis, meaning if they find mistakes, they get, say, 33 percent of everything that they find. So the City could probably get five of those firms a year to go audit FP&L at no expense to the City, but FP&L would have a significant expense complying with those audits.

**COUNCILPERSON BROOKS:** But they're saying we can't do it.

**FINANCE DIRECTOR WILLIAMS:** Well, they're saying we can't do it with contingent fees.

**COUNCILPERSON BROOKS:** Fees, okay.

**FINANCE DIRECTOR WILLIAMS:** We could do it if we said, We're gonna pay you, auditor, 20,000, 50,000, whatever it is. Go audit FP&L. That way if the audit didn't find anything, we're -- the City is suffering a financial burden, and it would prevent us from doing frivolous audits.

**COUNCILPERSON BROOKS:** I hear your explanation. It's just that I would think that if

we were to get those -- if we had -- if we were able to do it, those people would go in there and they would comb those records with a fine tooth comb, and they would make sure that whatever we had coming, we would have coming. So it's like, why -- what is their fear?

**FINANCE DIRECTOR WILLIAMS:** Well, there's --

**COUNCILPERSON BROOKS:** I mean, maybe you can't answer that, but it's just --

**FINANCE DIRECTOR WILLIAMS:** Well, their fear is that we would get one firm to go in every month, and they would have auditors in there all the time.

**COUNCILPERSON BROOKS:** I mean, they're big boys. If we sent somebody every month, I mean, so what? We're trying to look out for our money. We wanna make sure that all the money that we have coming to us is coming to us.

**FINANCE DIRECTOR WILLIAMS:** Well, it's still a significant expense complying with audits and, you know, we pay an outside auditor to come in, but my staff spends a --

**COUNCILPERSON BROOKS:** I'm just saying --

**FINANCE DIRECTOR WILLIAMS:** -- tremendous amount of time --

**COUNCILPERSON BROOKS:** -- under contingent fees, that mean we don't have to pay, right?

**FINANCE DIRECTOR WILLIAMS:** Correct.

**COUNCILPERSON BROOKS:** It's based upon their findings. So that -- they're definitely gonna look at those books with a fine tooth comb, because their pay is gonna be contingent upon the findings; is that correct?

**FINANCE DIRECTOR WILLIAMS:** That's correct.

**COUNCILPERSON BROOKS:** Okay.

**CHAIRPERSON PARDO:** Okay. Miss Jones, we'll go back to issue.

**CITY MANAGER JONES:** Okay. As sounded by the (inaudible), this budget calls for a .5 mill increase, which would take the millage to 8.9260 for the year 2010. Do you have a motion for that?

**COUNCILPERSON:** Yeah, we have a motion. Go ahead.

**COUNCILPERSON LOWE:** Yeah, the motion is already up, but I see --

**CHAIRPERSON PARDO:** Okay. I have --

**COUNCILPERSON LOWE:** -- I see it as this, if we could relax our policy on the reserves and get the mill, the million dollars from -- from reserves, with anticipation of future negotiations with FP&L, then the 900 and something thousand that we're going to get when we form the inter-local with the CRA, we can drop the millage rate back to 8.42, because I'm getting -- I'm getting e-mails every day from citizens saying, "Do not raise my taxes."

**CHAIRPERSON PARDO:** And I am, too.

**COUNCILPERSON LOWE:** I'm getting about five or six every day, every single day. And here's a window where we could do that. Here's an opportunity to do that. And even to see that in a day's time, or less than 24 hours, we found a way to get another million. I think we can work this out.

**CHAIRPERSON PRO TEM DAVIS:** I'm not willing to gamble with the taxpayer's dollars. I think we need to leave fund balance where it is. That's why the policy was created, so that in the event something happens, we still have the money to operate for at least a month. And we're really not where we should be with it, so I'm not willing to do that.

**CHAIRPERSON PARDO:** Mr. Williams, what were the -- what will our fund balance be if we went the way that Mr. Lowe is talking?

**FINANCE DIRECTOR WILLIAMS:** Well, based on a projection I did today, it looks like we've budgeted any excess fund balance that we will have for 2010 in 2010, so if we utilize another 1.5 million of that fund balance, that would take it below the recommended 4.5 million at the end of the year, and we'd see it at about three million at the end of the year. Now, in all, like, fairness, that is a conservative measure of fund balance. So we would have more cash on hand than just that, but some of that cash is designated for other uses.

**COUNCILPERSON THOMAS:** Madam Chair?

**CHAIRPERSON PARDO:** Mr. Thomas.

**COUNCILPERSON THOMAS:** Mr. Williams, you said that was -- well, let me be specific. You said in all fairness that that was pretty -- that word that you used again?

**FINANCE DIRECTOR WILLIAMS:** Conservative.

**COUNCILPERSON THOMAS:** Right.

**FINANCE DIRECTOR WILLIAMS:** That is safe --

**COUNCILPERSON THOMAS:** Meaning that we could go a little deeper in the fund

balance and avoid what we would have to do today.

**FINANCE DIRECTOR WILLIAMS:** You can, but you're not putting yourself in a good posture for the year after.

**COUNCILPERSON THOMAS:** Okay. The amount of money that the City said that it wanted to reserve for operating, it's enough money to -- for an emergency case for how long?

**FINANCE DIRECTOR WILLIAMS:** For about one month.

**COUNCILPERSON THOMAS:** So it would take -- it takes the City about four million dollars a month to run?

**FINANCE DIRECTOR WILLIAMS:** Right. Slightly more, because our general fund budget's a little over 50 million, so --

**COUNCILPERSON THOMAS:** And when we get our monies in, at what rate do we get them in?

**FINANCE DIRECTOR WILLIAMS:** Well, we get probably 60 percent of our revenue between November and January, because that's coming from property taxes, and the majority of the property taxes are paid in that short period of time.

**COUNCILPERSON THOMAS:** Well, if we look at it that way, then the option that Mr. Lowe put on the table does not sound like a bad idea, especially if the Finance Director is saying that it's conservative to try to budget for that amount, in your estimation?

**FINANCE DIRECTOR WILLIAMS:** It's a possible course of action. I wouldn't -- I won't be jumping up and down saying you can't do it, but it is riskier than the proposed plan.

**COUNCILPERSON THOMAS:** Oh, our -- will our reserves -- at what time of the year do our reserves start to build? At what time of the year do we put money in our reserves to build it?

**FINANCE DIRECTOR WILLIAMS:** They start going up in November.

**COUNCILPERSON THOMAS:** So what's the expected amount of reserves to go -- the amount of money to go into our reserves this November?

**FINANCE DIRECTOR WILLIAMS:** Well, let me distinguish reserves from cash balances. I should have said our cash balances go up in November. Our reserves are more of a -- a constantly measured basis, using a -- a longer term outlook.

**COUNCILPERSON THOMAS:** Okay. I --

**FINANCE DIRECTOR WILLIAMS:** So you wanna -- you wanna think of reserves more what do you have at the end of the year.

**COUNCILPERSON THOMAS:** Okay. So we should be looking at September instead of November.

**FINANCE DIRECTOR WILLIAMS:** Yep, and you wanna be looking next September, the September after that, and the September after that.

**COUNCILPERSON THOMAS:** I understand that. Do you think that it would harm us to do that, what we -- what Mr. Lowe has proposed for future years? If we did that today, would that harm us for future years further than the issues that we're gonna already incur?

**FINANCE DIRECTOR WILLIAMS:** If you continue on the path of cutting personnel, either through attrition or some other means, then you can manage by doing as Mr. Lowe has suggested. If -- and the other way that it would be fine is if we do, indeed, get FP&L to -- to agree to the contract in a relatively short period of time. That's another way that it would help. But long term, either way, we still need to reduce the personnel that we have unless our taxes for some reason go up significantly, and I don't really see them going up significantly for probably five years.

**COUNCILPERSON THOMAS:** So you're saying that we need to reduce staff every year for the next five years?

**FINANCE DIRECTOR WILLIAMS:** Depending on how much we reduce and how fast, yes.

**COUNCILPERSON THOMAS:** Okay.

**CHAIRPERSON PRO TEM DAVIS:** Now, Madam -- Madam Chair?

**CHAIRPERSON PARDO:** Miss Davis.

**CHAIRPERSON PRO TEM DAVIS:** This is kinda like -- and I understand the principle behind the thought, but it's -- it reminds me of, say for instance, if I come to you and ask you to loan me \$2,000, knowing that I don't have that kind of money, and then I go and take out a loan to get the \$2,000 to pay you. You know, I mean, I'm just not willing to gamble like that with tax dollars. I'm just not. And I don't think that -- I think budget principles speak for themselves. That's why municipalities do what they do. You know, to keep a certain amount in reserves for certain reasons. And I just think that, you know, we did that for a long time, years ago. And it's time to stop doing it. You know? I mean, it's time for us to do the things that we need to do throughout the whole year so that we don't have to go into fund balance to do, you know, what needs to be done at the end of the year.

**COUNCILPERSON LOWE:** Well, when would the rainy day be? I mean, if this is not a

rainy day, then I'm not really understanding. If the reserves are for a rainy day –

**CHAIRPERSON PRO TEM DAVIS:** What I'm saying is, reserve is different from fund balance. Fund balance is something that is supposed to be kept for the operation, you know, in the events a catastrophe happens. This is not considered a catastrophe. There could have been things that we did throughout this last fiscal year to project this. We knew we were gonna have to lay people off last year, but we didn't do anything.

**COUNCILPERSON LOWE:** We're in catastrophe mode now.

**CHAIRPERSON PRO TEM DAVIS:** This is not a catastrophe.

**COUNCILPERSON LOWE:** You saw all of those people here last night?

**CHAIRPERSON PRO TEM DAVIS:** Yeah, and we could have done –

**COUNCILPERSON LOWE:** That's the –

**CHAIRPERSON PRO TEM DAVIS:** -- a lot of things.

**COUNCILPERSON LOWE:** -- catastrophe.

**CHAIRPERSON PRO TEM DAVIS:** That -- that we could have, you know, we could have done a lot, a lot of things –

**COUNCILPERSON LOWE:** But we weren't –

**CHAIRPERSON PRO TEM DAVIS:** -- in the year that we didn't do.

**COUNCILPERSON LOWE:** We're not talking about doing this on a -- on a regular basis. It's only temporary.

**CHAIRPERSON PRO TEM DAVIS:** Well, I -- as –

**COUNCILPERSON LOWE:** You have to be creative.

**CHAIRPERSON PRO TEM DAVIS:** -- as usual, you gonna do -- this Board is gonna do exactly what they want to do, so –

**COUNCILPERSON LOWE:** Well –

**CHAIRPERSON PRO TEM DAVIS:** -- I've made my comments.

**COUNCILPERSON LOWE:** It's -- I mean, all I'm asking is a little bit of flexibility until we can work things out. It's not -- you don't have to be so rigid all the time. This is a time when you have to be creative in order to get to the next point. You know, we're under

economic duress. We really are. But instead of -- we -- I think we need to be proactive and be creative just long enough to get us to the next level, and I think -- you know, I think it's worth the risk.

**CHAIRPERSON PARDO:** All right. I have some questions regarding the employees that have been proposed to be laid off. Community Development, we're looking to layoff two employees? How will that department be affected by the layoffs?

**CITY MANAGER JONES:** One of the positions, Madam Chair, is a building permitted technician.

**CHAIRPERSON PARDO:** Uh-huh.

**CITY MANAGER JONES:** And we have seen a decrease in the activity for that area. The other one is Occupational License Technician for your business license, and we've also seen a decrease --

**CHAIRPERSON PARDO:** A decrease there.

**CITY MANAGER JONES:** -- if I'm correct, in that.

**CHAIRPERSON PARDO:** Okay.

**CITY MANAGER JONES:** To support why we have placed these here, and then the reassignment and reallocation of responsibilities.

**CHAIRPERSON PARDO:** Okay. And Billing is a vacant position. Purchasing is vacant. And what happens to the level of service for the Fire Department if we lay off two firefighters? Is the Chief here?

**CITY MANAGER JONES:** Uh-huh.

**FIRE CHIEF PERRY:** Troy Perry, Fire Chief. It will not affect our level of service. However, what it will do is put in -- put us in more of a position where we -- scheduling for people to be off and people taking their (inaudible) days, so on and so forth, that at times we might have to go overtime to cover those positions. But as far as level of service, we won't be taking any units out of service to -- and providing service.

**CHAIRPERSON PARDO:** So did we figure out what the overtime, what the potential overtime could be?

**FIRE CHIEF PERRY:** No, we have not, no. I mean, staffing is gonna be -- it's gonna probably wash itself out because of the holiday pay and that type of thing that those employees would normally receive, so we might have a wash on that end. But again, it's -- it's gonna be an administrative issue that we're gonna have to try to figure out, because this person will be -- you know, it's part of our coverage when other employees

are off. But I just want to make it clear it's not gonna shut any units down.

**CHAIRPERSON PARDO:** All right. It's not gonna shut any units down, but then as you're saying, it's really not going to have a financial impact, either, if we're still paying -- if we're going to lay off two guys or women, and that will save us \$106,000, we might have to make that up in overtime?

**FIRE CHIEF PERRY:** I don't believe it's going to be that much in overtime, no.

**CHAIRPERSON PARDO:** Okay.

**FIRE CHIEF PERRY:** No, no. But -- but like I said, we -- it will impact us as far as our shift staffing. Two of the shifts will have two less people. So when we're staffing our units, that will be less -- one less person that will be used in staffing. However, it will not impact us as far as shutting down units, no.

**CHAIRPERSON PARDO:** Okay. So you'll --

**FIRE CHIEF PERRY:** I just want to let you know.

**CHAIRPERSON PARDO:** -- still have two guys on a truck and --

**FIRE CHIEF PERRY:** Correct, correct.

**CHAIRPERSON PARDO:** Okay. All right. Thank you. Um, the Sign Technician? That's the guy that makes our signs?

**CITY MANAGER JONES:** That's the guy that makes the signs and this is a position that the department felt as though if there was a reduction, that they submitted to us for that. The Sign Technician, what's the impact on the delivery of services if you eliminated the Sign Technician position?

**UNIDENTIFIED SPEAKER:** Um, most of the signs -- we had to make a decision between the two positions in that section. One is one actually puts up the signs and one is one that makes the signs. We feel that the number of signs we're making has gone down, so we're retaining the guy that will put up the signs. It's more for the replacement. And we might be able to send some of the sign making outside with the reduction. It should not affect the level of service.

**CHAIRPERSON PARDO:** Okay. And then if we send it out it will -- you're anticipating that it will be cheaper than the salary that we're paying the individual right now?

**UNIDENTIFIED SPEAKER:** That was the recommendation of the supervisor of that section. Yes, ma'am.

**CHAIRPERSON PARDO:** Okay. Thank you. And then the Mail Courier, which is

vacant, so we go and we pick up our own mail. Okay.

**COUNCILPERSON THOMAS:** Let me ask a question.

**CHAIRPERSON PARDO:** Wait, hold on. Let me just -- let me just ask a question. If we went along with this, with the furloughs and everything, it would save us \$885,000. And then if we went along with Mr. Lowe, and took the one million dollars, how much would we have to raise the millage then? Less than a quarter?

**CITY MANAGER JONES:** You would still in the original budget have to raise the millage .5.

**CHAIRPERSON PRO TEM DAVIS:** Are you saying it's (inaudible)?

**CHAIRPERSON PARDO:** Why?

**CITY MANAGER JONES:** The original budget was based on a .5 millage that you received in July. That still is out there. This is just what would -- the new that would cover the million.

**CHAIRPERSON PARDO:** The million.

**CITY MANAGER JONES:** The million, so that 1.-- the .5 millage is still out there. Using 1.5 mill for fund balance is still out there. So those still hold as a part of the original submission.

**COUNCILPERSON THOMAS:** Miss Pardo?

**CHAIRPERSON PARDO:** I'm sorry. Yes, Mr. Thomas.

**COUNCILPERSON THOMAS:** Um, the one million would then, if we took that one million from reserves, that would then re-implement these laid off individuals or positions, let me say? If we take the one million, because these came in light of the short fall of a million.

**CHAIRPERSON PARDO:** Uh-huh.

**COUNCILPERSON THOMAS:** So we put the million back in, then every position on this sheet would then be able to maintain their job, correct?

**CITY MANAGER JONES:** And this whole configuration would go away --

**COUNCILPERSON THOMAS:** Okay.

**CITY MANAGER JONES:** -- if you borrowed the one million.

**COUNCILPERSON BROOKS:** Including the extra days of furloughs.

**CITY MANAGER JONES:** Yes.

**COUNCILPERSON BROOKS:** Uh-huh. It's everything.

**COUNCILPERSON THOMAS:** Well, I think that that will be the most prudent thing to do at this time with -- but understanding that next year is coming, you know, so it's going to, you know, eventually, you know, be there. But I mean, if we gonna take the million and it will keep everybody, you know, employed at least for another year, and hopefully we'll be able to, you know, negotiate and have some other revenue streams, definitely with the CRA money, I think that would help. But I don't see another option in order to save, you know, these individuals. In order for us to save these individuals, I think that's gonna be the only option.

**CHAIRPERSON PRO TEM DAVIS:** Madam Chair?

**CHAIRPERSON PARDO:** Okay. Yeah.

**CHAIRPERSON PRO TEM DAVIS:** I have a comment.

**CHAIRPERSON PARDO:** Go ahead. Go ahead.

**CHAIRPERSON PRO TEM DAVIS:** There were 19 to 21 positions in Fire, vacant positions that this Board said, Okay, instead of the two percent, you take whatever amounts of monies are in those line item vacant positions and give yourselves a raise. No other department was offered that. Okay? So here it is now instead of doing what we needed to do then, and stick to two percent, now you want to take a million dollars from fund balance and save people's jobs. It's too late for that. You know, I don't know what kind of budgeting. I'm done. Y'all do what you want.

**CHAIRPERSON PARDO:** Mr. Williams, the half a mill that you're proposing, the half a mill would bring in a million and a half dollars?

**FINANCE DIRECTOR WILLIAMS:** Yeah, 1.3 when you net it out from the CRA.

**CHAIRPERSON PARDO:** Okay. So we could reduce that even further if we went along with the furloughs, if we went along with your, on the sheet, number two, the additional six furlough days, and then the elimination of the two police cars, we would be able to bring down the millage even further.

**CITY MANAGER JONES:** No, you still have to do the millage --

**COUNCILPERSON BROOKS:** The millage.

**CITY MANAGER JONES:** -- no matter what.

**COUNCILPERSON BROOKS:** This is a million dollars (inaudible) –

**CITY MANAGER JONES:** This is above and beyond the original submission of the millage.

**CHAIRPERSON PARDO:** Well, you know what? We really need to think about the millage. We had people in here last night, you know -- we all know what kind of situation they're in. Okay? All of us, our county taxes have been raised, everything, everything.

**CHAIRPERSON PRO TEM DAVIS:** Utilities.

**CHAIRPERSON PARDO:** You know? Utilities, we're raising the water rates.

**COUNCILPERSON BROOKS:** Right.

**CHAIRPERSON PARDO:** You know, it's a true hardship on the taxpayers. We need -- we're all looking out for the employees, but we also need to look out for the taxpayers. The taxpayers are the ones that are paying this. So could we possibly -- you know, I mentioned Parks & Rec. You know, can we go back and if we have to cut programs for the next year, we have to cut programs. I'm just not comfortable –

**COUNCILPERSON BROOKS:** With the millage.

**CHAIRPERSON PARDO:** -- with the millage. I'm not.

**COUNCILPERSON BROOKS:** Yeah, I know. It's troubling.

**CHAIRPERSON PARDO:** Everyone is hurting right now.

**COUNCILPERSON BROOKS:** It is. It is.

**COUNCILPERSON LOWE:** Well –

**COUNCILPERSON BROOKS:** It is.

**COUNCILPERSON LOWE:** -- I see a way it could -- I -- you know, I see a way it could be done, but in this instance I feel like we're making it harder than it –

**CHAIRPERSON PARDO:** What?

**COUNCILPERSON LOWE:** -- has to be. I think we're making it harder than it has to be. You know? And I think it's based on the idea that we're not gonna get a chance to get the franchise fee from FP&L, and I don't believe that.

**COUNCILPERSON BROOKS:** Yep.

**COUNCILPERSON LOWE:** I do not believe that. I don't believe it. And I didn't believe they would settle with Hollywood if they didn't think that they weren't doing the wrong thing.

**COUNCILPERSON BROOKS:** Something is happening there.

**COUNCILPERSON LOWE:** Something is happening.

**COUNCILPERSON BROOKS:** Yeah. Madam Chair?

**CHAIRPERSON PRO TEM DAVIS:** Do we know that –

**COUNCILPERSON LOWE:** Ma'am –

**CHAIRPERSON PRO TEM DAVIS:** -- they settled, or do we know that Hollywood settled?

**COUNCILPERSON LOWE:** What's the difference? They gave it up.

**COUNCILPERSON BROOKS:** They gave it up.

**CITY MANAGER JONES:** Madam Chair?

**CHAIRPERSON PARDO:** Yes, Miss Jones.

**CITY MANAGER JONES:** Back to your discussion about the millage increase, which at 1.5 is 1.3 million -- approximately \$1.3 million. Reductions in that 1.3 million would mean we would still be going back to this list and taking positions. It's either raise the millage or get rid of people. There just is –

**COUNCILPERSON BROOKS:** No way.

**CITY MANAGER JONES:** -- no further option. If we want to keep people, we raise the millage. If we don't want to raise the millage, we have to get rid of people. I mean, we just don't have the flexibility anymore.

**COUNCILPERSON LOWE:** Okay, let me ask you this.

**CITY MANAGER JONES:** And we -- okay. Go ahead on.

**COUNCILPERSON LOWE:** We're anticipating going into an inter-local agreement with the CRA to bring in –

**CITY MANAGER JONES:** Go before that. Don't go with this million. Go with the

budget even before this million.

**COUNCILPERSON LOWE:** No, but I'm going with what hasn't been done, and what we're anticipating.

**CITY MANAGER JONES:** Okay. We had –

**COUNCILPERSON LOWE:** That's a million -- that money wasn't factored in the equation at all, period.

**CITY MANAGER JONES:** Okay. We –

**COUNCILPERSON LOWE:** We haven't signed the inter-local. We haven't done any of that.

**CITY MANAGER JONES:** Okay. Now, that is the only thing -- that million, is the only thing we have not equated, we have not accounted for.

**COUNCILPERSON LOWE:** That's -- it's not equated, so –

**CITY MANAGER JONES:** We did account for them giving us a million for their loan, and they budgeted in their budget that million dollar repayment.

**COUNCILPERSON LOWE:** We saw that.

**CITY MANAGER JONES:** So it's to go above that in the interlocal agreement, I don't know how the CRA Board's gonna rule.

**COUNCILPERSON BROOKS:** Well, we're the CRA Board.

**CITY MANAGER JONES:** Well, in that hat, wearing that hat. I mean, that's another meeting, but –

**COUNCILPERSON BROOKS:** Well, whatever we discuss, it's going to be the same when we –

**COUNCILPERSON LOWE:** Yeah. I mean, we have to lend CRA the 11.5 million –

**CHAIRPERSON PARDO:** That's right.

**COUNCILPERSON LOWE:** -- because the work is already being done.

**CHAIRPERSON PARDO:** Right.

**CITY MANAGER JONES:** Yeah, and that's fine if you –

**COUNCILPERSON LOWE:** And Mr. Ward mentioned it last night, raise --

**CITY MANAGER JONES:** -- would like for us to go back through --

**COUNCILPERSON LOWE:** -- the interest rate a little bit.

**CITY MANAGER JONES:** -- charge CRA --

**COUNCILPERSON LOWE:** But anyway --

**CITY MANAGER JONES:** -- more, that's the directive you give us, we go back, take more money from CRA, not increase the millage, so if we wanna go get 1.5 from CRA, and not increase the millage, I mean, that's --

**COUNCILPERSON:** Yeah.

**CITY MANAGER JONES:** -- that's the -- we can do that.

**COUNCILPERSON LOWE:** But then you got some work to do --

**CHAIRPERSON PRO TEM DAVIS:** Pretty good plan?

**COUNCILPERSON LOWE:** -- in '0 -- in '10.

**CITY MANAGER JONES:** Yeah, but --

**COUNCILPERSON LOWE:** But you'll have a year to do it.

**CITY MANAGER JONES:** -- by '11, by the end of '10 and '11 it's -- 'cause that's one-time monies in some of the cases that you can't always count on.

**COUNCILPERSON LOWE:** But that million that's coming from the CRA is gonna be a -  
- a recurring million for 15 years. It's not like it's just gonna be a one-time thing.

**CHAIRPERSON PARDO:** Right.

**COUNCILPERSON BROOKS:** Uh-huh.

**COUNCILPERSON LOWE:** It's gonna be a reoccurring million. In five years I think we should have this thing straightened out, I'm praying.

**COUNCILPERSON BROOKS:** Should be a turn around, yeah.

**COUNCILPERSON LOWE:** But these are all creative and temporary things to get us through 2010 and give us some room to work on things and --

**COUNCILPERSON BROOKS:** And the –

**COUNCILPERSON LOWE:** -- and catch our –

**COUNCILPERSON BROOKS:** Yeah.

**COUNCILPERSON LOWE:** -- bearing. And it's the best of –

**CITY MANAGER JONES:** It's a recommendation and we'll adjust the budget.

**COUNCILPERSON LOWE:** Well, I'll –

**CITY MANAGER JONES:** We'd be glad to.

**COUNCILPERSON THOMAS:** I mean, all those things we just discussed I think –

**CHAIRPERSON PARDO:** Right.

**COUNCILPERSON THOMAS:** -- were great. I'm -- and I understand you saying we're not looking out for the employee -- we're not looking out for the citizens, but most of these positions are citizens. You know, most of these are -- these employees live in the city, too, you know. So I think that we need to definitely be creative to save every -- especially every filled positions that we have now, and then start being creative with the CRA's dollars.

**CHAIRPERSON PARDO:** Amen.

**COUNCILPERSON BROOKS:** Uh-huh.

**COUNCILPERSON THOMAS:** -- and whenever everybody gets comfortable with the FP&L franchise agreement, you know, look at that extra million coming in, so I'm looking at about three extra million of re-occurring, you know, funds that should come in to help us out with this and hopefully by that time, you know, the market will turn around with the homes.

**COUNCILPERSON LOWE:** When we settle the issue with FP&L that million goes back in reserves to replace the million that you took out. It's –

**COUNCILPERSON THOMAS:** It's re-occurring, is what I'm saying. It's re-occurring. We'll still get it every year, so that makes me comfortable enough to do that.

**CHAIRPERSON PARDO:** And the CRA has a meeting next week, correct?

**COUNCILPERSON BROOKS:** Uh-huh.

**CHAIRPERSON PARDO:** Okay. I'm very comfortable with that. The last thing I want

to do is raise the millage. You know?

**COUNCILPERSON BROOKS:** Uh-huh.

**CHAIRPERSON PARDO:** Most of us up here are taxpayers, too.

**COUNCILPERSON BROOKS:** Absolutely. Absolutely.

**CHAIRPERSON PARDO:** It's gonna affect us.

**COUNCILPERSON LOWE:** But we have to find a way to get to 1.3 million --

**CITY MANAGER JONES:** From the CRA.

**CHAIRPERSON PRO TEM DAVIS:** From the CRA.

**CHAIRPERSON PARDO:** From the CRA.

**COUNCILPERSON LOWE:** Well, not particularly from the CRA. How many more police cars do we need? That's 30,000. And then some other stuff over here, and I --

**COUNCILPERSON BROOKS:** But no, they're saying --

**CITY MANAGER JONES:** That part does not -- the -- getting the CRA money has nothing to do with that sheet of paper you have in front of you.

**COUNCILPERSON LOWE:** I understand that.

**CITY MANAGER JONES:** (inaudible) original budget --

**COUNCILPERSON LOWE:** I'm talking about making up the difference between the -- 'cause right now it's anticipated that we're getting 909,000 if we get into the inter-local. How do we make up the extra 400,000? I think we can find that over here. I mean, you --

**CHAIRPERSON PRO TEM DAVIS:** You don't -- you --

**COUNCILPERSON LOWE:** -- you're taking out --

**CHAIRPERSON PRO TEM DAVIS:** -- mean here?

**COUNCILPERSON LOWE:** Yeah.

**COUNCILPERSON BROOKS:** Madam Chair?

**CHAIRPERSON PARDO:** No, but that's already --

**CITY MANAGER JONES:** No. Yeah.

**CHAIRPERSON PARDO:** That's –

**CITY MANAGER JONES:** That's the million.

**COUNCILPERSON THOMAS:** And -- but, listen, now, we still haven't looked at –

**COUNCILPERSON LOWE:** Think about it a little bit.

**COUNCILPERSON THOMAS:** We still haven't looked at our Waste Management contract. That can be renegotiated or put out to bid to save some more money, or even brought in-house, or however you wanna look at it. There's other, you know, fees. Our banking, all of those type of things we can be looking at over the next year. You know? Our trash comes up in -- we start negotiating in November or December, I believe.

**COUNCILPERSON BROOKS:** Yes.

**COUNCILPERSON THOMAS:** So those are all things that –

**CITY MANAGER JONES:** We're putting together the RFP now.

**CHAIRPERSON PARDO:** Uh-huh.

**COUNCILPERSON THOMAS:** Yeah, those are things that we're not looking at right now that can come. I mean, it's enough companies out there hurting that I know that we can get our services for much cheaper.

**CHAIRPERSON PARDO:** Uh-huh.

**COUNCILPERSON THOMAS:** You know, I work at another municipality; we just saved 200,000 on their trash collection, so please don't, you know, just say, Hey, listen, we can't do anything. I know that we can save this now and then start working on those things immediately, you know, for this next year.

**CITY MANAGER JONES:** And please don't think that I was saying that we couldn't do anything; it's just I know you won't see the results of those dollars till the third and fourth quarter of 2010, so you've already gone at least nine months into the year before that contract is up, before you can start seeing the savings.

**COUNCILPERSON THOMAS:** I see what you're saying.

**CITY MANAGER JONES:** But you're right. For additional years you get full 12 months of that savings –

**COUNCILPERSON THOMAS:** Right.

**CITY MANAGER JONES:** -- on that.

**COUNCILPERSON THOMAS:** Right.

**COUNCILPERSON LOWE:** Well, going back to this, you know, you've got two vacant positions, which, you know, I don't mind taking them, and then, you said police cars. You're -- one car? How many cars we plan on purchasing this year? Can we purchase them next year?

**CITY MANAGER JONES:** This was for two.

**COUNCILPERSON LOWE:** For two. That's all the police cars we're purchasing this year?

**CITY MANAGER JONES:** I don't believe that's all, but I think --

**CHAIRPERSON PRO TEM DAVIS:** It was a total of 10.

**CITY MANAGER JONES:** Ten?

**COUNCILPERSON LOWE:** Can we get them next year?

**CITY MANAGER JONES:** You mean in 2011?

**COUNCILPERSON LOWE:** Yeah.

**CHAIRPERSON PARDO:** Maybe they can borrow the legislative car.

**CHIEF OF POLICE WILLIAMS:** Well, I -- it -- Clarence Williams, Police Chief. Mr. Akhimie's shop had gone through a great deal of attention and detail to putting the City's vehicle fleet on a replacement schedule, and one of the largest savings of that schedule is on the care and maintenance of outdated equipment. The Police Department, as you know, those automobiles are run 24/7, and it is mission critical to have equipment that is functional and safe for the employee.

We have reduced over the past two budget cycles the number of police cars that have been purchased outside of the recommended replacement schedule, so we have over the past two years lost -- well, the replacement plan calls for 15 cars each year. We've been, over the past two budget cycles, doing 10 cars each year, and we would have done 10 this year. In light of what occurred, and what we were asked to do, we reduced that 10 now down to eight.

And operationally, as a manager, I just simply have to find a way to make that happen. It is not the optimum condition that I would like to see. Are we able to do it? Yes. We would just simply have to talk the Fleet Management group into not retiring one of my four or five-year-old automobiles. The consequence of that is the additional

maintenance for maintaining that automobile.

**COUNCILPERSON LOWE:** I understand that but –

**CHAIRPERSON PARDO:** I –

**COUNCILPERSON LOWE:** -- I mean we bought a command vehicle for 250,000. You made a choice, command vehicles cars. We went through that. But we're just trying to solve problems, that's all.

**CHAIRPERSON PARDO:** I have a question, and I'm asking it because I've been asked by many residents about it. We can -- we went through all the departments and, you know, we considered laying off a number of employees. How come we didn't have any management positions on there? Is it the feeling that we're not top heavy?

**CITY MANAGER JONES:** Yes. In the current assessment, in the organizational structure that I inherited in June, it was not top heavy.

**CHAIRPERSON PARDO:** In June it wasn't. But everything's still being re-evaluated.

**CITY MANAGER JONES:** Yes.

**COUNCILPERSON THOMAS:** I want to just make sure that I make a comment about vehicles, dealing with our police department. I want to make sure that everybody understands that those police cars are mission critical, and that when you don't see police cars out on the street, you definitely ask us, "Where are our vehicles, and how come they're not visible?" Well, lately they've been very visible, and I think that the Police Department has done an excellent job in reducing it and still trying to keep the visibility there.

You know, you can't keep saying, we're gonna keep cutting cars, because these cars run all day long. They have to, you know, at some times, you know, pursue, you know, very dangerous individuals, to try to keep our community as safe as possible. Sometimes these cars get damaged. And you have to make sure that these cars can, you know, be replaced. So I don't want to see us take any more vehicles out. I think the two is -- I think that's -- that was a generous amount to take, being that, you know, we have such, you know, a high liability dealing with these vehicles. I think that we need to make sure that we keep those in.

And, you know, the command vehicle, it's been used quite a bit. It's a great addition to our City, and it will continue to be used. So you know, I don't want us to keep looking back at things that, you know, we've already purchased. We've already purchased it. It's there. You know, the same with the library mobile. We've already purchased it. You know, it's there. It came out of a different funding stream, a different funding source. It's there, and it's being utilized. The minute that it stops being utilized, then I'll be the first person to say we need to do something different. But you know, let's make sure that we get a -- you know, our cars, enough cars and enough equipment to make sure that we're able to be safe.

**CHAIRPERSON PARDO:** Okay. Let's get back to the task at hand. All right. What's the consensus here?

**COUNCILPERSON BROOKS:** Let's review what would happen. Now, we get the money from the CRA –

**CITY MANAGER JONES:** I was just trying to see if we could review –

**COUNCILPERSON BROOKS:** -- you know, we've tossed out so many different ideas, if we can just –

**CITY MANAGER JONES:** If -- I believe I heard you say that for the 2010 budget the millage rate would stay the same, which is 8.426; the 1.3 or 1.5 million dollars that the additional 1.5 mill increase would have gotten us is money that we will get from the CRA.

**COUNCILPERSON BROOKS:** Uh-huh. Uh-huh.

**CITY MANAGER JONES:** As a part of an inter-local agreement. Am I –

**COUNCILPERSON BROOKS:** That's what I'm understanding, yeah. That's what sounds good.

**CITY MANAGER JONES:** And that's how we will balance the budget, and the original - the initial budget received the additional million as a result of FP&L. I'm not sure I've heard you say you're willing to take the risk to go below your documented policy as it relates to fund balance, and then put it back. Now, that's where I'm not sure with this last million what the directive is, or the desires of Council. Can you help me?

**COUNCILPERSON THOMAS:** Yeah, I think that we have to take the risk.

**CITY MANAGER JONES:** Okay.

**COUNCILPERSON THOMAS:** You know, and then put it back.

**CHAIRPERSON PRO TEM DAVIS:** But you're seeing it as a calculated risk, I'm saying, because you –

**COUNCILPERSON THOMAS:** A very calculated risk.

**CHAIRPERSON PRO TEM DAVIS:** -- (inaudible) that there are other monies that we –

**COUNCILPERSON THOMAS:** Well, those –

**CHAIRPERSON PRO TEM DAVIS:** -- (inaudible) contract negotiation -- renegotiations

and –

**COUNCILPERSON THOMAS:** -- with the CRA that's re-occurring –

**CHAIRPERSON PRO TEM DAVIS:** Uh-huh.

**COUNCILPERSON THOMAS:** -- and with FP&L, that money will be re-occurring. So I believe that once that agreement is signed, that the first year we put that extra million back into the reserves, and then continue to collect, you know, those -- that extra million that we would get every year. So I believe it's a calculated risk. I -- but I believe it's good -- it's a good risk to take.

**COUNCILPERSON BROOKS:** Yeah, yeah, that's right, because you really gave thought to it.

**COUNCILPERSON THOMAS:** Yeah.

**COUNCILPERSON BROOKS:** Yeah.

**COUNCILPERSON THOMAS:** Yeah, I believe it's a good risk to take.

**CHAIRPERSON PARDO:** Yeah.

**COUNCILPERSON BROOKS:** I'm okay.

**CHAIRPERSON PARDO:** I'm willing to take the risk, also.

**COUNCILPERSON BROOKS:** Well, let's just go for it. Let's just go for it.

**CHAIRPERSON PARDO:** Okay?

**CHAIRPERSON PRO TEM DAVIS:** And again, this is a public hearing, so you have to get the residents' comments.

**COUNCILPERSON BROOKS:** Oh, yes.

**CHAIRPERSON PARDO:** All right. I'm sorry. Deanna?

**DEANNA BROSS:** Good evening. Deanna Bross, Realtor Association of Palm Beaches.

**CHAIRPERSON PARDO:** Good evening.

**DEANNA BROSS:** I'm here tonight to speak to you about the budget, and saying that the millage rate for the 2009-2010 year ahead. Before I read a statement I would like to thank each and every one of you for your hard work and commitment to this city. Your

diligence and attention to details will be what makes or breaks the success of our community. We are very aware of how difficult it will be for you to make some sense of the complicated issues facing you. We do not envy you your difficult choices, but we do support you in your efforts to make them as wisely as possible.

I'm here on behalf of the Realtor Association of the Palm Beaches, representing over 7,500 realtors in Palm Beach County. I'm duly bound to present the views of the Realtor's Association regarding the budget of this city, and more specifically, the millage rate. The Realtor Association of the Palm Beaches asks that you do not increase the millage rate over the 2008-2009 levels. We understand that this may further decrease revenues, but during these hard times we believe that any tax increase due to falling property assessments should be awarded to that individual owner, and not unfairly increased through a higher millage rate.

The median sales price of a residential home has decreased over 30 percent from this time last year. Adding another cost of home ownership will impact this critical market even more. With property values losses in excess of 40 percent in some markets, there are still more foreclosures on the horizon. Increasing the costs of home ownership through a higher millage rate and subsequent higher taxes will only make matters worse. Home ownership will become more of a nightmare than the American Dream. Through strong leadership this city will thrive once again. Help us build towards that vision while allowing our citizens the affordability and the ability to stay here and see it. Thank you.

**CHAIRPERSON PARDO:** Thank you. Gerald Ward?

**GERALD WARD:** Somehow we're not following the agenda. This is Gerald Ward, 31 West 20<sup>th</sup> Street. The agenda is bifurcated into two issues and, so I don't know how we've gotten here. Your first issue is the millage. You have two weeks to really make the final decision on the millage. You need one more week, because last night you changed it, but this is only first reading of an ordinance, so you really need to decide ultimately, and maybe even have some discussion, because you've thrown a monkey wrench in the system last night. And I don't think that there was a lot of discussion about it. That's what frustrates everybody. You don't talk about these things enough.

I was expecting to talk on the budget. The FPL franchise was a second reading last night. It's now dead. You have to recycle through the system to do a new ordinance. What I think you need to do is to designate one of you -- and I've seen two of you of the five that seem to -- maybe three of the five -- that have a particular interest in FPL. Those on the left end of the dais as I face it. Designate one to spend the next week and meet with them. You will be back at the CRA meeting and you could have a separate Council meeting in conjunction before or after the CRA meeting. But they need to go with FPL and decide whether this is a zero later this year issue or whether it's a three-year issue. That's something that you need the information on, and it needs to have one of you involved.

The budget reserves are very important and you need to consider the highest priority of maintenance of reserves. The 24 hours to change the staffing of town by eight personnel just blows my mind. The Chair did raise the issue, because the citizens that have had time to make input into this process have clearly said, Here you are

targeting eight workers, and no management or supervisory personnel. There's something wrong with the targets here.

The half a million dollars for six days furlough, well, you could solve the problem by having 12 days furlough in addition to the 12 that you're already proposing, because that's an incremental item that can be stopped at any day, as soon as you fix some of the other problems. So that's the simplest. If you do the personnel, Lord knows what the cost is in terms of unemployment compensation and all these other traumas retraining of people.

So equipment and vehicles, I can't believe that you target the police vehicles, which are the most highly visible, most used vehicles in the town. There's got to be a lot of other vehicles and equipment in the budget that if you wanted to cut that, those would be the highest priorities for cut, not the high visibility.

Lastly, capital budget. You don't have anything for the capital budget here. When are you gonna get it? And the reason is that if you were to spend some of the hundred million dollars, almost, that we've had in cash in various times, you could delegate or transfer or fund people on the current payroll to do some of the capital projects. I mean, it isn't all bricks and mortar expended out with contractors. There's things that the city staff can do, particularly Rec & Parks people, Public Works people. So you need to find out when the capital budget is coming back to you, because that's important in terms of transferring some of the cost. We've got money. We need to spend it.

**CHAIRPERSON PARDO:** Thank you, Mr. Ward. Chuck Lupo?

**CHUCK LUPO:** Hello, good evening. Chuck Lupo, Professional Firefighters, Paramedics of Riviera Beach. I represent the members here. Just want you to all know I'm publicly committing to each and every one of you, including Mrs. Jones, we're willing to come to the table. We're willing to work everything out, just like we have in the past. All we're asking is, give us the chance to have input before you start making cuts within the Fire Department. We have not been asked, and this was more or less a surprise to us.

We'd like to also know how much you actually have in reserves, because we're unable to find that. So not a fund balance, but actual reserves. And the last thing is also, we'd like to see financial statements for the last three years. Thank you.

**CHAIRPERSON PARDO:** Thank you. All right. Anything else from the Board? Do we need a recap on the motion?

**CITY MANAGER JONES:** You need to amend your motion.

**CHAIRPERSON PARDO:** All right. Who made the motion? Miss Davis? Did you make the motion?

**CHAIRPERSON PRO TEM DAVIS:** I don't remember.

**DEPUTY CITY CLERK ANTHONY:** Miss Davis made the motion. Miss Brooks

seconded it.

**CHAIRPERSON PRO TEM DAVIS:** And my motion was what?

**DEPUTY CITY CLERK ANTHONY:** To approve the ordinance as presented.

**CHAIRPERSON PRO TEM DAVIS:** Um, I rescind my motion.

**CHAIRPERSON PARDO:** Okay. Would someone else like to make a motion?

**COUNCILPERSON LOWE:** Um, yeah, I can make a motion.

**CHAIRPERSON PARDO:** Okay. Mr. Lowe?

**COUNCILPERSON LOWE:** I make a motion that we -- well, first of all, let me ask this. We have the next two weeks to work this out. We can approve the -- and it's up to the Board. We can approve the 8.9 today, but then after we worked it out, come back and --

**CHAIRPERSON PARDO:** Uh-uh.

**COUNCILPERSON LOWE:** No? Or -- I'm just trying to find out --

**COUNCILPERSON BROOKS:** (inaudible) asked.

**COUNCILPERSON LOWE:** I'm just --

**CITY MANAGER JONES:** It's probably preferred, because we have to advertise it.

**COUNCILPERSON LOWE:** Just trying to figure it out, Marty.

**CITY MANAGER JONES:** Yeah, if, you know, it would be preferred, since we have to advertise the rate --

**COUNCILPERSON LOWE:** To just go ahead and do it now?

**CITY MANAGER JONES:** -- that in your motion now --

**COUNCILPERSON LOWE:** All right.

**CITY MANAGER JONES:** -- change the rate.

**COUNCILPERSON LOWE:** All right. I move that we keep the millage the same, at 8.426.

**COUNCILPERSON BROOKS:** I second.

**COUNCILPERSON THOMAS:** Question?

**CHAIRPERSON PRO TEM DAVIS:** Madam Chair?

**CHAIRPERSON PARDO:** Wait. Hold on. Properly moved and second. Um, Miss Brooks.

**COUNCILPERSON BROOKS:** You said -- somebody said --

**CHAIRPERSON PARDO:** Who was that? Karen?

**ASSISTANT FINANCE DIRECTOR HOSKINS:** It was me

**COUNCILPERSON THOMAS:** I asked a question.

**CHAIRPERSON PARDO:** Karen?

**COUNCILPERSON BROOKS:** Oh, it was Karen.

**ASSISTANT FINANCE DIRECTOR HOSKINS:** I was going to say that you -- if you make your motion at 8.42, then you will not be able to raise it. So if you're going --

**COUNCILPERSON LOWE:** That's what I was trying --

**ASSISTANT FINANCE DIRECTOR HOSKINS:** -- 8.42, then you can't raise it the next meeting.

**COUNCILPERSON LOWE:** That's what I was trying to --

**ASSISTANT FINANCE DIRECTOR HOSKINS:** If you leave it at 8.9, you can lower it at the next meeting, but -- and we have to advertise. So the advertisement will say that you're increasing your millage rate if you go to the 8.9, which is your ordinance. But it's -- if you're gonna stay at the 8.4, that's fine.

**COUNCILPERSON BROOKS:** We're keeping it. Yeah.

**ASSISTANT FINANCE DIRECTOR HOSKINS:** But let -- just to let you know, you can't increase it at the next meeting.

**COUNCILPERSON BROOKS:** Okay. That's a done deal.

**ASSISTANT FINANCE DIRECTOR HOSKINS:** Correct.

**COUNCILPERSON BROOKS:** Okay. All right. Okay.

**ASSISTANT FINANCE DIRECTOR HOSKINS:** Correct. Okay.

**COUNCILPERSON LOWE:** That's what I was trying to figure out.

**ASSISTANT FINANCE DIRECTOR HOSKINS:** Okay. Correct.

**COUNCILPERSON LOWE:** That's what I –

**COUNCILPERSON BROOKS:** Okay. That's what we want.

**CHAIRPERSON PARDO:** Right.

**COUNCILPERSON LOWE:** Okay.

**COUNCILPERSON BROOKS:** So that's our -- my second.

**ASSISTANT FINANCE DIRECTOR HOSKINS:** Okay.

**COUNCILPERSON BROOKS:** You made the motion. I seconded it.

**CHAIRPERSON PARDO:** Okay.

**COUNCILPERSON BROOKS:** Okay.

**CHAIRPERSON PARDO:** Mr. Thomas, did you have a comment?

**COUNCILPERSON THOMAS:** Well, absolutely.

**CHAIRPERSON PARDO:** Okay. Please.

**COUNCILPERSON BROOKS:** Make it short.

**COUNCILPERSON THOMAS:** I just want to make sure -- I hear you, Miss Brooks. I'm -- in all fairness to myself. With the formula that we just decided on here with the CRA and taking the additional million from -- does all that need to be added into the motion, or are you going to just –

**COUNCILPERSON BROOKS:** (inaudible) –

**CITY MANAGER JONES:** This first item is just on the millage. The second item deals with that –

**COUNCILPERSON THOMAS:** I just –

**CITY MANAGER JONES:** -- (inaudible).

**COUNCILPERSON THOMAS:** Yeah. I just want to –

**COUNCILPERSON BROOKS:** You gonna be clear, yeah.

**COUNCILPERSON THOMAS:** You know, I just wanna make sure that, you know -- okay.

**CHAIRPERSON PARDO:** Okay? All right. Madam Clerk?

**ASSISTANT FINANCE DIRECTOR HOSKINS:** One more. So -- so your motion is to go to the 8.42 and --

**CHAIRPERSON PARDO:** To stay at 8.42.

**ASSISTANT FINANCE DIRECTOR HOSKINS:** -- to stay at the 8.42, so we would have to reduce, um, the 1.3 million --

**CHAIRPERSON PARDO:** Uh-huh.

**ASSISTANT FINANCE DIRECTOR HOSKINS:** -- and the million for FP&L.

**COUNCILPERSON BROOKS:** Uh-huh.

**COUNCILPERSON THOMAS:** See, that's what I was just asking.

**COUNCILPERSON BROOKS:** The 2.3.

**ASSISTANT FINANCE DIRECTOR HOSKINS:** Okay. So we're talking about 2.3?

**COUNCILPERSON BROOKS:** Uh-huh.

**CHAIRPERSON PARDO:** Uh-huh.

**ASSISTANT FINANCE DIRECTOR HOSKINS:** Okay.

**CHAIRPERSON PARDO:** Okay? Okay. All right. Madam Clerk?

**DEPUTY CITY CLERK ANTHONY:** Councilperson Lowe?

**COUNCILPERSON LOWE:** Yes.

**DEPUTY CITY CLERK ANTHONY:** Councilperson Thomas?

**COUNCILPERSON THOMAS:** Yes.

**DEPUTY CITY CLERK ANTHONY:** Councilperson Brooks?

**COUNCILPERSON BROOKS:** Yes.

**DEPUTY CITY CLERK ANTHONY:** Pro Tem Davis?

**CHAIRPERSON PRO TEM DAVIS:** No.

**DEPUTY CITY CLERK ANTHONY:** Chair Pardo?

**CHAIRPERSON PARDO:** Yes.

**DEPUTY CITY CLERK ANTHONY:** That motion is approved with Councilperson Davis dissenting.

**CHAIRPERSON PARDO:** Okay. Thank you. Item 2.

**DEPUTY CITY CLERK ANTHONY:** Ordinance number 3069, an ordinance of the City Council, the City of Riviera Beach, Palm Beach County, Florida, making appropriations and establishing a budget for fiscal year ending September 30<sup>th</sup>, 2010, providing a severability clause, providing an effective date, and for other purposes.

**CHAIRPERSON PARDO:** Is there a motion?

**COUNCILPERSON THOMAS:** So moved.

**COUNCILPERSON LOWE:** Second.

**CHAIRPERSON PARDO:** Properly moved and seconded. All right. Miss Jones?

**CITY MANAGER JONES:** We've already talked about this.

**CHAIRPERSON PARDO:** Yeah, we talked about this.

**COUNCILPERSON THOMAS:** Yeah, we already talked about it, so we already –

**CHAIRPERSON PARDO:** Everyone good?

**COUNCILPERSON THOMAS:** -- know the marching orders.

**CHAIRPERSON PARDO:** So we know what we have to do?

**COUNCILPERSON THOMAS:** Yes.

**CHAIRPERSON PARDO:** Okay. Madam Clerk?

**COUNCILPERSON:** Um, the public –

**DEPUTY CITY CLERK ANTHONY:** Public comments.

**COUNCILPERSON THOMAS:** Public comments.

**COUNCILPERSON:** Any public comments?

**CHAIRPERSON PARDO:** Um, Mr. Ward?

**COUNCILPERSON THOMAS:** He already said it.

**CHAIRPERSON PARDO:** Do you want to come back up? I'm asking you.

**COUNCILPERSON:** Didn't he have one and two (inaudible)?

**CHAIRPERSON PARDO:** No, he only had two, but I know he wanted to talk on one. That's why I called him.

**GERALD WARD:** Gerald Ward, 31 West 20<sup>th</sup> Street. You've taken away your flexibility now for dealing. You've got to find 2.3 million dollars in two weeks, so I'm serious about appointing somebody to get with FPL, one of the three Council that had an innate interest in FPL. That's one million. But the other 1.3 million now you need to look at a concerted effort, and I think the Council needs to have a meeting, post haste, to talk in workshop as to where this 1.3 million is going to come from. Or 2.3, whichever it is. So, I thought that you were going to go down the road with the flexibility of the millage and then turn around and discuss the budget, which is where you can be effective.

**CHAIRPERSON PARDO:** Well, thank you, Mr. Ward. All right. Board, anything else?

**COUNCILPERSON LOWE:** No, we just have to work it out.

**COUNCILPERSON BROOKS:** We'll work it out.

**CHAIRPERSON PARDO:** We'll work it out.

**DEPUTY CITY CLERK ANTHONY:** Councilperson Thomas?

**COUNCILPERSON LOWE:** Hold on a minute.

**COUNCILPERSON BROOKS:** Oh, okay.

**CHAIRPERSON PARDO:** I'm sorry. Mr. Lowe?

**COUNCILPERSON LOWE:** We'll have to, I guess at the next meeting, start working on the inter-local and getting those things moving within the next couple of weeks or so.

**CHAIRPERSON PARDO:** Okay.

**COUNCILPERSON LOWE:** Okay. You can call.

**CHAIRPERSON PARDO:** Madam Clerk?

**DEPUTY CITY CLERK ANTHONY:** Councilperson Brooks?

**COUNCILPERSON:** What am I looking at?

**COUNCILPERSON BROOKS:** Yes, yes, yes.

**DEPUTY CITY CLERK ANTHONY:** Councilperson Thomas?

**COUNCILPERSON THOMAS:** Yes.

**DEPUTY CITY CLERK ANTHONY:** Councilperson Lowe?

**COUNCILPERSON LOWE:** Yes.

**DEPUTY CITY CLERK ANTHONY:** Pro Tem Davis?

**CHAIRPERSON PRO TEM DAVIS:** Yes.

**DEPUTY CITY CLERK ANTHONY:** Chair Pardo?

**CHAIRPERSON PARDO:** Yes.

**DEPUTY CITY CLERK ANTHONY:** Unanimous vote.

**CHAIRPERSON PARDO:** Thank you. Motion to adjourn?

**CHAIRPERSON PRO TEM DAVIS:** So moved.

**COUNCILPERSON LOWE:** So moved.

**CHAIRPERSON PARDO:** Thank you.

### **ADJOURNMENT**

**There being no further business, the meeting was duly adjourned at 8:40 p.m.**

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

APPROVED:

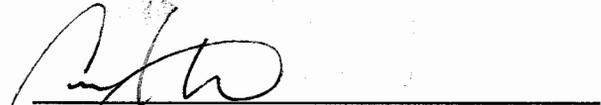
  
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THOMAS A. MASTERS  
MAYOR

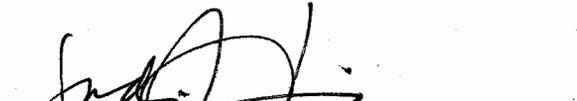
  
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BILLIE E. BROOKS  
CHAIRPERSON

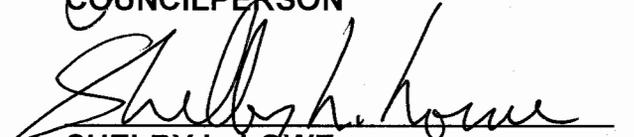
ATTEST:

  
\_\_\_\_\_  
CARRIE E. WARD  
MASTER MUNICIPAL CLERK  
CITY CLERK

  
\_\_\_\_\_  
DAWN S. PARDO  
CHAIR PRO TEM

  
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CEDRICK A. THOMAS  
COUNCILPERSON

  
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JUDY L. DAVIS  
COUNCILPERSON

  
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SHELBY L. LOWE  
COUNCILPERSON

MOTIONED BY:     D. PARDO    

SECONDED BY:     S. LOWE    

B. BROOKS     AYE    

D. PARDO     AYE    

C. THOMAS     AYE    

J. DAVIS     AYE    

S. LOWE     AYE    

DATE APPROVED: 08/01/2012