

**CITY OF RIVIERA BEACH, FLORIDA
CITY COUNCIL BUDGET WORKSHOP MINUTES
CITY COUNCIL CHAMBERS
JUNE 8, 2015 AT 5:30PM**

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

I. CITY CLERK CALLS TO ORDER

CHAIRPERSON PARDO: Welcome, everyone, to the City of Riviera Beach. Tonight we have a Budget Workshop. Madam Clerk, roll call, please.

II. ROLL CALL

CITY CLERK ANTHONY: Mayor Thomas Masters? Chairperson Dawn Pardo

CHAIRPERSON PARDO: Present.

CITY CLERK ANTHONY: Chair Pro Tem Terence Davis?

CHAIR PRO TEM DAVIS: Here.

CITY CLERK ANTHONY: Councilperson Bruce Guyton?

COUNCILPERSON GUYTON: Here.

CITY CLERK ANTHONY: Councilperson KaShamba Miller?

COUNCILPERSON MILLER: Present.

CITY CLERK ANTHONY: Councilperson Cedrick Thomas? City Manager Ruth Jones?

CITY MANAGER JONES: Present.

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

CITY ATTORNEY RYAN: Present.

CHAIRPERSON PARDO: Okay. I'd like to invite everyone to stand for a moment of silence followed by the Pledge.

III. INVOCATION AND PLEDGE OF ALLEGIANCE

(Everyone stood for a moment of silence and the Pledge of Allegiance).

CHAIRPERSON PARDO: Okay. Miss Jones, do we have any additions to the agenda?

IV. DISCUSSION - RUTH JONES, CITY MANAGER

CITY MANAGER JONES: No, Madam Chair. What we have --

CHAIRPERSON PARDO: Okay. So you can take over --

CITY MANAGER JONES: Okay.

CHAIRPERSON PARDO: -- the discussion.

CITY MANAGER JONES: Good.

CHAIRPERSON PARDO: Thank you.

CITY MANAGER JONES: What we have tonight is our midyear budget workshop. We are seven months -- well, more than seven months within the year, and so it's typical and customary for us to come back, let you know where the expenditures are falling. Fortunately, we're not having to do what we've had to do in the past with reductions and cuts. And so we want to present to you where we are with the 2014/'15 budget status, as well as adjustments within the '14/'15 budget that we're asking you to consider. If we get your approval on these items we will develop a resolution to bring them back to place them on the agenda. So right now I'd like to ask Randy Sherman, the Director of Finance and Administrative Services, to go through the revenues and expenditures for the first seven months of the '14/'15 budget year.

CHAIRPERSON PARDO: Good evening, sir.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Good evening.

Workshop to discuss the status of FY2014/2015 budget and to review projections for FY2015/2016

V. FISCAL YEAR BUDGET DISCUSSION

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Again, for the record, Randy Sherman, Director of Finance and Administrative Services. We actually have a two-part presentation tonight. Again, we're going to talk about the current year budget status and the request for transfers that we have received from the departments. And then we'll talk a little bit about the '15/'16 operating budget as we get ready to enter into that season. So again, first we'll start with the budget status. And as typical, we start with the general --

CHAIRPERSON PARDO: Okay. One -- one second.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

CHAIRPERSON PARDO: For the record, the Mayor is on the dais. Okay. Thank you.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Thank you, sorry. Start with the general fund revenues. What we present here is we break down the revenues into certain categories, and these are the same categories if you look under our financial statements that we -- we break our revenues down. I mean, we have over 200 revenue sources and we've put them into certain categories. What we have is seven months of information. Typically as we're doing the midyear, we'd only have six for you, but because of the -- the one-month delay in making this presentation, we've actually brought these numbers up through April.

Now, April is just over 58 percent of the year. So what you have here in the first two left-hand columns is April for '13, and then we give you April through '14, and then the final three columns you have the '15 budget, which is the whole-year budget, and then you have April for '15. As you can see -- and I'm going to focus on the bottom unless someone has a specific line item they'd like to do.

If you go back to April of '13, at this point we had just over -- or close to 35 and a half million dollars or 76 percent of the budget. Last year we were at \$38.6 million and 78 percent of the budget. And this year we are actually over here at \$40.9 million, which is just shy of 76 percent of the budget. So we're actually tracking well. If we take these numbers we have certain projections that we do down in the Finance Department. And this is projecting out through the end of the year to be about \$50,000 over budget. So that's based on the trends that we know, the revenues that we know that are -- that are still coming in. We actually feel that we will be about \$50,000 over the budget through the end of the year.

COUNCILPERSON GUYTON: Question?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Go ahead.

COUNCILPERSON GUYTON: Where's that 50,000 on your graph here?

CITY MANAGER JONES: I'm gonna say where -- nowhere do you indicate it?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Where do I indicate the 50,000?

COUNCILPERSON GUYTON: Yes.

CITY MANAGER JONES: Uh-huh.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Oh, I -- I don't on this slide.

CITY ATTORNEY RYAN: Well, where is it?

CHAIR PRO TEM DAVIS: (Inaudible) hear this.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: I'm -- when we get -- when we get to the budget we'll show you what we think the '15 numbers are gonna be. So that this is only through the seven months. This is just the seven-month numbers.

CITY MANAGER JONES: But you're projecting through September 30th to be about 50,000 over budget?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Correct.

CITY MANAGER JONES: What are you recommending we do to departmental budgets so that we're not 50,000 over?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: No, no, no. This is 50,000 --

CITY MANAGER JONES: To the good?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: -- 50,000 to the good for revenues. This is just revenues. I'm sorry.

CHAIRPERSON PARDO: Right.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah. Yeah, this is just revenues. On the expense side, again, this is a seven-month projection and you have '13/'14 in the same columns April of '15. And again, departments should be around 58 percent. And if you look in the last column to the right, these are the amount of -- percentage of budgets that have actually been spent. Now, again, some of the departments are actually over the 58 percent. Most of that is due to the fact of when you're paying your one-time costs. For example, the Finance Department, we paid all of our costs for the audit. So it's not 112, 112, 112. That gets paid up front. Pension costs get paid up front. The CRA contribution gets paid up front. So based on these numbers, we're actually tracking fairly well. We had a few requests come in from departments -- now, before I get to that --

COUNCILPERSON GUYTON: Madam Chair?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: I'm sorry. Go ahead.

COUNCILPERSON GUYTON: Okay. Could you go back one?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

COUNCILPERSON GUYTON: General administration. What --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN:

That -- I'm sorry.

COUNCILPERSON GUYTON: -- what precipitated General being 84 percent?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: At 84 percent?

COUNCILPERSON GUYTON: Yeah.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: That's the line item where the CRA payment is included. And the CRA gets all of their money on January 1st.

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: So

if -- the \$4 million number, that's out the door on that -- on that one thing, which throws that out of whack. For the Enterprise funds, the first item up there is the utility and we put both revenues and expenses together up here. You can see that, again -- going over to the right-hand column -- where's my cursor gone here? All right. Over here at the 48 percent, there it shows actually that they're running a little bit behind. But the utility billing is always running a month behind. So this really isn't a seven-month number; it's really a six-month number. So it's -- it's off slightly, but it's not anything really to be that concerned about, especially as we're going into the -- the season that we're heading into.

On the expense side again, you can see that they're at 45 percent so they're actually in good shape there. On the marina, the revenues on the marina are coming in at 42 percent. Again, as you know, they -- we have the -- the new marina facility in place. But part of the marina revenues actually include the fuel dock. Okay. And obviously we haven't been running the fuel dock this year so those -- there's zero revenues in there for the fuel.

CHAIRPERSON PARDO: Okay. When did the fuel dock go down?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: During the beginning of Phase II which would have been middle of last summer, maybe.

CHAIRPERSON PARDO: Okay. So since October 1st the -- the fuel docks have not been --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Has been out of operations, yes.

CHAIRPERSON PARDO: Okay, fine.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: And then the same thing on their expense side. There is, in the expense budget -- there's also fuel, which of course, we haven't been purchasing the fuel. We haven't been selling the fuel. We haven't been purchasing the fuel. But they're still at the 56 percent. Some of their dollars have actually been moved around to accommodate the construction that's going on over there. And picking up expenses that we thought, you know, were going to be picked up by the CRA at one point. So we're still within budget there. At the end of the year, though, that probably will be showing, you know, a deficit unless he has a fantastic summer. And again, that's primarily, again, due to the -- to the fuel.

Stormwater. Again, those numbers are both coming in a little bit high. We're seeing the revenues certainly exceed the 58 percent. And the expenses are running, again, in that -- in that mid 60 range. But again, that all depends on what capital projects you're getting done and how those contracts are getting paid.

CHAIRPERSON PARDO: Okay. I have a question on the stormwater. Why -- and you know, it's not a bad thing. But why do we have an increase in revenues? You know, why is revenues up almost 65 percent when we basically know what -- you know, what the income -- what the revenues coming in are?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah, I -- I'm -- I can't answer that specifically for you tonight, but I certainly can go back and take a look at that. It may be the difference from prior years of just one billing cycle falling from one month to the next month. Because we're running seven months here. It may -

CHAIRPERSON PARDO: Well, see, that's what --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN:

-- be -- again, if it falls in the first week or it falls in the fifth week of the prior month, could make a difference on something like that. But I can -- I can go back and -- and get you --

CHAIRPERSON PARDO: Yeah, could you, please?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Sure.

CHAIRPERSON PARDO: Because looking at that, I would expect it to be less, right? Because it should basically fall in line with the water. Right? With the utility?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Correct. It should be on that same cycle with the -- with the utility.

CHAIRPERSON PARDO: Okay. Yeah.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Correct.

CHAIRPERSON PARDO: Can you go back and just for the next meeting --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah. We'll go back and double-check that for you.

CHAIRPERSON PARDO: -- I'm just curious.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Okay.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Yeah.

COUNCILPERSON GUYTON: Quick question. That application, I'm -- I'm looking at the columns in the year-to-date one, and as I was reviewing it, I didn't read it as being up 60 percent. Is -- is that -- I thought that was --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: No, it's --

COUNCILPERSON MILLER: It's what we've collected.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: -- it's 65 percent of the budget.

COUNCILPERSON GUYTON: I know.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: And -- and I think what the question is, if that's 65 percent of the budget, why is the utility only 48 percent of the budget? And we'll have to go back and look at that

COUNCILPERSON GUYTON: Okay. Okay. I thought you was -- 'cause there was some reference to revenues being up 65 percent.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: No, they're not up 65 but --

COUNCILPERSON GUYTON: So I -- okay.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: -- yeah.

COUNCILPERSON GUYTON: That -- that's what I -- I wasn't reading it the same way. Okay.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Okay. Okay. So this is a list of the recommended budget adjustments. What we do is at midyear we have all the departments go back and look at all of their line items to see if they need any adjustments to make it towards the end of the year. I will tell you that last

year at this point, we received over \$800,000 of requests for budget adjustments. This year we received just over \$200,000. So I think, again, the budgets are -- are getting better. I think people are managing their budgets better. And typically the -- the requests that we see are rarely for those unexpected items that if -- again, if you think about it, the budgets were done, you know, nine months ago. So there's certain items that have -- that have popped up that the departments are asking for a little bit of help.

The first two lines are for the fire department. They are both overtime. One is for operations, one is for rescue. Part of what they're saying is, Listen, we have increased sick. We have increased vacation. We have increased vacancies, which has caused us to have, you know, overtime in excess of what we had planned. Because of the vacancies, they are able to actually cover some of the overtime from their regular salaries, but again, at overtime, you're paying time and a half so they still need a few dollars. So they're asking for \$40,000 to go into operations and \$30,000 to go into rescue.

The third line is also for fire. As you recall, last fall we actually entered into a lease agreement to purchase some new vehicles for the fire department. Those vehicles have not arrived yet. And I think the chief is, you know, trying to keep his vehicles together the best he can. He's trying to bring them up to standards. He has an agreement with the county to maintain his vehicles. And what he's saying is, is those costs are, you know -- due to the delays, maybe if the new vehicle's coming in, he needs \$50,000 added to that line item to get them through the rest of the year.

Community Development is asking for \$20,000. And let me just -- I'm sure everybody's focusing on the -- this is the -- I'm sorry. This is the column that I'm walking down with the numbers. Community Department is requesting \$20,000 transfer from their digitizing escrow. So this isn't coming from a contingency account. This is coming from -- from their account. And again, this is to cover costs for digitizing microfiche documents. So again, they've raised this money. We put it in an account for this purpose and they're asking to have access to \$20,000 of those funds.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Go ahead.

COUNCILPERSON GUYTON: I've got a question about the Community Development. We're getting a lot of applications, requests for different projects. I know I personally reach out to them a lot, particularly Jeff Gagnon. And what is -- Jeff is serving as what, an administrator, Mary? What is Jeff serving as?

CHAIRPERSON PARDO: Senior planner?

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Senior planning.

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Mary McKinney. Jeff serves as the Planning & Zoning Administrator.

COUNCILPERSON GUYTON: Okay. Yeah, I thought it was -- now, from my experience with Jeff, to me as a planner, he serves more in a capacity as your assistant. 'Cause if it's not you it's going to Jeff as it relates to those complex issues. What would be the cost if one wanted to reclassify that position? Have you looked into that? Could you look into that?

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Yes. We have looked into it. It's about \$4,500.

COUNCILPERSON GUYTON: To -- to make --

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: To -- to change the classification.

COUNCILPERSON GUYTON: -- Jeff -- to change the classification to Assistant Community --

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Yes. Assistant develop --

COUNCILPERSON GUYTON: -- Development?

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Right.

COUNCILPERSON GUYTON: And I would like to ask my colleagues if we can consider that because those who --

CITY MANAGER JONES: Want to do that midyear?

CHAIRPERSON PARDO: Midyear or --

COUNCILPERSON GUYTON: Well, would we -- we -- we --

CHAIRPERSON PARDO: -- why don't we wait until --

COUNCILPERSON GUYTON: -- we can do it at the beginning of the year. Slow down. That's --

CHAIRPERSON PARDO: Yeah.

COUNCILPERSON GUYTON: -- (inaudible). 'Cause we have one reclass coming up here right after this one.

CITY MANAGER JONES: (Inaudible).

COUNCILPERSON GUYTON: Yeah. I -- is -- that 45 would be for the remaining of the year?

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: No, that would be next year's budget.

COUNCILPERSON GUYTON: So for an entire year?

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: '15/'16. Yes, entire year.

COUNCILPERSON GUYTON: So -- so half of that would be a couple of grand?

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Yes.

COUNCILPERSON GUYTON: Okay. Yes. But -- but -- and then what -- whatever the pleasure of my colleagues, but I -- I know that my -- my interaction with Jeff serves more as an assistant to Mary than just a senior planner. So -- but if it's only a couple of grand, I would, yes, recommend that we consider it this year. But if not, I would definitely want to consider it in next year's budget.

CHAIRPERSON PARDO: Okay. I'll tell you my problem with it. I have no problem giving someone like Jeff more money. We all know what he does. He works very hard. That whole department works hard. My problem is, you know, does council really want to start getting involved with what employees are making? And I think that is something that should be left to his supervisor and then ultimately to the manager. Because if we do it for him --

COUNCILPERSON GUYTON: Okay.

CHAIRPERSON PARDO: -- then you're going to have people lining up.

COUNCILPERSON GUYTON: Yeah, my --

CHAIRPERSON PARDO: Saying, "How come Jeff is getting it and I'm not getting it?" I work just as hard or harder and --" you -- you know --

COUNCILPERSON GUYTON: I do understand that.

CHAIRPERSON PARDO: -- you know what's going to happen.

COUNCILPERSON GUYTON: And -- and if you heard what I said --

CHAIRPERSON PARDO: I -- I heard it.

COUNCILPERSON GUYTON: -- I spoke not to necessarily the funds but his responsibility.

CHAIRPERSON PARDO: Sure.

COUNCILPERSON GUYTON: That that is what I'm speaking to. And those who do do more work need to be considered. But I -- I know we have a lot of projects coming in. I -- I'm always requesting things from Community Development. It's normally Jeff

Gagnon that responds, and I just know that his responsibility level is higher than what it's classified now. So I -- at the appropriate time, if not now, at the beginning of the year, I'd like to consider that.

MAYOR MASTERS: Madam Chair?

CHAIRPERSON PARDO: Mayor?

MAYOR MASTERS: Yes. Miss McKinney, is his responsibilities, in fact, more of an assistant to you in addition to being the senior planner? Does he -- has he been acting in that role or is that just one of his duties?

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: I think he takes on more responsible than just his duties as Planning & Zoning Administrator, and he does fill in for me in different meetings that I can't attend. And -- because sometimes I can't be two places at the same time. And -- but I do think that probably in the discussion of next year's budget, you might want to discuss it at that time.

MAYOR MASTERS: And the other question I have, is he the only one in that department that acts in that capacity?

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: Yes.

MAYOR MASTERS: Thank you.

DIRECTOR OF COMMUNITY DEVELOPMENT McKINNEY: But we do have very good planners in our department.

MAYOR MASTERS: Thank you.

COUNCILPERSON GUYTON: Thank you. That's it.

CHAIRPERSON PARDO: Okay. All right. Mr. Sherman?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: All right. The next item is -- is the City Clerk's Office, who is -- with the new city clerk in place is looking to do a little bit of a reorganization, has asked for some dollars for a reclassification of a position from a staff assistant to a records specialist. That's \$4,721. Human Resources, the next --

COUNCILPERSON MILLER: I'm sorry, Madam Chair?

CHAIRPERSON PARDO: Yes.

COUNCILPERSON MILLER: I had a question regarding that.

CHAIRPERSON PARDO: Go ahead.

COUNCILPERSON MILLER: What is the different responsibilities between a staff assistant and a records specialist?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: You want to answer?

CITY CLERK ANTHONY: The records specialist position is a position that's mandated by state law. And that deals with the retention and disposition of your public records.

COUNCILPERSON MILLER: Uh-huh.

CITY CLERK ANTHONY: As a staff assistant, your staff -- staff assistant take care of your little clerical responsibilities. And currently the staff assistant position in the office is temporary.

COUNCILPERSON MILLER: So all of them -- each one of them that -- that are currently in there have different titles or they're all the same?

CITY CLERK ANTHONY: Each staff member currently has a different title.

COUNCILPERSON MILLER: Okay. Are they staff assistants or records -- anyone a records specialist currently?

CITY CLERK ANTHONY: We -- we -- no.

COUNCILPERSON MILLER: Okay.

MAYOR MASTERS: Madam Chair?

CHAIRPERSON PARDO: Mayor?

MAYOR MASTERS: So before you became the city clerk, you were a assistant? You were like the assistant? You were in that same position that we're talking about now, because you said now it's temporary. Were you a full-time assistant?

CITY CLERK ANTHONY: You're talking about the staff assistant position?

MAYOR MASTERS: Yes.

CITY CLERK ANTHONY: No. Before I became the city clerk I was the deputy city clerk.

MAYOR MASTERS: Okay. What is much higher?

CITY CLERK ANTHONY: Yes.

MAYOR MASTERS: Thank you.

CHAIR PRO TEM DAVIS: Madam Chair?

CHAIRPERSON PARDO: Yes, Mr. Davis?

CHAIR PRO TEM DAVIS: So Mr. Sherman --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Oh, yes.

CHAIR PRO TEM DAVIS: -- we are asking to change just one of the positions or two -- well, two positions this impact? One of the staff assistants -- we only have one staff assistant, correct?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: And I'll let you -- the --

CITY CLERK ANTHONY: We only have one staff assistant in the Office of the City Clerk, and it's a temporary position.

CHAIR PRO TEM DAVIS: Okay. And you're just going to make that a permanent position as the records specialist, which is mandated? Okay.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: That's what she's asking, right. Correct.

CHAIR PRO TEM DAVIS: I'm -- okay. All right. That's fine.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Set? Okay.

CHAIR PRO TEM DAVIS: I'm good.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: The next two items are both with the Human Resource Department. And they both -- both of the amounts, the 25,000 and the 13,820 would go into contract services. Part of this money is due to ongoing labor issues and covering the labor attorneys. And then they were also looking for some money for continued employee development and customer service training. That's the 25,000. And the 13,820, if you recall, back when you were adopting the FRS ordinances, you actually had to go to the plans actuary and get fiscal impact statements. So that's the 13,820 that wasn't in their budget and they'd like to -- to get those two invoices covered.

The final item up there is Parks & Recreation, and they have asked for \$30,000 to continue the Jazz after Dark Program through the end of September.

CHAIR PRO TEM DAVIS: Madam Chair?

CHAIRPERSON PARDO: Yes, Mr. Davis?

CHAIR PRO TEM DAVIS: Before we go into that, one quick question. On the Human Resources --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yes.

CHAIR PRO TEM DAVIS: -- where it says employee development and customer service training, have they exhausted those funds in that account as it stands now?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yes. They have no funds available.

CHAIR PRO TEM DAVIS: So they have no funds. Okay.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Correct.

CHAIR PRO TEM DAVIS: And as far as the Jazz in the Dark, what money has -- has that program made so far this year?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Oh, do you have the balance sheets on that? Or can you call them up?

ASSISTANT FINANCE DIRECTOR HOSKINS: Let me see.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: We can try to pull that up for you if you -- if --

CHAIR PRO TEM DAVIS: Okay.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: -- you can -
-

CHAIR PRO TEM DAVIS: Well -- well, how many rain-outs have they had and what impact has it had on the budget?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: I think -- I think it's -- is anyone here from Parks? No. I think they've had at least one rain-out. Did they have more than one, Karen?

ASSISTANT FINANCE DIRECTOR HOSKINS: I think it was two total rain-outs.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: It's two?

CHAIR PRO TEM DAVIS: Two rain-outs?

ASSISTANT FINANCE DIRECTOR HOSKINS: Right.

MAYOR MASTERS: Madam Chair?

CHAIRPERSON PARDO: Mayor?

MAYOR MASTERS: Is there a reason that there's no one here from Parks? They knew this was coming up. Right? Or did they not know?

CITY MANAGER JONES: No, every department head got the notice and Mr. Jones is going out -- you saw him go out the door to check to see --

CHAIR PRO TEM DAVIS: How many successful events have we had that -- that -- that weren't rained out? Well, I guess we have to wait to -- him to come back.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah. See if --

CHAIR PRO TEM DAVIS: Yeah, I'll have to ask him this.

MAYOR MASTERS: Madam -- Madam Chair, the 35 --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: (Inaudible).

CHAIRPERSON PARDO: Go ahead, Mayor.

MAYOR MASTERS: They had asked for \$35,000 before, right? To start it back up again.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Correct. They have 35 -- they had \$35,000 in their budget. They've actually made some transfers internally to -- to cover some expenses. And now what they're saying is, Okay. Now we've exhausted those funds. We'd like \$30,000 to get us through the summer.

CHAIRPERSON PARDO: Okay.

MAYOR MASTERS: \$35,000 that they asked before how -- for how many months was that when they first ask for it?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Well, I -- I think it was intended to get them through the entire year.

MAYOR MASTERS: For a year. So they're coming back to ask --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: But again, they've been doing more concerts and -- than they have --

MAYOR MASTERS: -- but they're coming back to ask for 35,000 for three more months?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: For 30,000, yes.

MAYOR MASTERS: 30,000 for three more months?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Correct.

MAYOR MASTERS: Okay.

CHAIRPERSON PARDO: All right. I have a question.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

CHAIRPERSON PARDO: All right. So you just spoke about they also transferred funds internally.

MAYOR MASTERS: Right.

CHAIRPERSON PARDO: So out of which accounts did the money come out of?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: They actually took it out of their salary accounts. Again, due to their vacancies, they had some available dollars there.

CHAIRPERSON PARDO: Okay. So there's still padding over there.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: And again, we tried to get the --

CHAIRPERSON PARDO: So how many -- how many vacancies do they have?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: I --

CITY MANAGER JONES: I know they have at least two. And that's the superintendent position and another one. As you recall, in our meeting last Wednesday they had their maintenance workers here. So I think they have probably filled the full-time positions. They may have some part-time ones. But they do have a park superintendent position.

CHAIRPERSON PARDO: Okay. So then what -- what I would like to know is so how much money is left in that salary account? So instead of going to the general fund and taking the money out, you know, if there's no plan to hire the, you know --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN:

Uh-huh.

CHAIRPERSON PARDO: -- the other vacancies, just take the money out of there.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Okay. We'll -- we'll pull that up, too, and -- and take a look at it. Yeah, I believe they also have a number of maintenance positions vacant at this point, as well.

CHAIRPERSON PARDO: And you know what? And we've seen this in the past with other departments, also. And Miss Jones, at our meeting next week, I'd like to know how many vacancies we have. Go through every department in the city. How many vacancies we had coming into the budget for, you know, fiscal 2015, and -- and how many were filled to date. Please.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Okay.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Yes, Mayor? Oh, I'm sorry. Mr. Guyton?

COUNCILPERSON GUYTON: Let me just make a comment about Jazz after Dark. One of our problems as a city, we don't have a signature event. West Palm have their Clematis Thursday Night. Lake Park has their Friday night. Palm Beach Gardens have their event. As a community, we need to establish a signature event. It could be this. It could be something else. But if we're going to generate foot traffic into our community, this is absolutely essential for planning a community.

One of the other things about recreation, we look to make a profit. And there are events in other cities, too, where it's not designed to make a profit. It's designed to bring people together in a harmonious manner, come out, chill, enjoy yourself. That's part of, in my opinion, running a city. So you know, sometimes I hear people saying, Well, how much did it make or how much did it lose or how much did it -- no. And even the recreation activities, those are not designed to make money. So I would hope that we keep the perspective that this is more entertainment than a money maker. We shouldn't lose a lot, now. Let me say that. But I've never considered these type of events to be money makers. That's not what they're designed to be. And it's my hope that we identify some type of activity --

CHAIR PRO TEM DAVIS: Uh-huh.

COUNCILPERSON GUYTON: -- that we can label as one of our signature events. Because we don't have any. And -- and -- and that becomes a big problem when we're competing with other communities. Many took our idea and now they're running with it. That Jazz After Dark, they have something that mimics what we started. And they have kept it going because the policymakers put money into it. And we have been not as liberal in supporting these type of events. And -- and it's costing us foot traffic and people coming into our community. So it is my hope that we -- we can see the value beyond a fiscal return, but the intangible return that these type of activities have. Thank you.

CHAIR PRO TEM DAVIS: Madam Chair?

CHAIRPERSON PARDO: Yeah.

CHAIR PRO TEM DAVIS: Well, I share some of the same sentiment that, you know, we do need the activity. We do need the traffic. But when it -- as regards to events and recreation of any venue that we use, the budget's supposed to -- designed to -- so it can sustain itself. It's not necessarily supposed to be make money as a profit, but it's supposed to make money to carry on other future events as they move forward. When you start looking at revenue from the parking, revenue from the tickets, revenue from the vending, it's supposed to pay for itself. Don't count out of a lot of the sponsorships that you receive for a lot of these events.

The event at the Jazz -- the -- the Dark done in -- which came from Riviera Beach in, uh, South Florida, has a lot of revenue coming in from outside sources, which is those community partners. I shared some concern before. I would like to support it, but I don't want to support it at this time until they bring a previous budget specifying at a later date, maybe next meeting budget workshop, explaining how many rain-outs we've had, the -- the ones we didn't have rain-outs, how much money was -- revenue was made, how much money off parking, how much money off vendors, how much money off the tickets, so we can understand that as we keep putting money in this --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Right.

CHAIR PRO TEM DAVIS: -- how much money we need to -- a set amount and don't have to come back to the table and do at this time. So I would like to, you know, just wait to maybe the next budget workshop so they can come back and maybe explain and give a budget of this past year so that we can find out how much money we need to support, whether it's not this much, maybe it's less, maybe it's more. But we won't know until they bring that budget back from this past year.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah. And --

COUNCILPERSON GUYTON: And if I may --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Okay.

COUNCILPERSON GUYTON: -- and I -- I do agree. My -- my only concern is as we stop and start these events, as you start generating traffic and then it's not next month, then we start to lose the regulars. And I think that that can be done simultaneously where we give enough to keep it going for a month or two and then as you get your information that you need, we can make a determination what may be needed to keep it going for a longer period of time.

COUNCILPERSON MILLER: Madam Chair?

CHAIR PRO TEM DAVIS: That's -- I'll wait.

COUNCILPERSON MILLER: Oh, go ahead if you were still --

CHAIRPERSON PARDO: Go ahead.

COUNCILPERSON MILLER: I also would like to know the amount of foot traffic that we're having to each of these events. Are the numbers increasing? Decreasing, staying stagnant? Of course we want to make sure that we have events -- a signature event, but we also want to make sure that it is reasonable and it -- and it is making -- not necessarily making money but actually bringing in the people that we're trying to attract, as well. I'm just having an issue with the adopted budget being 35,000, and then for the remaining few months we're only going to -- we're going to ask for now \$30,000. I would like to see exactly what it is that each of those line items would be for that specific amount of money.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Okay. Yeah, we actually do track each event and we can -- we'll produce that report for you and -- and have that attached. 'Cause what we'll do at this point unless, you know, someone wants us to take something off this list or you'd like to add something to this list, we bring this back to the council meeting as a resolution to actually make the transfer.

CHAIR PRO TEM DAVIS: Okay.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: And what we'll do at that point is we'll attach that so you have that information.

CHAIR PRO TEM DAVIS: Yeah.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: And then if you want to take that number off, then we -- we certainly can do that. If I could go back, Miss Pardo, to -- to your question, Parks has spent about 42, 43 percent of their salary budget through the end of April. So they actually have a considerable amount. However, Miss Hoskins reminded me 'cause I wasn't at your last council meeting, the folks in the middle in the green shirts are all Parks employees when they introduced the new employees. So they may not have a lot of vacancies at this point, but we will also go back and -- and check that number, as well.

CHAIRPERSON PARDO: For the next meeting?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: For the next meeting.

CHAIRPERSON PARDO: Thank you.

MAYOR MASTERS: Madam Manager -- Madam Chair?

CHAIRPERSON PARDO: Go ahead.

MAYOR MASTERS: Also, Mr. Sherman, when you bring back the data that has been asked or required, we -- Miss Miller, I think, made a very valid point on -- on her last comment, was -- and -- and it was mentioned earlier by another councilperson, a signature event. Certainly we want to see if it -- if that, in fact, has been a signature event for the past eight, nine months. Want to look at the numbers of attendance and see if the signature event --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Right.

MAYOR MASTERS: -- has been attracting the numbers from this community or any other community. And if we see that it has been and there's an increase in the attendance and not a decrease, or if it's stagnated and there's not any growth, then we want to look at the total picture --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Correct.

MAYOR MASTERS: -- to -- to give me -- make me more comfortable in deciding which way to go.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah. And -- and we'll work with Parks to try to get the --

MAYOR MASTERS: Okay. Okay.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: -- the attendance numbers. It takes a while.

COUNCILPERSON GUYTON: And -- and -- and one last comment, if I may, Madam Chair?

CHAIRPERSON PARDO: Go right ahead.

COUNCILPERSON GUYTON: One thing about these events, they have to be consistent in order to build that consistent base. If you look at it in a short period -- and this has been stopped and started and stopped and starting because we have not supported it as a policy body, that I feel it should -- those numbers are going to be fluctuating. We can't keep stopping and starting and think that we're going to start it back up and the numbers are going to show that.

This need to be consistent for at least two to three years, in my opinion, to determine whether it's that type of event that can be built into a decades event. So I don't want people to think that if we bring some numbers back and it may not be what some think, then it's not successful and then we cancel it, then we have absolutely nothing then. So I'd just like to be mindful of the fact that we need to consider how many times we've stopped it and started it and stopped it and started it. It needs to be consistent for a period of time to get some reliable information. Thank you.

COUNCILPERSON MILLER: Madam Chair?

CHAIRPERSON PARDO: Yes, Miss Miller?

COUNCILPERSON MILLER: For this budgeted year, how many months has this been in place? Has it been the whole time or is it just --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: It's been the whole time. I can't tell you that it's been the consistent number of events every month.

MAYOR MASTERS: It hasn't stopped and started, though. It's been going consistently for the past --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: You're -- yeah. It's been consistent for the whole year, yeah.

MAYOR MASTERS: -- nine months. Thank you.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah. It was funded again midyear last year to get it through, you know -- to start it, really, up again for the summer, 'cause it had kind of taken a little hiatus there. And then it's been pretty -- fairly consistent this year.

MAYOR MASTERS: Thank you.

CHAIRPERSON PARDO: Go ahead, sir.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Okay? That's the midyear discussion. And now we'll take a preview on to the '15/'16 operating budget. And again, typically what we do at this point is we come forward and we tell you where we think we are with the revenues. We'll ask if there's anything that you'd like, you know, for the city manager to be including when she brings her budget back in July. But again, this is not the expense side of the discussion. This is the revenue side of the discussion.

This is probably a slide that I think most people are fairly happy to see. This is the assessed values of the city. So congratulations to the City. You have hit your highest assessed valuation at -- that you've ever had. The bar on the right-hand side is 2016 and that is \$4.4 billion worth of assessed valuation. Putting this slide into -- into numbers, you can see that, you know, going all the way back to 2007, the City had peaked at one point in 2009 at just over 4 billion. Then you had the downturn in the economy. And for the last couple of years with '14/'15 and certainly now '16, we are seeing those values go back up. Now, as most people probably have heard, this increase is primarily due to the FPL power plant coming back on line. About \$807 million of that 1.1 billion is a result of FPL power plant. So there was some growth outside of FPL. I think we calculated this morning it was what, about 7 percent, 6

percent, something -- growth? I forget what the number was. We did it a couple of different ways. But, you know, again, the bulk of this is -- is FPL.

CHAIR PRO TEM DAVIS: Mr. Sherman?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Did want to kind of take a look at this so we could --

CHAIR PRO TEM DAVIS: Excuse me, Mr. Sherman?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yes? Oh, I'm sorry.

CHAIR PRO TEM DAVIS: Really quick.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

CHAIR PRO TEM DAVIS: What impact does the FP&L plant have on assessment of a lot of the residential property that we have? Does it have an impact on that or was it just that plant, the money that came in from the plant that's coming from --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: No. It's just that plant. Yeah.

CHAIR PRO TEM DAVIS: So our property value itself --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: The property values itself actually did go up. That's -- that's the other spread between, again, the 1.1 billion and the 800 million.

CHAIR PRO TEM DAVIS: Okay.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: So property values did go up. And some of that is commercial.

CHAIR PRO TEM DAVIS: Okay.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: We don't have the specific breakdown at this point.

CHAIRPERSON PARDO: Yeah. And when are you going to have that breakdown? In --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: We don't get that from the property appraiser until later in the year.

CHAIRPERSON PARDO: Okay.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah. We did kind of want to clarify the situation exactly what this means to the City. So we have on the top line here, that is the current fiscal year that we're in. The tax values were just shy of \$3.4 billion. We had our millage rate at 8.952 which resulted in property taxes in this column right here of the \$28.8 million of property taxes. Now, the property taxes gets split up three ways: 24.2 million went to the general fund. 4.2 million went to the CRA and just over \$400,000 goes into your major disaster funding account.

For 2015, again, you can see the values are now close to \$4.5 billion. This 825 million in the next column is primarily -- again, 807 of that 825 is the FPL. What we have put on here at this point is the same millage rate just so we could get the comparisons. We know that millage reduction is, you know, number one priority of the board. But just for comparison purposes, we've put the 8.9 on here. That would actually result in \$38.2 million of taxes. 32.8 of that would go to the City. 4.8 would go to the CRA and 573,000 would go into the major disaster. So that results in, from one year to the next, the City's general fund would receive \$8.6 million more. And that actually breaks down to 6.8 from FPL and 1.8 from everybody else.

COUNCILPERSON GUYTON: Okay. Madam Chair?

CHAIRPERSON PARDO: Yes?

COUNCILPERSON GUYTON: And I don't want to jump ahead, but I'm looking at the difference in the TIF from prior years for the City and the CRA. The City, about 8.6 mill. The CRA, about 5, 600 thou.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Right.

COUNCILPERSON GUYTON: Those of us who have been following this, this was a surprise because it was expected that more would go to the CRA, and we actually have been obligating ourselves as a different board on that side. And when it came in and then had a different determination of how it would be spread, that left the CRA now with obligations that we're going to have to figure out how to cover, quite frankly. And I don't know when we're going to have that discussion. But we need to have that discussion so that everybody would know up front because there are those who are thinking that somehow the City got 8 million and whatever we got on the CRA side, I -- I don't know what they think that we're supposed to do. But we have obligations over there, too. So I don't want people to think that, well, they've got 8 million. Now they've got a windfall. Not necessarily.

And we did receive a memorandum from the CRA executive director, as well. So at -- I don't know at what point we're going to have this discussion, but we definitely need that discussion because we, too, sit at the CRA board and our reputation is on the line on that side, as well. So I see the city manager leaning up to say something, but I don't want people to see 8 million and now they start planning it. Not realizing that we have obligations on the CRA side that we're going to have to figure out --

CHAIRPERSON PARDO: Yeah. Right.

COUNCILPERSON GUYTON: -- how to handle those.

CHAIR PRO TEM DAVIS: Madam Chair?

CHAIRPERSON PARDO: Right. Absolutely. And I would think this is going to be the discussion next week, right? On Monday.

CITY MANAGER JONES: That was not the topic for Monday. Monday was IT master plan.

CHAIRPERSON PARDO: IT.

CITY MANAGER JONES: Public services complex plus trying to figure out what individual things that council would like for us to consider in the development of the '15/'16 budget. Staff did meet with Mr. Brown on last week to go over the letter, the draft letter that you all have received. We are developing and you will have tomorrow the City's response to that letter.

CHAIR PRO TEM DAVIS: Uh-huh.

CITY MANAGER JONES: As well as we talked about having a joint workshop and possibly on July the 13th. And that's the only topic, is how the City can assist the CRA now that they're in the position that they're in and the revenue came in on the City's side.

CHAIR PRO TEM DAVIS: Well, Madam Chair? This is a situation, as far as I'm concerned, that definitely it's a high -- high value state of emergency issue. It's an issue that I don't think they need to wait very long. We need to even -- even if we need to call a special meeting before we move forward all our budgetary decisions, between the CRA and the City. There was a lot of anticipated things that was -- that was recommended to this board. And there's a lot of things that was recommended to the CRA board.

But I don't want to discuss none of these -- none -- no more of this matter until we actually have our meeting which will be -- which is Wednesday, with our CRA executive director. But I think this board need to consider potentially having a special meeting with the CRA and the City, special meeting, as soon as we can. Because we need to get ahead of the -- the curve on this potential devastating situation that just happened between this -- on the CRA side. But I want to make sure we get ahead -- ahead of the mistake that happened prior to this. So it's something that I would like to kind of hear my colleagues about potentially having an emergency meeting in the near future instead of waiting till July 15th or the 16th, whatever date that works out for everyone else.

CHAIRPERSON PARDO: Well, first of all, I don't think it's devastating, because at the end of the day, it's still, you know -- the money is coming into the City. You know, either it goes to the CRA or it goes to the City. If you recall, when we thought that we were going to be getting, you know, the \$8 million going into the --

CHAIR PRO TEM DAVIS: Uh-huh.

CHAIRPERSON PARDO: -- City, we were trying to figure out a way --

COUNCILPERSON GUYTON: On the CRA.

CHAIRPERSON PARDO: -- to get some -- into the CRA. We were trying to figure out a way to get some of that money into the City, and that's why we did the lease agreements and, you know, we did a -- a bunch of things, trying to get some of that money over here. So now it's a matter of trying to figure out how to get the money back over to the CRA. And there are, you know -- it's not devastating at all. There's a lot of things that we can do to have, you know -- take care of the CRA and still have, you know, the City have a portion of the money, too. I would suggest we have this conversation on Wednesday at --

CHAIR PRO TEM DAVIS: Well, that's what -- that's what I stated, yeah.

CHAIRPERSON PARDO: -- right. At the CRA meeting. And then, um, all of our colleagues will be here and then, you know, everyone will decide how we move forward. Either have a special -- what I think we should do -- but again, we'll discuss it -- just have another workshop but it'll be a joint workshop between the CRA and the City. And a -- yeah. And that'll be, you know, the sooner the better. I would say sometime in June.

CHAIR PRO TEM DAVIS: Uh-huh. Madam Chair?

CHAIRPERSON PARDO: To do it, just so when we're going into July and August --

CHAIR PRO TEM DAVIS: Madam Chair?

CHAIRPERSON PARDO: -- then we know exactly what to do. Yeah, go ahead.

CHAIR PRO TEM DAVIS: But just in regards to it being important and an emergency as far as I'm -- pertaining to the information I recall, when this information was brought to us and recommended to us, the CRA had set projected to fund certain projects on the marina side and -- and as far as develop what we had going on. But as you know, this has an impact on how we're going to do our millage rate. It's going to have an impact on how we're going to handle the uplands and pay certain portions 'cause they wasn't going to do this all in one swoop.

COUNCILPERSON GUYTON: Uh-huh.

CHAIR PRO TEM DAVIS: So it's going to impact a lot over the course of the next year when you're talking about funding. And that's why I said it's a state of emergency, because you -- we did want to make sure we get some money on this side. But now there's going to be some things happening on the CRA side that we cannot necessarily fund as projected over the course of next year or two, and so we're going to have to make some major readjustments. I'm not going to take this lightly. This is something that's very serious. And we have to treat this -- treat this process very delicately. That's all I'm stating for the record.

COUNCILPERSON MILLER: Madam Chair?

CHAIRPERSON PARDO: Yes, Miss Miller.

COUNCILPERSON MILLER: I'm -- I'm not sure which person would be able to answer this question. How did we get into this position? Is this something that wasn't known or should have been known ahead of time that it was going to go -- it wasn't going to CRA as it should have and it was coming to the City? Was this brand new information? Anybody can answer that?

COUNCILPERSON GUYTON: Madam Chair, if --

CHAIRPERSON PARDO: No, wait. Let her get her --

COUNCILPERSON GUYTON: -- and -- and I'll let the --

COUNCILPERSON MILLER: What was the difference? I mean, what was the confusing point?

COUNCILPERSON GUYTON: -- I'm going to try to explain it.

COUNCILPERSON MILLER: All right.

COUNCILPERSON GUYTON: I'll let (inaudible).

COUNCILPERSON MILLER: Does Miss Jones have an answer?

CITY MANAGER JONES: Well, it was not knowing how the tangible and intangible split was going to occur in the taxes.

COUNCILPERSON MILLER: Does that change all the time or is it always one or the other?

CITY MANAGER JONES: It's always going to be tangible or intangibly taxed, one or the other.

COUNCILPERSON MILLER: Okay.

CITY MANAGER JONES: And so the distribution of what they consider tangible and what we consider and thought, but I believe it caught the CRA by surprise.

COUNCILPERSON MILLER: Because I -- I guess I'm just trying to figure out why was it a surprise? Is there something brand -- okay. So you can't answer it?

CITY MANAGER JONES: I can't.

COUNCILPERSON MILLER: Okay. All right. So I need to speak to Mr. Brown about that.

CITY MANAGER JONES: Mr. Brown.

COUNCILPERSON MILLER: Okay.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Okay. On the next slide what we did is -- and again, we know that there's discussion about trying to reduce the millage rate and providing some tax relief. Just wanted to give you just a couple of scenarios of how a millage reduction would impact each of those three entities or three accounts that the dollars get -- the tax dollars get split up in.

So what we did on this slide is we just took the 8.952 and gave the same split that you had on the -- on the prior slide and then reduced the 8.952 by 50 -- .5 base points, then .75 base points and then 1 entire mill. As you can see, you know, it impacts -- if you go the entire mill, which is the bottom line, the taxes to the City are reduced by about \$3.7 million. The taxes to the CRA reduce just over half a million dollars. And then the amount of funds that get deposited into the Major Disaster Fund would be about \$64,000 less than leaving it at the 9.52. So again, there's different varieties. And I know as the discussions happen again now how we're -- how we're going to shift this up. We just wanted to kind of throw this out there so, again, you'd have that as a -- as a background.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Go ahead.

COUNCILPERSON GUYTON: And I was one of the ones that suggested -- and I just want my position to be on the record and known that my position has not changed. I still want to see a 1 mill reduction. We have been returning the revenue to staff and others and we're still -- and employees. But our residents, too, need to benefit from all of these years of what they also went through in regards to economically difficult times. At some point this is the most equitable way, to me, to give back to those who pay taxes. So I just want to be on the record. My position has not changed and it will not change. And so as these budgets are developed, I would like to see that one option in there, and then we can vote collectively whether we want to do it. But my position is still that I want to see a 1 mill reduction, at least to be considered.

CHAIRPERSON PARDO: Well, that's great.

COUNCILPERSON GUYTON: Thank you.

CHAIRPERSON PARDO: Because I feel the same way and I have been pushing since I was elected to lower the millage rate. And now we have our, quote, windfall, and this is the perfect time to do it. So I'm right there with you, Councilman Guyton.

CHAIR PRO TEM DAVIS: Madam Chair?

CHAIRPERSON PARDO: Yes, Mr. Davis?

CHAIR PRO TEM DAVIS: Mr. Sherman, I would like for you to come back with a study or some documentation showing what type of impact it's going to have on the quality or level of services, whether it's police, fire, employees and all the variety departments with this potential gesture that's being projected today so we can have all the information in so we can understand the overall impact it's going to have as we move forward.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah. As - as we get into that joint meeting, you're right.

CHAIR PRO TEM DAVIS: Yes.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Then we need to have all that information. I agree. Okay. So this is where we're actually projecting the revenues for next year. Again, we're taking all the trends that we've had for the last three or four years and kind of boiling down to the third column from the left where you have the budget FY 2015 projected.

This again, is where we're expecting '15 to end up. If you take those -- that column and carry it over to '16, you can see, you know, there's some changes. But pretty much once you get below the ad valorem taxes, there isn't a lot of -- of room going on there. There isn't a lot of changes from -- from one year to the next. And again, on here -- and I don't know. We still have the \$38.7 million. That is the total ad valorem taxes so that 38 actually then gets split up between the -- the three components. And again, that's at the 8.952, which again, as we've talked about, will, you know -- is up for change.

For the water utility, again, same columns. This is going -- if you look down at the bottom, this number here, the 23.9 million is the projected for '15. Then again we roll that over into '16. That would include the rate increase that is also in place. It does not include any other rate increases. And then a slight -- slight amount of -- of growth but, you know, nothing substantial in that. So again, we're looking to go from maybe 23,9 up to close to 24,2.

MAYOR MASTERS: Excuse me.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yep.

MAYOR MASTERS: Madam Chair?

CHAIRPERSON PARDO: Go right ahead.

MAYOR MASTERS: Can you go back to page -- to the one before this one when we --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: The Utility or the City?

MAYOR MASTERS: City, I think. Not that one.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: This one? Okay.

MAYOR MASTERS: The fines. When -- projected for 620,000, '15 and drop to 400,227 for the projected budget for 2016, is there a -- are we fining less? Are we getting less money for the fines? Is there a reason why that's dropped? Which I'm -- great. I'm grateful. You know? I'm grateful. But is -- is there rhyme or reason with that?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah. Well, the anomaly is actually in '15, that we're actually seeing a lot coming in in '15. And again, I think that is a lot of people doing the catch-up, cleaning up the property, maybe the amnesty program has had a lot to do with that. So what we actually did for '16 is we took that back down to the normal trend. You know, if -- if you've got a lot of properties going through foreclosure and -- and being sold and, you know -- and transferred around, that's where we're collecting all of those code fines and -- and code liens.

MAYOR MASTERS: And also with the red light, wasn't the red light camera we thought we were going to get money for that?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

MAYOR MASTERS: I think that was ruled unconstitutional or illegal or something? We're not -- we're -- we're not getting any fines from that anymore.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Correct. Well, we're -- I don't believe we've ever gotten any fines in that. But we budgeted zero for that.

MAYOR MASTERS: That wasn't (inaudible).

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: And that -- correct.

MAYOR MASTERS: And I'm happy to -- about that.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Correct.

MAYOR MASTERS: Thank you.

CHAIR PRO TEM DAVIS: Madam Chair?

CHAIRPERSON PARDO: Go ahead.

CHAIR PRO TEM DAVIS: Mr. Sherman, do you have a total amount of the number for the total amount of fees we waived for potential deals that if you waive, like, fees like we have with the property on the Broadway corridor?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: I don't but I'm sure we could come up with -- I'm sure we could go back and --

CHAIR PRO TEM DAVIS: All -- all the -- all the fees that we had that helped spur --

CITY MANAGER JONES: So an amnesty report.

CHAIR PRO TEM DAVIS: -- that helped spur development?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: How much the amnesty --

CITY MANAGER JONES: So you want everybody has -- that we --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: -- yeah, I don't know if --

CHAIR PRO TEM DAVIS: Well, I know that -- did that project go through amnesty, the one --

CITY MANAGER JONES: Yes.

CHAIR PRO TEM DAVIS: Okay.

CITY MANAGER JONES: No, it's an amnesty report.

CHAIR PRO TEM DAVIS: Okay. Thank you. So --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Okay. On the marina, again, down the -- the last two columns on the bottom, we're projecting a million five this year. And next year we're actually projecting a million seven. Again, primarily due to the fact you see the fuel sales. Actually, I'm not sure why we have 390,000 in fuel sales in '15. I'll have to go back and look at that. But we do have the 450,000.

Now, what I will say about the marina, all of this will change if you decide to go with the third-party management. Okay? They're going to want to come in. They will work and give the council a budget. So this is based on operations as they currently stand. This is not based on the third-party management arrangement. And the same thing when we start to get into the expenses or as we start talking about the operating budgets. It's going to be a different operating budgets if we're talking third-party management versus talking status quo operations.

Refuse side. Again, we're budgeting -- or we're anticipating \$3.8 million, and we do see a slight increase of 3.9. I'm not sure. Again, I guess we'll have to go back and find out why that number is dropping off. I don't think we had that many properties taken out of commission but we possibly could have. But we're seeing the revenues actually coming in slightly behind last year.

CHAIR PRO TEM DAVIS: So -- so would you come back -- for the next meeting come back and show --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah. We'll -- we'll get an answer on that.

CHAIR PRO TEM DAVIS: -- what -- what -- what made that impact?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah. And then the stormwater. And again, as Chairwoman Pardo mentioned, you know, we will go back and we'll take a look at these numbers. But again, we're projecting the million five and a million six for next year.

I did want to kind of talk real quickly about some of the issues and concerns that we have. Obviously we have all of our wage and salary agreements that we have to address, the four union contracts that are assigned. I think we've kicked around the ad valorem taxes enough probably for the evening. The only point that I would want to make on that is because that increase in FPL is what they term, you know, personal property --

CHAIR PRO TEM DAVIS: Uh-huh.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: -- that is actually a depreciating amount. That amount is going to be smaller from year to year, not larger from year to year. So as we plan that, you know, this isn't a plan for '16. We actually are going to -- we're gonna have to look at this over a number of years to make sure that we're not doing something that's going to impact us, you know, four or five years out. Right now again, you know, we don't have hard numbers for health and dental and the liability insurances. So we're carrying the same level of increases that we had last year but hopefully those will be solidified shortly.

We've talked about the millage rate. Capital needs. You know, we still have numerous capital needs. We did take -- do the \$22 million, take care of some street projects. But again, in dealing with this one and in the last one with the CRA impact, you know, there may be some opportunities to be shifting capital projects back, you know, between the CRA and -- and the City. But again, as you know, the City has its own needs. So all of these issues. And again, I think when we get into the -- the joint meeting, we certainly will need to address these.

We do have to talk about the calendar. We -- you know, we have certain dates out there. Obviously the top date is -- is this evening. Next Monday we're planning on talking about the IT master plan. The -- the consultant will be in to present that plan to

you and the public safety complex. We were looking for maybe a workshop somewhere. We put in the 19th or 26th for that joint meeting but again, those are just dates that we've thrown out. The June 29th date will be the rate study. If you recall as you were sitting as the Utility District Board, you authorized a rate study and that rate study will be presented to you on the 29th.

Then in July you start to get into your budget workshop on the 13th and then setting the - the maximum millage rate. August we've budgeted another budget workshop and then a capital workshop. But it's really the month of September that is kind of up in the air. Due to the way that the calendar falls this year and the way that Labor Day falls, we're not allowed to have our budget meetings on the same nights that the school board or county have their budget meetings. And of course, they've already taken your council meeting nights. Usually we just roll them in with the -- with the council meeting.

So we really need to, you know, have you pull out your calendars and figure out what's going to work. We can go Tuesdays. We can go Thursdays. You know, we just are going to have to -- or Monday. I mean, we just have to look at it and figure out what dates that we're ultimately going to be able to fill in to that calendar. We've thrown out a couple, you know, tentative dates there. I think that September 9th is the first day we could actually hold a meeting. So that date isn't anything standard. We've thought about maybe flipping the CRA meetings with the City meetings so, again, that we could -- you know, we could do something like that so you don't have to come in for extra nights. But that Labor Day is throwing a -- a wrench into this -- this program. So that -- that's up there for considerational talk as we go forward.

I would like -- as my last slide tonight, we want to kind of dispel a notion out there that the City has the highest tax rate in the county. This is just a cut. Okay? But these are - - if you look over into the far right-hand column, these are the total tax rates. And if you see just with these six communities, Riviera Beach, which is the top line, okay, actually has the lowest total tax rate of these six. Now, there's a lot of communities above us, you know, that have rates lower. But what most people want to focus on is this column right here with your operating millage. And as you can see out of this group of six communities, we actually have the highest operating millage rate but yet the lowest overall millage rate. And the reason for that is, if you look across the Riviera Beach line, we all pay the same county rates. Okay? But then we have all these blank rates here that we do not use. We all pay the same school rates. Okay? Then you have the operating rates. And then again, you have the Water Management District and Child Services and Fire in the Health Care District.

The difference is, is when you go down and you look at the other communities, community like Lake Worth, they do not have their own fire department. So they have to pay an MSTU to the County. Okay?

Our operating rate includes the fire department. Theirs does not. That's why you can't look at just those two. When you go down to South Bay, Belle Glade, Pahokee, they don't have their own library. So they have to pay a rate to use the County library. Our library costs are embedded in -- in our rate. And then the other issue here is when you

look at Lake Park, they have their own library, they have their own fire department; however, what they did is they actually voted, took a public referendum and voted to use millage to pay their debt service. Okay. Now, our debt service, again, is embedded in our operating cost. So for the town of Lake Park, you have to add in the debt service.

So when you add in all of those components, which is what, in essence, equalizes all the rates, you come up to that final column on the right. That's the rate that the -- the taxpayer sees when they get their -- but they may see all the breakdowns of all the rates, but ultimately, those are the rates. So again, I -- I know people come up here and they, you know -- they say that we have the highest rate. We do not. And I just wanted to kind of put this explanation out there so everybody understood.

CHAIRPERSON PARDO: Even though it really doesn't matter, Lake Park.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yes.

CHAIRPERSON PARDO: How come you're not showing an MSTU for fire and then also for sheriff?

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: (No audible response).

CHAIRPERSON PARDO: They use Palm Beach County Fire Rescue and then they also use the Sheriff.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah. We didn't see an MSTU for it. It's possible that it's a contract, not an MSTU.

CHAIRPERSON PARDO: Okay.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: It -- it's -- but we could -- we could certainly verify that.

CHAIRPERSON PARDO: No. I'm -- I'm just curious.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

CHAIRPERSON PARDO: Because I know they have this --

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

CHAIRPERSON PARDO: -- remember, they gave away (inaudible)?

CITY MANAGER JONES: Right. They did. Yeah.

CHAIRPERSON PARDO: They shut down their police department.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: And that's what I have for this evening.

CHAIRPERSON PARDO: Seven or eight years ago.

CITY MANAGER JONES: Yeah. Madam Chair?

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Yes.

VI. CITY COUNCIL'S COMMENTS / DISCUSSION

CITY MANAGER JONES: Madam Chair?

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Yes.

COUNCILPERSON GUYTON: Is that -- the operating millage rate is what we as a board and council can control.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Correct.

COUNCILPERSON GUYTON: Those others we really -- unless we enter into an agreement for emergency service or something like that.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Right.

COUNCILPERSON GUYTON: So --

CHAIRPERSON PARDO: Excuse me. Just let the record reflect that Councilman Thomas is on the dais. I'm sorry. Go ahead, sir.

COUNCILPERSON GUYTON: -- so -- so my -- my concern is the area that we control and also our residents who have been very supportive as taxpayers, I think it's time for them now to get some relief. So I'm going to be looking at that operating millage rate as it relates to my position and what we can do and what we have control over. So -- and I see that we have six here and we have 38 municipalities.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Right.

COUNCILPERSON GUYTON: So this is just a small fraction of all of the municipalities in Palm Beach County. I -- I would be interested in seeing the other 32, as well.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN:

Uh-huh. We -- we can provide that.

COUNCILPERSON GUYTON: Yeah. As it relates to comparisons.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN:

Uh-huh.

COUNCILPERSON GUYTON: Thank you.

DIRECTOR OF FINANCIAL & ADMINISTRATIVE SERVICES SHERMAN: Okay.

CITY MANAGER JONES: Madam Chair, at this time, if there are any particular areas that the council would like for us to consider as we begin to start developing the budget, feel free to talk about those now or at the subsequent budget workshops. But we do have some very critical topics that we need to talk about in addition to what we're going to do for the remainder of the day. But I know you all always have things you'd like for us to look at, cost out or see the impact. So by all means if you have those tonight or in the future, just let us know so -- 'cause we need to try to work those within the budget.

CHAIRPERSON PARDO: All right. I'll send you my list in the morning.

COUNCILPERSON MILLER: Madam Chair?

CHAIRPERSON PARDO: Yes, Miss Miller?

COUNCILPERSON MILLER: Okay. Well, I did have a question. Maybe you can clarify it or let me know exactly how this plays out. Madam City Manager, when the directors are wanting to formulate the budget, are they told to list what items they need to cover, what the line items are, or do they just, you know, say, We need \$30 million or whatever? Do they have to justify the -- the amount that they're asking for?

CITY MANAGER JONES: They get to reallocate. We're not -- we don't do zero base so we don't justify.

COUNCILPERSON MILLER: Okay.

CITY MANAGER JONES: It's not like they're building it from the bottom up and trying to justify it.

CHAIR PRO TEM DAVIS: Uh-huh.

COUNCILPERSON MILLER: Okay.

CITY MANAGER JONES: But they can reallocate within their line items during this time of the year. Let's say they figure they need less in office supplies but they need more someplace else.

COUNCILPERSON MILLER: So in order to get that amount they kind of base it off of what they had previously?

CITY MANAGER JONES: We give them the last three years. And so they can see what their expenditures have been like in those line items for the previous years, and then they know how to -- to move money around, realizing that they always get the opportunity throughout the year to do a budget adjustment within the budget if they desire. But we just -- I want to make sure that we get all of the council's concerns, cost them out, see what the impact is and be ready to bring them forward to you. So whenever you have those, by all means, make sure you get them to us.

COUNCILPERSON MILLER: Okay. Thanks.

CHAIRPERSON PARDO: All right. Mr. Davis?

CHAIR PRO TEM DAVIS: I would like to see a copy of the updated vehicle replacement plan, capital vehicle replacement plan to see where we are versus last year and how it impacts the budget now. That's all.

CHAIRPERSON PARDO: Okay. So that's it? All right. Anything else from council? If not we're not going to adjourn. Okay. We're adjourned. Thank you.

VII. PUBLIC COMMENTS

NONE

APPROVED:

Thomas A. Masters
THOMAS A. MASTERS
MAYOR

Dawn S. Pardo
DAWN S. PARDO
CHAIRPERSON

ATTEST:

Claudene L. Anthony
CLAUDENE L. ANTHONY
CERTIFIED MUNICIPAL CLERK
CITY CLERK

Terence D. Davis
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CHAIR PRO TEM

Bruce A. Guyton
BRUCE A. GUYTON
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Kashamba L. Miller
KASHAMBA L. MILLER
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Cedrick A. Thomas
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MOTIONED BY: C. THOMAS
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B. GUYTON TARDY

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C. THOMAS AYE

D. PARDO AYE

T. DAVIS AYE

DATE APPROVED: 07/15/15