



**CITY OF RIVIERA BEACH, FLORIDA
CITY COUNCIL BUDGET WORKSHOP MINUTES
CITY COUNCIL CHAMBERS
JUNE 29, 2015 AT 5:30 PM**

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

CITY CLERK CALLS TO ORDER

CHAIRPERSON PARDO: Okay. Welcome, everyone to the City of Riviera Beach. Today we have a Budget Workshop. All right. Madam Clerk, roll call, please?

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: Present.

CITY CLERK ANTHONY: Councilperson KaShamba Miller?

COUNCILPERSON MILLER: Here.

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?

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

INVOCATION AND PLEDGE OF ALLEGIANCE

(Everyone stood for a Moment of Silence with the Pledge of Allegian

CHAIRPERSON PARDO: Okay. Miss Jones, you want to take it over?

DISCUSSION - RUTH JONES, CITY MANAGER

CITY MANAGER JONES: Thank you, Madam Chair, and thank you to each member of council for joining us tonight. This is another of our series of budget workshops that we go through every year as we're preparing to present to you the tentative budget for 2015/'16. What we're going to do tonight is that you will hear presentations as it relates to the consideration of the increase of stormwater fees, as well as wastewater fees.

As we were fortunate enough to be able to get resources in order to deal with some of our infrastructure and mainly our streets, it became imperative for us to also look at everything that could and should be done while we're repairing streets. And in that particular case, because we are aware that our infrastructure is old, as we're doing the road projects, it -- it will be important for us to consider also doing the wastewater and the stormwater while the street's already torn up. And so thus bringing to you consideration from two master plans.

And then finally we will end up tonight with any initiatives that you would like for us to consider as we begin to develop the budget, so that as we -- when we come to the next budget workshop on the 13th, if there's anything in particular you want us to cost out or if you want to look at increasing anything in the legislative office or making any changes in the legislative office, we would like to entertain those so that we can get the appropriate information that you would like. So first of all we'd like to start with the Stormwater Master Plan. And that will be presented by Brynt Johnson, the Director of *Public Works*.

PRESENTATION AND DISCUSSION OF THE STORMWATER MANAGEMENT UTILITY PROPOSED RATE INCREASE TO FUND PROJECTS IN THE STORMWATER MASTER PLAN.

DIRECTOR OF PUBLIC WORKS JOHNSON: Good evening, Council. Brynt Johnson, Director of Public Works. As Mrs. Jones mentioned, I will be giving the presentation on the proposed stormwater rate increase for 2015. We'll begin with a brief introduction about stormwater, about the Stormwater Management Utility. The Stormwater Management Utility was created in 2003 by way of ordinance 2942. The ordinance basically sets the framework for the establishment of the SMU and outlying definitions,

calculations and imposition of utility fees. Establishing the utility allows the SMU, or Stormwater Management Utility, to operate as an enterprise fund which further allows the utility to change or charge a fee for the maintenance of the utility's infrastructure.

As I mentioned, the ordinance set the framework but by resolution, that actually established the current rate. And by resolution 142-03, we established the current SMU rate, structure of 4.50 per Equivalent Residential Unit, also known as an ERU. Since its inception, SMU has operated using the same originally established rate structure. The rates have not been changed in the last 12 years. When it was originally adopted, the rates covered both operating and capital projects. However, the rates barely cover operating costs as we currently stand.

The next big thing to happen in stormwater after the inception of the SMU was the Stormwater Master Plan. In 2007, the City retained the services of Jordan, Jones & Goulding, also known as JJ&G, which some of you may remember. We hired them to develop the Stormwater Master Plan. The Stormwater Master Plan was intended to -- intended to provide -- to provide the City with long-range stormwater management system planning. The Stormwater Master Plan was formulated to achieve the following objectives: to address flooding problems and develop solutions to improve the level of service in the City; to be a defensible planning tool; to recommend capital improvement projects with sustained implementation strategies, along with funding options; and to help the City comply with federal NPDES stormwater regulations, which many of you probably know what NPDES was from the last port meetings, National Pollution Discharge Elimination System, which every agency has to abide by.

The Stormwater Master Plan was adopted by City Council in March of 2009. The plan identified 42 projects totaling roughly \$21 million. Each project has an associated opinion of cost which was a cost provided to us by the consultants, and it outlined what price they thought or what cost it would be to the City to actually implement that particular project. The plan includes a financial section which states the following. The first one is a paraphrase on my part. It's the utility's current revenues allow for some smaller capital projects but nothing of major significance and that revenues virtually match expenditures.

The next one is actually directly from the Stormwater Master Plan, and it states that the City should seek some combination of multiple funding mechanisms primarily with bonds and SMU rate increases. Over the years we have been trying to attack some of the projects identified in the Stormwater Master Plan, and here we've identified some of the projects, of course some of the smaller projects that we've done. The city marina drainage. The next set of numbers is just the identifier from the Stormwater Master Plan and it should be in your books. But CRA 1- -- or CRA-CIP01 is the actual project number in the book. It was completed approximately four and a half years ago with a cost of 50,000, Avenue P and 37th Street drainage. This was partially completed as a part of the 37th Street improvement project at a cost of about 75,000. And W. 23rd Street, which was actually the first project that we did on the Stormwater Master Plan, came in at a cost of roughly \$50,000.

We've continued to try and complete projects out of the master plan. One of the things or one of the revenue streams that we're trying to use at the current point in time is the \$1.3 million in state appropriations. All of those funds will be used to complete these projects, which include Avenue O drainage at a cost opinion of 400,000; W. 18th Street through W. 22nd Street at a probable cost of 700,000; and W. Sixth Street with a cost opinion of \$700,000. Those are the projects that are slated to be completed as a part of the \$1.3 million that we received from the State.

Factors behind the proposed rate increase: The biggest thing is just normal expenditure growth and low revenue growth. Some other things, increased spending over the last five years. We've contributed -- or when I say "we" I'm talking of SMU -- the utility has contributed to CDBG projects, various CDBG projects. 13th Street, we made quite a few more drainage repairs throughout the City. And we've restored canals and we've replaced some of our aged equipment which is somewhat depleted reserves.

Operational costs. Goods and services cost more, which has increased our operational cost. Employee salaries have increased, as have employee benefits. Current deficiencies caused by the lack of the increases, inability to -- an inability to implement various projects from the Stormwater Master Plan. Also an inability to contribute to the road projects that council approved in 2014, and an ability -- an inability to replace aged heavy equipment. Since we've referenced some of the projects that we have contributed to, I figured we'd show you the associated costs. We've contributed to 13th Street at a cost of \$632,000 for the drainage along that stretch of road. W. Sixth -- W. 36th Street from Avenue J to K, which was a CDBG project, that was approximately 84,000. W. 37th Street, that was also from J to K, and that came at a price of about \$80,000. So that just kind of highlights some of the projects that SMU has been contributing to. Certainly there are more but those are just some examples.

I mentioned previously that the -- the rate was based on 4.50 per ERU. This is just reiterating that. The base rate is 4.50 per ERU. The ERU is 1,920 square feet. I know someone may wonder what that is so I'll go ahead and tell you what the 1,920 is now. The 1,920 is impervious area. That's basically the number that was calculated. That's the average calculation of impervious area of homes in the city. That includes roofs, concrete structures, walkways, porches, pool decks: All of those things are considered impervious area. And what that is is that's an average that was done back when they established the SMU, and that average is 1,920.

Now, commercial is calculated based on that 4.50 rate, but it multiplies the number of ERUs in order to get their -- their monthly fee.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Go ahead.

COUNCILPERSON GUYTON: Quick question.

DIRECTOR OF PUBLIC WORKS JOHNSON: Go ahead.

COUNCILPERSON GUYTON: As it relates to residential, do many of them exceed one ERU?

DIRECTOR OF PUBLIC WORKS JOHNSON: Yeah. Some of them do. We have -- this is just the base rate.

COUNCILPERSON GUYTON: I know.

DIRECTOR OF PUBLIC WORKS JOHNSON: The 4.50 is the base rate. It goes either down or up from there. Homes under, I want to say 1,400 square feet pay a lower rate. Homes over 3,700 square feet, I believe, is the break at the cutoff point, pay an -- pay another rate. That rate is from, like, 3.60 on the lower end to 7.65 on the higher end. So it's a tiered system based on the size. But that's your base rate. That's what it's based on.

COUNCILPERSON GUYTON: It's based on that but --

DIRECTOR OF PUBLIC WORKS JOHNSON: Yes, sir.

COUNCILPERSON GUYTON: -- what does the average resident pay as it relates to the ERU? One, two, what?

DIRECTOR OF PUBLIC WORKS JOHNSON: Most of it's one ERU, 4.50.

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF PUBLIC WORKS JOHNSON: Most of them are 4.50.

COUNCILPERSON GUYTON: Thank you, Madam Chair.

CHAIRPERSON PARDO: Okay. And I have a question.

DIRECTOR OF PUBLIC WORKS JOHNSON: Yes, ma'am.

CHAIRPERSON PARDO: So how do you calculate the condominiums over on Singer Island?

DIRECTOR OF PUBLIC WORKS JOHNSON: That's another rate. I have it somewhere in here, but I think they pay \$3 and something because it's, like, .8 percent of the ERU or something. I can't remember.

CHAIRPERSON PARDO: Three dollars and something cents per unit?

DIRECTOR OF PUBLIC WORKS JOHNSON: Per unit, yes, I believe is what it is.

CHAIRPERSON PARDO: Okay. So is it in our background -- in our backup? I need to know those numbers.

DIRECTOR OF PUBLIC WORKS JOHNSON: Yeah, it's in the Stormwater Master Plan, if you give me one second.

CHAIRPERSON PARDO: I left my book downstairs. Okay. Go ahead.

DIRECTOR OF PUBLIC WORKS JOHNSON: Okay. We'll find that information for you.

CHAIRPERSON PARDO: Right. That's fine.

DIRECTOR OF PUBLIC WORKS JOHNSON: Any more questions on this particular slide? Okay. This is just historical data. It tracks our expenditures and our revenues and capital. As you can see, as you trend towards today's date, our expenditures pretty much match our revenues; whereas our capital or our availability or our ability to be able to do capital projects is severely diminished. The green is our ability to do capital projects. Red is -- I mean, blue is revenue, red is expenditures. So it's getting to the point where the current fees are basically covering all of the day-to-day operational costs.

Most municipalities in Florida have stormwater utility fees, and their rates are based on their need. Some have newer systems. And when I say "systems" I mean newer infrastructure. That's what I thought. Okay. Some have newer systems which may mean lower rates. Some may have had major infrastructure projects done by County prior to any type of annexations such as Pompano, for example. And some -- some -- some just aren't addressing their -- their infrastructure needs. And this is based on conversations that I've had with various municipalities. Most stormwater entities are structured the same except some have different collection methods. Some do direct billing with other utilities such as stormwater. We do our billing directly with the Utility District. And some add the fee to their county's tax roll. The reason they do that is because that ensures a hundred percent collection rate. And I think right now Riviera Beach is, like, anywhere from 90 to 95 percent collection rate.

CHAIRPERSON PARDO: Did he have those numbers?

DIRECTOR OF PUBLIC WORKS JOHNSON: Oh, yes, ma'am. The condos are at 3.60, as I mentioned, per resident.

CHAIRPERSON PARDO: Okay. So each condo unit over on the island pays \$3.60 a month?

DIRECTOR OF PUBLIC WORKS JOHNSON: They should be paying 3.60, yes, ma'am.

CHAIRPERSON PARDO: Okay. By any chance do you have a breakdown of how much stormwater money comes off of the island?

DIRECTOR OF PUBLIC WORKS JOHNSON: No. We could probably get that information but we don't have it offhand.

CHAIRPERSON PARDO: Okay, fine. Why don't you try to get that?

DIRECTOR OF PUBLIC WORKS JOHNSON: Okay.

CHAIRPERSON PARDO: For the next meeting or just e-mail it to me.

DIRECTOR OF PUBLIC WORKS JOHNSON: Okay. Will do.

CHAIRPERSON PARDO: Thank you.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Yes, sir?

COUNCILPERSON GUYTON: Just a quick question of clarification. I think you hit it quickly at the beginning. But could you go back just briefly and explain what the stormwater infrastructure would provide for the resident? Is it drainage and the clogged-up drains? What -- what would be the benefit?

DIRECTOR OF PUBLIC WORKS JOHNSON: Well, the benefit is that there's an improved level of service. You get rid of what some people like to call nuisance flooding, which you're still going to have some of that but you won't have -- you won't have severe flooding, I should say. You're still going to have nuisance flooding but you won't have severe flooding. It improves the level of service. You're basically going from an old outdated system that doesn't work to one that does. You also -- when we do our projects we like to include water quality or some type of water quality component to all the projects. So that's exfiltration trenches, baffle -- baffle boxes. So you're going to get improved water quality. So there -- there are a lot of benefits.

COUNCILPERSON GUYTON: Okay. I think that that needs to be pointed out, too, as we discuss the issue of stormwater infrastructure, 'cause sometime we just go into just discussing the basic infrastructure, not the benefits that that also would provide. I'm sorry about that. Go ahead.

DIRECTOR OF PUBLIC WORKS JOHNSON: I also have the answer to your previous question, Councilman Guyton. On page 6-3 of the Stormwater Master Plan, Section 6, page 6-3, small homes are less than 1,473 feet and they pay \$3.15 a month. Average homes, what we consider average homes or what they consider average homes on the -- the ordinance is 1,400 to 3,700 square feet, and that's \$4.50. Anything over 3,740 square feet is 7.65 per month.

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF PUBLIC WORKS JOHNSON: Okay? This is a chart of comparing other municipalities. These are just random ones that we chose and that we spoke to. And you can see that our rate is the red line at 4.50. And those are the rates of other municipalities and you can see that -- and I'm going to point out Naples specifically because I'm going to -- I'm going to talk about them in, I think, the next slide. They're at

12.80. Actually, that 12.80 was from the 2014 Florida Stormwater Association Survey that they did. But that rate has since gone up to \$13 and something but it'll be on the next slide. But some of these numbers have increased since that study was done. And this is a study that's sent out to all municipalities that have a stormwater utility, and they ask you to include your rights along with some other information.

And as I said, I was going to mention Naples. Naples was \$12 in 2014 or \$12.80. Actually that's a typo. It should have been 12.80. And they're now at 13.05. In 2008, Naples increased their rate from \$4 to \$11 and has annual increases based on CPI. That was also that they could implement -- implement their stormwater master plan, so that's the reason for the jump.

CHAIRPERSON PARDO: Yeah, but also, you know, Naples --

DIRECTOR OF PUBLIC WORKS JOHNSON: They're a little bit -- yeah.

CHAIRPERSON PARDO: -- you know, we're talking --

DIRECTOR OF PUBLIC WORKS JOHNSON: They're -- they're bigger but --

CHAIRPERSON PARDO: -- you know --

DIRECTOR OF PUBLIC WORKS JOHNSON: Right.

CHAIRPERSON PARDO: -- if it was just -- if the City of Riviera Beach was just Singer Island.

DIRECTOR OF PUBLIC WORKS JOHNSON: Right.

CHAIRPERSON PARDO: You -- you know what I mean?

DIRECTOR OF PUBLIC WORKS JOHNSON: Right. Right.

CHAIRPERSON PARDO: Come on. We don't --

DIRECTOR OF PUBLIC WORKS JOHNSON: Right.

CHAIRPERSON PARDO: We're not in the same boat as Naples.

DIRECTOR OF PUBLIC WORKS JOHNSON: Yeah. Yeah. They went from, like I said, they --

CHAIRPERSON PARDO: Right. And they can afford it.

DIRECTOR OF PUBLIC WORKS JOHNSON: -- and I didn't -- I didn't get into what their capital needs were and all of that stuff, but they did a rate increase from \$4 to 11 and I didn't --

CHAIRPERSON PARDO: Yeah. And I'm sure they're taking care of all of their streets.

DIRECTOR OF PUBLIC WORKS JOHNSON: Probably.

CHAIRPERSON PARDO: You know? There's -- we've been paying into this for a long time and, you know --

DIRECTOR OF PUBLIC WORKS JOHNSON: They probably -- yeah.

CHAIRPERSON PARDO: -- I talk about Lake Pardo all the time. I've been talking about it since way before I was an elected official. You go over there now, you're going to need a rowboat to get down my street.

DIRECTOR OF PUBLIC WORKS JOHNSON: I talked about it this morning.

CHAIRPERSON PARDO: Okay.

DIRECTOR OF PUBLIC WORKS JOHNSON: So you're right.

CHAIRPERSON PARDO: But --

DIRECTOR OF PUBLIC WORKS JOHNSON: And I didn't ask them what their -- what their master plan included, whether it was their entire city or what -- what the dollar value was but, yeah, they went from 4 to 11. Delray is currently at the same rate of 5.33 but they're heavily considering an increase. They didn't say what that increase was. They just said that they were considering it. Lake Worth is current --

CHAIRPERSON PARDO: Wait. I'm sorry. Go back to Delray. So how long have they had stormwater fees?

DIRECTOR OF PUBLIC WORKS JOHNSON: I --

CHAIRPERSON PARDO: Has it been longer than this city? Longer than us?

DIRECTOR OF PUBLIC WORKS JOHNSON: -- I did not --

CHAIRPERSON PARDO: I'm just curious.

DIRECTOR OF PUBLIC WORKS JOHNSON: I could find out but I didn't ask that. I'll definitely find out but I didn't ask that question.

CHAIRPERSON PARDO: Because they're, you know --

COUNCILPERSON GUYTON: Yeah. And one thing that I do know --

CHAIRPERSON PARDO: -- they -- they may be a little more comfortable. You know, Lake Worth, you know, poor Lake Worth, they don't have two nickels to rub together and, you know, they're putting that money into their stormwater. But they haven't been able to do anything. I'm sorry, Mr. Guyton.

COUNCILPERSON GUYTON: I've got friends in Delray and when it rains, there's a lot of flooding.

DIRECTOR OF PUBLIC WORKS JOHNSON: It does.

COUNCILPERSON GUYTON: I mean, a lot of flooding. And I'm not sure how they're implementing their plan. But flooding is definitely a big problem there, as it is here. So -

DIRECTOR OF PUBLIC WORKS JOHNSON: Well, and as mentioned, some of them - some people have addressed theirs. Some are addressing and some aren't addressing their stormwater needs, and Delray may be one of those ones that aren't addressing their needs. I spoke to Lake Worth. Lake Worth is currently at the same rate of \$6.30. Their stormwater master plan identified approximately seven -- approximately \$17 million in projects. However, you -- you all may remember when they went out for bonding. They went out as a city and they put it on the ballot and they got turned down. So basically if the funding options were solely left up to their SMUs, say if they go out and do another -- they go out on the ballot again and it gets turned down again, they're going to be forced to do all of their bonding through their utility. And at that -- at that time they're going to have to increase their rates. So they haven't yet and they probably won't only because the city's floating all of their -- all of their projects as a part of their bond. But they're --

COUNCILPERSON GUYTON: Who's doing that?

DIRECTOR OF PUBLIC WORKS JOHNSON: That's Lake Worth. But they've assured me that if they were to do theirs in house, there would be a substantial increase if they had to -- to do that out of their stormwater utility. Pembroke Park is at 9 -- or they were at 9 as of -- as of 2014 when that survey was done. They're now at 9.27. They also -- they all -- they have an automatic annual increase based on the cost of living, which ranges from 3 -- 3 percent to 5 percent per year. So theirs will continue to go up. I didn't ask how many years that's projected to continue, but they said there is one that happens every year.

All right. Some municipalities with lower rates are able to implement -- well, able to implement capital projects with current revenues due to their organizational structure. Municipalities such as Delray, who's at 5.33, and Lake Worth, who's at 6.30, have employees that work in the Public Works Department but perform stormwater activities, as well. The employees under this scenario are paid by the City and not by the utility. Riviera Beach pays approximately 520,000 per year in salary and benefits to SMU staff and to SMU revenues. I highlighted that just to show how some of these other municipalities at their current rate can still afford to be able to do medium-sized drainage projects, and that's because they're saving money on the employees' side or on the -- the employee benefits and employee salaries' side, which our utility pays about 520,000. So assuming we didn't -- that's not a part of this presentation. It's just kind of showing the differences. If we didn't pay that out of SMU, then that would be \$520,000

per year that we would have extra to contribute to capital projects. So it just shows -- goes to show you how they're structured differently and -- and goes to their rates.

Proposed funding options for capital projects is pay as you go, bond issuance, ad valorem taxes, which, of course, is general fund, and grants from state and federal. Bond issuance financing options. Option one is raise rates \$1 per year for seven years, which is \$10 million in bonds with an ending rate of 11.50. Option two is raise rates 15 percent a year as 1 through 4, 10 percent a year as 5 through 7 and that would end with \$11.69. It's an \$11.69 base rate. Option three, double rates in year one. A \$1 increase in year 12 and 5 percent increases in year 14 through 20, which would equate to \$20 million in bonds for a total price or an ending fee of \$12.17.

The process to the rate increase, step one is council approval for staff to move forward. Should we have that approval, staff would submit a financial plan and propose rates to council. Step three would be obtain financing based on the approved plan, and step four would be project implementation, which would be use of funds.

In conclusion, approving the SMU rate increase is not only vital to the implementation of the City's proposed road projects, but is necessary for the continued progress of the utility. Approving the rate increase would allow for the following: full reconstruction of the roads outlined in the road projects list, ability to replace the aging equipment that we currently have in the SMU, and the ability to make necessary emergency repairs as they arise.

CHAIRPERSON PARDO: I have a question.

DIRECTOR OF PUBLIC WORKS JOHNSON: Yes, ma'am.

CHAIRPERSON PARDO: Okay. The list, the road projects list. That's the list that we approved about a year ago?

DIRECTOR OF PUBLIC WORKS JOHNSON: Yes, ma'am.

CHAIRPERSON PARDO: Okay. All right.

DIRECTOR OF PUBLIC WORKS JOHNSON: And not approved, the rate increase will result in the following: full reconstruction projects then become simple mill and resurfacing projects which means that although more roads, substantially more roads can be done, the life of the mill and resurface project is substantially less than a full reconstruction. That basically means that although we can do more roads, you're not really doing them the proper and right way. And any problems that you have with the existing roads will eventually show through on a mill and resurface project. But you can do a lot more roads through mill and resurface, or at least by lay mile. Aged equipment will be forced to remain in the fleet which will result in loss of productivity, as well as an increased maintenance cost. And it will affect the ability to respond to emergency situations. And that concludes the presentation on the SMU rate increase. I'll entertain any questions that Council may have.

CHAIRPERSON PARDO: Okay. So if we chose, say, option three, right, and then we were able to go out and bond \$20 million, would \$20 million be enough money to complete the entire list including -- how much money do you still have in the fund?

DIRECTOR OF PUBLIC WORKS JOHNSON: I'll answer the first question, and then I'll ask Mr. Sherman to answer the second one. The first question, yes. That \$20 million we've outlined about 18 million in projects on that complete projects list.

CHAIRPERSON PARDO: And then contingency because we all know what's --

DIRECTOR OF PUBLIC WORKS JOHNSON: Well -- well, because it's -- well --

CHAIRPERSON PARDO: -- once you open it up it's going to be a nightmare.

DIRECTOR OF PUBLIC WORKS JOHNSON: Exactly. Well, there's phase one and phase two. Phase one is 10 million and phase two is assuming we go out for another round of bond issuance for more road projects. That would be phase two which would be another 8 million so 18 million total. And yes, so that would cover it under option three. And --

CHAIRPERSON PARDO: Yeah. So how much do we have in the bank right now?

DIRECTOR OF PUBLIC WORKS JOHNSON: He's working on finding -- finding that answer. While he finds that answer, any -- any other questions?

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: I'm good. Go ahead, Mr. Guyton.

COUNCILPERSON GUYTON: On -- on the existing -- on -- on the bond funds that we have for the roads that were identified, I thought that there were also -- some of those funds would be used to do underground infrastructure work, as well.

CHAIRPERSON PARDO: Uh-huh.

COUNCILPERSON GUYTON: Did -- did I misunderstand that?

DIRECTOR OF PUBLIC WORKS JOHNSON: No. That was primarily the road -- the roadwork. It may have included some curb but, no, none of the underground, no water, sewer, drainage. None of the actual underground infrastructure.

COUNCILPERSON GUYTON: None of the underground infrastructure?

DIRECTOR OF PUBLIC WORKS JOHNSON: (Shakes head).

COUNCILPERSON GUYTON: Oh, I totally misunderstood that.

DIRECTOR OF PUBLIC WORKS JOHNSON: No. No. The cost to do road projects is extremely expensive.

COUNCILPERSON GUYTON: Yes. Yes. I understand. And -- and -- and I fully understand, too, that the time to do the underground infrastructure, when -- when there's work being done on the road.

DIRECTOR OF PUBLIC WORKS JOHNSON: That's exactly --

COUNCILPERSON GUYTON: Because you just don't go and dig up a road and start doing infrastructure unless there's a reason.

DIRECTOR OF PUBLIC WORKS JOHNSON: Exactly.

COUNCILPERSON GUYTON: Unfortunately we don't have the finances to do that as most areas need it. My -- my other question is at -- at what point do we look at the -- the other areas? Let me back up. Right now we have one of the highest millage rates, and I'm going to be addressing that in other part of our budget discussions, 'cause my position has not changed on that.

CHAIRPERSON PARDO: Mine hasn't, either.

COUNCILPERSON GUYTON: And -- and we also are now going up 2 percent every year on our water, which I've had discussions with Mr. Aurigemma about that, but that's part of the agreement that was made before I got here. And now we're talking about another increase for the stormwater. One thing that I do understand, that some of the work that needed to be done has not been done in years. And if it's not done it's just going to get worse and the flooding going to get worse, so we might as well be realistic that at some point we have to phase it in. But I -- I'm trying to determine how to phase it in that wouldn't impact the residents as severely with all of the other things we got going on with the 2 percent and the water and at the millage rate where it is now and now the stormwater. So I'm looking for a -- a little more moderate increase.

And the other issue that we have is that this is across-the-board increase, and I would like to know at what point do you start looking at other areas outside of the list that we've established and what kind of cost that would be. Because obviously there would be some saying that we're all paying into this and, you know, we would like to share in -- in these improvements, as well. So my question is, are we looking to go beyond the list that we have established for this first round and if so, when would that be? And how do we plan to fund a larger area than what we have just already identified? That's only for this current list.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Randy Sherman, Director of Finance and Administrative Services. You're talking about --

COUNCILPERSON GUYTON: I've got a question before you start.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Oh, sure.

COUNCILPERSON GUYTON: Are these options just for the existing list that -- that we have identified and the various areas of each district?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah. Options one and two, we'd be able to come up with about \$10 million, and we need about -- I think it's 9.3 million to match the street projects. So one and two would only take care of the current street projects that you have.

COUNCILPERSON GUYTON: The current street projects?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right.

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Option three would actually raise enough to do \$20 million. So you could do the 9.3 for the street projects, plus have \$10 million to do other stormwater projects, whether it's a phase two of the street projects or anything else that doesn't necessarily match up with the street projects.

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay?

COUNCILPERSON GUYTON: Okay. I understand. Okay. So now my question regarding --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay. Yeah. The -- the issue -- the issue --

COUNCILPERSON GUYTON: -- you partially answered it, though.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right. I think what your question is -- if I'm incorrect, please correct me -- is when are we going to get around to a phase two of street projects?

COUNCILPERSON GUYTON: Yes.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: My thinking would be, is that these projects are probably going to take us three or four years to complete. So, you know, we're already one year into that.

COUNCILPERSON GUYTON: Uh-huh.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: So let's assume we're out another -- at least another three years. The issue would be, is finding the revenue stream. Okay? Remember, we had the lease from the CRA which is what backed these bonds. But it would be finding the next revenue stream to be able to go out and borrow again maybe another \$20 million to be able to do -- to do the next phase. At this point, you know, the issues that we have, that we'll be talking about tomorrow night, you know, I'm not sure where that revenue stream is coming from yet.

But again, we're talking maybe four years from now. So you're talking 2019, maybe '20, you know, '18 if we're lucky, 2020 if, you know -- if things are -- get tough.

But that would really be when they've wrapped up the first round and then it could be time to fund the next round of projects.

COUNCILPERSON GUYTON: Okay. So I -- I -- and as I read through this, and what - what I -- I'm looking for --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Uh-huh.

COUNCILPERSON GUYTON: -- is a long-term 10- to 20-year plan.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay.

COUNCILPERSON GUYTON: That is the type of planning that --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right.

COUNCILPERSON GUYTON: -- I'm comprehending in my mind.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: I hear it. Yeah.

COUNCILPERSON GUYTON: That just one phase is not going to get it. We don't have the funds. But what is our plan 10 to 20 years so that we can encompass most, if not all, of our city for improvement and what that cost would be, and what would be the funding strategy that we plan to use in 10 to 20 years to get us there?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

COUNCILPERSON GUYTON: And -- and that would assist me in developing the type of budget currently to do this with my mind thinking 10, 20 years down the road, that we do have a strategy to do the rest of the majority of our city.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: And -- yeah. And again, with the -- with the tax situation the way it is now, we would have the ability if you so choose to target a particular revenue stream. And let's say, for example, we decide we're going to issue sales tax bonds and say that's the revenue and we're always going to use that for GAP, for street projects and that. You have the ability to do that at this point. Question is, is by pulling that out of your general fund -- in essence, that's what you're doing, to -- to pay the debt -- is how does that then impact, you know, how the general fund is going to operate?

COUNCILPERSON GUYTON: Other services.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: And again, we'll get a little bit more into that tomorrow night 'cause you'll -- you know, you'll see

how the taxes actually start to, you know, go down over time. You know, again, that FPL money doesn't stay where it is.

COUNCILPERSON GUYTON: Uh-huh.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: And it's probably not going to climb. It's going to reduce. You know, that's going to get amortized. So you just have to make sure that if you want to pull a revenue stream out and use it as straight -- you know, strictly for tax -- strictly for debt, how, again, the rest of the general fund is going to operate.

COUNCILPERSON GUYTON: Yeah. And let me reiterate, too.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

COUNCILPERSON GUYTON: At some point -- and for me the point is now -- we need to give the taxpayers some relief or level of relief, and I think it should be through our millage rate.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right. Yeah.

COUNCILPERSON GUYTON: I'm still there.

CHAIRPERSON PARDO: Yeah.

COUNCILPERSON GUYTON: So considering the entire picture --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right.

COUNCILPERSON GUYTON: -- I don't know where the other elected officials are, my colleagues. But those ad valorem taxes pay the lion's share of personnel costs, of services that we offer, and at some point I feel we need to give our taxpayers our relief. So --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right.

COUNCILPERSON GUYTON: -- so -- but having said that, if there is a long-term strategy, 20-year strategy, with those components included that we want to try to reduce the millage rate to some degree, but we also want to have a long-term plan so that we can have two or three phases of infrastructure projects.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right.

COUNCILPERSON GUYTON: Speaking of which, do we have a long-term plan, 20-year plan for our infrastructure? Has that been -- I know we have one for -- what is it, Mr. Aurigemma? The -- the -- the water --

EXECUTIVE DIRECTOR AURIGEMMA: The Water and Wastewater Master Plan.

COUNCILPERSON GUYTON: Yes. Now, for the infrastructure, do we have a long-term 20-year plan that has been established?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Well, what -- what they did on -- on the streets is they actually went out and did a -- a pavement assessment type program to figure out --

COUNCILPERSON GUYTON: Yeah, I read hear --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right. Right.

COUNCILPERSON GUYTON: But -- but my question is --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: But --

COUNCILPERSON GUYTON: -- is -- is that in the pipe or are we even -- is staff even considering that, bringing something to us or what -- what --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Well, again, when we -- when we presented the CIP plan -- I'm sure -- I guess it was a little over a year or so ago, we put in there 4 to \$5 million per year for street projects. Specific streets, no. But it was like, Okay. You know, 'cause again, 15-year life, 20-year life, you know --

COUNCILPERSON GUYTON: Uh-huh.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- and you start rotating it around. But not specific, Here's the funding; here's the specific projects. So I guess the answer to your question is probably more --

COUNCILPERSON GUYTON: Okay. No.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- no than --

COUNCILPERSON GUYTON: Yeah. No, and I'm not looking for specific projects, per se, as I am a long-term plan and trying to determine what a potential funding mechanism would be long term.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right. Right. Yeah.

COUNCILPERSON GUYTON: And that could change depending on the circumstances.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah. And -- and it is going to change. And obviously we have newfound funds.

COUNCILPERSON GUYTON: Yeah.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: But again, depending on, you know, how --

COUNCILPERSON GUYTON: Some of which really needs to go somewhere else for other obligations --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Well, that's what I mean. Until, I think, that decision --

COUNCILPERSON GUYTON: -- that we have.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- is made and what you want to do with the --

CHAIRPERSON PARDO: Exactly.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- taxes.

CHAIRPERSON PARDO: This is -- right. You can't decide right now.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Then we can go back and -- and try to figure that out.

COUNCILPERSON GUYTON: Yes.

CHAIRPERSON PARDO: Yeah.

COUNCILPERSON GUYTON: Okay. I'm done.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay.

COUNCILPERSON GUYTON: I would like to recommend that staff at least consider a long-term stormwater drainage infrastructure plan so that we, as policymakers, will know what we need to do now to start preparing to fund something like that.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right.

COUNCILPERSON GUYTON: That -- that's --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Got it.

CHAIRPERSON PARDO: Yeah. I just want to make a statement.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay.

CHAIRPERSON PARDO: You know, some of us really want to see a cut in -- in property taxes. Right? The millage has been too high for too long. But I believe, you know, if we go along with the mill, we would be able to offset some of the increases.

Say we went with, you know, either option two or option three and then the increase in the water bill, I think at the end of the day, the taxpayers would still --

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

CHAIRPERSON PARDO: -- right, end up, you know --

COUNCILPERSON GUYTON: Uh-huh.

CHAIRPERSON PARDO: -- net positive.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

CHAIRPERSON PARDO: So you know, we need to think about that, also. But again, yeah, we can't make a decision on this until we decide what we're going to do with the budget and -- and the millage rate.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right.

CHAIRPERSON PARDO: Right?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Correct.

CHAIRPERSON PARDO: All right. Does anyone else have any questions? Miss Miller, anything?

CHAIR PRO TEM DAVIS: Yes, Madam Chair.

CHAIRPERSON PARDO: Mr. Davis, go ahead.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: I -- I did want to answer your --

CHAIRPERSON PARDO: No, wait. Here --

CITY MANAGER JONES: Councilman Guyton did ask for those numbers --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- I did want to answer your question, if I can.

CHAIRPERSON PARDO: Oh, I'm sorry.

CITY MANAGER JONES: -- so do you want to --

CHAIRPERSON PARDO: Go right ahead.

CITY MANAGER JONES: On the millage, did you want him -- you asked him for those numbers earlier.

COUNCILPERSON GUYTON: If this is the appropriate -- if this is the appropriate time, I don't -- I'm not sure how -- how staff --

CITY MANAGER JONES: Yeah. Well, Randy, if you could --

COUNCILPERSON GUYTON: -- (inaudible).

CITY MANAGER JONES: -- just in case somebody is not viewing tomorrow night --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay.

COUNCILPERSON GUYTON: Okay.

CITY MANAGER JONES: -- that we can say if you do a mill reduction, it's this much --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Oh, okay. You'll have to give me a --

CITY MANAGER JONES: -- if we could just do that for the record so that --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah, I'd -- I'd have to run downstairs and get that. But I can -- I can do that. But before I do that and my arm falls off here, at the end of last year we had a million seven in the stormwater account.

COUNCILPERSON GUYTON: You need to work out a little bit.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: And in the CIP we appropriated a million 650. So effectively, at the end of this year, if you complete all the projects, it'll be about \$50,000 left.

CHAIRPERSON PARDO: In addition to the -- the money -- the bond money, remember?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: No. But that's not on the stormwater side. This is just the stormwater dollars.

COUNCILPERSON GUYTON: Yeah. That's what I was saying.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: So when -- when --

CHAIRPERSON PARDO: Okay. But that money --

COUNCILPERSON GUYTON: I didn't understand myself.

CHAIRPERSON PARDO: -- was going for infrastructure. Correct? The -- the bond money was going to --

DIRECTOR OF PUBLIC WORKS JOHNSON: Roadway infrastructure.

CHAIRPERSON PARDO: Right.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Roadway infrastructure, not the stormwater.

CITY MANAGER JONES: For the roadway.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Not the stormwater component.

CITY MANAGER JONES: The street.

CHAIRPERSON PARDO: Right. Well, the -- the thinking was --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right.

CHAIRPERSON PARDO: -- we would do some stormwater, right -- do some stormwater projects before we did the roadwork while everything was ripped up.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right. But the -- but the 22 million is paying for the streets.

COUNCILPERSON GUYTON: Yeah, that's what --

CHAIRPERSON PARDO: Right.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: 12 million, right, 'cause we gave CRA some of it.

CHAIRPERSON PARDO: Right.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: But it's going to the streets. The stormwater needs to pay for the stormwater component.

CHAIRPERSON PARDO: Right. Right. Right. I understand.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay.

CHAIRPERSON PARDO: I understand. Okay. All right. Anything else?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Do you want me to go get -- I'll go get the tax numbers and we can look.

CHAIRPERSON PARDO: Okay. All right. So Miss Jones, you have anything else with this item?

CITY MANAGER JONES: That's all for that item. And let me make sure that I understand.

CHAIRPERSON PARDO: And please let the record reflect that Councilman Thomas is on the dais. Welcome, sir.

COUNCILPERSON THOMAS: Thank you.

CHAIRPERSON PARDO: Okay. Go ahead, Miss Jones.

CITY MANAGER JONES: If I am correct, the task that was suggested and endorsed by all of you was that we bring back a long-term financing plan for all of our infrastructure items. Beyond what we have here now. The plans go for 20 years. And so looking at what that dollar figure is of the 19 million in this case, the long-term financing of our capital needs.

CHAIRPERSON PARDO: But still moving forward with the list first?

CITY MANAGER JONES: With what we have. With what we have.

CHAIRPERSON PARDO: Right. Yeah. And I'd just like to make a comment because -
-

CITY MANAGER JONES: Is that correct?

CHAIRPERSON PARDO: -- it's -- you know, it's pretty -- I don't know. It's pretty mind-blowing because here we are talking about a 20-year plan and, you know, there's a lot of people that lived in this city a lot longer than me. I've been here 21 years and I haven't seen anything happen on my street, you know?

COUNCILPERSON GUYTON: And that -- that's -- therein lies the reason that we need to have --

CHAIRPERSON PARDO: Exactly.

COUNCILPERSON GUYTON: -- a plan so that we can address different sections of our community.

CHAIRPERSON PARDO: Right. Absolutely.

COUNCILPERSON GUYTON: Simultaneously.

CHAIRPERSON PARDO: Instead of residents filling in their own potholes.

COUNCILPERSON GUYTON: Yeah.

CHAIR PRO TEM DAVIS: Madam Chair?

CHAIRPERSON PARDO: Okay. Yeah, go ahead.

CHAIR PRO TEM DAVIS: Really quick. I'm trying to -- Mr. Sherman, he left?

COUNCILPERSON GUYTON: He's coming back. I think he --

CHAIRPERSON PARDO: He's coming back.

CHAIR PRO TEM DAVIS: Okay. I think I'll hold my question, 'cause the question I had is I believe a question regarding to him. I'll wait till he come back.

CHAIRPERSON PARDO: Okay. Okay. Miss Jones, you want to continue?

CITY MANAGER JONES: Yes. Our next presentation and discussion is on the water and wastewater revenue sufficiency and rate designed analysis. You may recall that -- and I'm kind of -- we're having you kind of sit as both boards. On the Utility District side you asked -- we got asked for permission and you gave us the authorization after we presented the water or wastewater master plan as to how we might go about trying to finance some of those projects. And so at this time I will turn it over to Mr. Lou Aurigemma, the Executive Director, who will introduce the consultants that completed that report.

PRESENTATION AND DISCUSSION OF THE WATER AND WASTEWATER REVENUE SUFFICIENCY AND RATE

EXECUTIVE DIRECTOR AURIGEMMA: Thank you, honorable City Council and Utility District Board. Water: the most valuable resource on our planet. One of the things that we have to be concerned with is we want a safe and reliable water source, water product, so that in your home it's a quality-of-life issue. When you're at home you're able to turn on your faucet, get a -- a clean water supply, and then when you flush something down the drain or down the toilet, it goes away and it gets treated.

All that costs dollars. That's infrastructure to get the water out of the Biscayne aquifer, out of a lake, to pipe it to the water treatment plant, to treat it, to disinfect it, get it into more pipes and get it to your home: That is what costs the money. And so when I arrived in 2010, one of the first things that I asked about was, Let me see your water and wastewater master plan. And the answer was, We don't have one. So I commissioned a water/wastewater plan in 2011 and for the next 15 months or so, we -- we created a water/wastewater plan by our -- our engineering consultant. And -- and that document is right here. It's a 20-year plan. It's 439 pages. And it's quite comprehensive, looking at the water treatment, the water distribution, wastewater collection, and even into the -- the water treatment side. We did some hydraulic models and we -- we moved along with that.

This is a living document. It's subject to change. We'll -- we'll tweak it here and there as we go along and what our needs are. We have a utility that's 58 years old. And by infrastructure means and methods, that is quite old. It's at or near the end of its useful life, meaning the entire utility. And so again, as I mentioned, we looked at a 20-year

horizon. So out of the five-year top high-priority and urgent-priority projects, I identified in both the water and wastewater side -- the first item was the miscellaneous water infrastructure projects that we have just spoken about with -- with Public Works. That's with the roadways. We allocated about \$3 million on the water side to -- to go along with the Public Works bond projects.

We have two new raw water wells that are required by the South Florida Water Management as part of our consumptive use permit that was -- that -- that we achieved in 2012. We also need to replace portions of our water treatment plant. Our lime slakers and our lime slurry system, which is part of the treatment process that gets the water to the quality that we have. In addition to that, we need an additional 16-inch water main to serve the island, and that's more redundancy so that if something failed along the way, there's always going to be water to the island. And then replace the water plant generators. These generators are over 25 years old. And if something happens, then the reliability of the water treatment plant will fail.

COUNCILPERSON GUYTON: Madam Chair?

COUNCILPERSON MILLER: Madam Chair?

COUNCILPERSON GUYTON: Oh, no, go ahead.

COUNCILPERSON MILLER: No, we've probably -- I think we've got the same question.

CHAIRPERSON PARDO: Go ahead, Miss Miller.

COUNCILPERSON MILLER: Do we have this PowerPoint or any of these --

EXECUTIVE DIRECTOR AURIGEMMA: No. These were just some slides that I put together just for talking points.

COUNCILPERSON MILLER: And this is coming from -- the information here is coming from this section, the master plan?

EXECUTIVE DIRECTOR AURIGEMMA: No, it's coming from -- this is --

CITY MANAGER JONES: (Inaudible).

EXECUTIVE DIRECTOR AURIGEMMA: The master plan.

COUNCILPERSON MILLER: Oh, okay.

EXECUTIVE DIRECTOR AURIGEMMA: And -- and this was all -- these projects are also listed in my five-year capital plan which was from last year. So that was approved. It was unfunded. All these projects were unfunded but it -- it's -- it's listed in many places.

COUNCILPERSON MILLER: Is it possible for me to get a copy of this?

CITY MANAGER JONES: I'm going to -- that's what I'm going to (inaudible).

COUNCILPERSON GUYTON: Okay. But I have a question.

CHAIRPERSON PARDO: All right. Mr. Guyton, go ahead.

COUNCILPERSON GUYTON: The -- the -- the pipe or pipes that's running from the island, where -- where you said that we pretty much need an alternate.

EXECUTIVE DIRECTOR AURIGEMMA: Yes.

COUNCILPERSON GUYTON: And how many pipes are running from the island?

EXECUTIVE DIRECTOR AURIGEMMA: Right now there are two. Two pipes. And they're both old.

COUNCILPERSON GUYTON: They're both old?

EXECUTIVE DIRECTOR AURIGEMMA: Yes.

COUNCILPERSON GUYTON: Now, if -- if one is damaged or there's a problem with one, can the other one accommodate the flow?

EXECUTIVE DIRECTOR AURIGEMMA: Not the total flow. You -- you -- you would have a reduced pressure. You -- you wouldn't be able to get -- because the condos are -- are growing on the island.

COUNCILPERSON GUYTON: Yeah. Understood. Understood.

EXECUTIVE DIRECTOR AURIGEMMA: So -- so we -- we -- we need that -- that additional flow for redundancy.

COUNCILPERSON GUYTON: So -- and -- and I don't think that we should have our residents in that predicament. But the -- the ones that we do have there, how long have they been there, approximately?

EXECUTIVE DIRECTOR AURIGEMMA: They've been in the -- in the ground or under the water for at least 30 years.

COUNCILPERSON GUYTON: And we haven't replace -- well, obviously not. Okay. Thank you, Madam Chair.

COUNCILPERSON MILLER: Madam Chair?

CHAIRPERSON PARDO: Yes, Miss Miller.

COUNCILPERSON MILLER: Did we say whether or not I could get a copy of the PowerPoint?

CHAIRPERSON PARDO: Yeah, they're --

COUNCILPERSON MILLER: He's working on it?

CHAIRPERSON PARDO: Yes.

COUNCILPERSON MILLER: Okay.

EXECUTIVE DIRECTOR AURIGEMMA: Okay. And then I identified some urgent and high-priority projects on the wastewater side. And so again, we had the miscellaneous wastewater infrastructure that's tied to the Public Works bond projects. And -- and again, we had done some -- some high-level estimates and -- and we talked it over with Mr. Johnson, and that's about what we needed from the water and sewer side, considering we're going to tear up the road and -- and put back that infrastructure.

In addition to that, lift station number 47 rehab replacement project, that is the one that's on Haverhill Road. And that -- that is one of the main lift stations that goes directly into the ECR, the wastewater treatment plant. Then we need a parallel 16-inch force main across the intercoastal. And that's -- that's the sewage. Right now there's only one pipe coming from the island back to the mainland. If something ever happens to that pipe -- and that's been in the ground for 30 to 40 years. If something happens to that, we're out of luck. And so, you know, we've identified the -- the second -- secondary pipes so that if we put that in, then at least we can take a look at the other one and see how good or how bad it is.

CHAIR PRO TEM DAVIS: Madam Chair?

CHAIRPERSON PARDO: Mr. Davis?

CHAIR PRO TEM DAVIS: Mr. Aurigemma, could you explain what are some of the risks or some of the things that could happen to that pipe?

EXECUTIVE DIRECTOR AURIGEMMA: Well --

CHAIR PRO TEM DAVIS: Just some that you foresee that potentially may happen, some study?

EXECUTIVE DIRECTOR AURIGEMMA: -- well, the -- the -- the worst-case scenario is that there's a rupture. That's the worst-case scenario.

CHAIR PRO TEM DAVIS: Okay.

EXECUTIVE DIRECTOR AURIGEMMA: Or there could be some smaller leaks. And -- and there have been some leaks in the pipeline along the -- and I'll get to that in a couple of minutes -- in the pipeline but not that it went under the water but on the land.

So it has happened. And then as part of the high -- urgent and high priority, we also have approximately 40 lift stations throughout the city that -- that need some rehabilitation. Roughly about 100,000 per and so that's about 5 million -- \$4 million. The total of the water and the wastewater that I've just identified tonight is \$33 million. So -- and -- and again, we'll -- we'll get you a copy of that.

COUNCILPERSON MILLER: Madam Chair?

CHAIRPERSON PARDO: Yes, Miss Miller.

COUNCILPERSON MILLER: What is the recommended amount of time or years for replacing pipes or -- or fixing them or however?

EXECUTIVE DIRECTOR AURIGEMMA: Well, depending on -- on its -- well, typically a pipe will last 50 to 75 years.

COUNCILPERSON MILLER: Okay.

EXECUTIVE DIRECTOR AURIGEMMA: And if it's in a more corrosive environment such as the island where it's --

COUNCILPERSON MILLER: Salt water.

EXECUTIVE DIRECTOR AURIGEMMA: -- a salt water type, that gets shortened.

COUNCILPERSON MILLER: Uh-huh.

EXECUTIVE DIRECTOR AURIGEMMA: As I mentioned earlier, our utility is 58 years old. So we're right in that period where, you know, we -- we've had some smaller leaks. Actually, we've had a couple of big ones, too. But -- but again, it's -- it's -- it's sporadic. It may be here or there but eventually, something has to be replaced. And -- and we do the best that we can with what we have.

COUNCILPERSON THOMAS: Madam Chair?

CHAIRPERSON PARDO: Yes, Mr. Thomas.

COUNCILPERSON THOMAS: Mr. Aurigemma, what is the condition of some of the other pipes on the mainland? We seem to have a lot of leaks where we have to tear up the ground and repair it and put it back. What is our strategy to try to correct some of that, as well?

EXECUTIVE DIRECTOR AURIGEMMA: Well -- well, part of it is through the -- the Public Works bond projects. That would take care of some of that. Some of the work that we've done has been through the Community Development Block Grant funding where we replace systematically water and sewer infrastructure on various streets. So that is -- the whole northwest strategy area has been -- we've -- we've moved lines from the rear of the property into the front so that we didn't have to go back into the alleys

anymore, the easements. So that's been an improvement. So that area there is done. But -- but again, we have the entire city that we have to maintain. And so we're systematically going through that. And as I mentioned to Miss Miller, you know, we have a -- we have an old utility. Old in the sense that, you know, by -- by utility standards, it is a bit on the old side.

COUNCILPERSON THOMAS: What I saw, your total was, I think, 18 million on that last slide?

EXECUTIVE DIRECTOR AURIGEMMA: Yeah. The -- those were the urgent and top priorities only. And again, I have a 20-year master plan so, you know, we would -- we would be going -- and this is the first \$40 million chunk. In the master plan we identified \$215 million over 20 years. So this is the first part. We can't do it all at once so we want to be able to -- and -- and it's basically from east to west. The -- the western infrastructure is newer 'cause it was developed later in life. But then the -- the mid part of the city is the part that would need to be renovated as soon as --

COUNCILPERSON THOMAS: Right.

EXECUTIVE DIRECTOR AURIGEMMA: -- well, as soon as we're able to do that.

COUNCILPERSON THOMAS: Are we speaking of that Old Dixie to Congress corridor?

EXECUTIVE DIRECTOR AURIGEMMA: Yes. And -- and that -- that is a part of it. And -- and again, the northwest strategy area, we've been doing a pretty good amount of work in that area.

COUNCILPERSON THOMAS: And what would be considered the northwest strategy area?

EXECUTIVE DIRECTOR AURIGEMMA: That is from Old Dixie to approximately Avenue S, north of Blue Heron to Silver Beach.

COUNCILPERSON THOMAS: Okay.

EXECUTIVE DIRECTOR AURIGEMMA: That general area.

COUNCILPERSON THOMAS: Okay.

CHAIR PRO TEM DAVIS: Madam Chair?

CHAIRPERSON PARDO: Mr. Davis?

CHAIR PRO TEM DAVIS: Thank you. Mr. Aurigemma, do you have, like, a chart illustrating what we've actually completed throughout the entire city versus what hasn't been redone?

EXECUTIVE DIRECTOR AURIGEMMA: I don't have that, but I have seen that from the Community Development Department where they've -- because they're the ones who -- who -- who get the CDBG money, and -- and I know the -- I've seen a chart there but I don't have it with me. But we can get you that.

CHAIR PRO TEM DAVIS: So -- so are you, like, in sync with who's doing what?

CITY MANAGER JONES: The Public Works that has CDBG --

EXECUTIVE DIRECTOR AURIGEMMA: Oh, is it at Public Works? Okay. Yeah. Yes, we're in sync. Whenever they have -- they -- they say they're going to do a road, they ask us, Hey, can you -- do you have money to -- to put into that? And -- and -- and in our capital, our CIP, I do have an amount of money every year for the CDBG projects. So there -- there is something already allocated for that.

CHAIR PRO TEM DAVIS: Is there a study or something that determines what's priority, what's high priority versus what's not in the city, just to --

EXECUTIVE DIRECTOR AURIGEMMA: Well, and -- and -- and that's what the master plan that I showed you --

CHAIR PRO TEM DAVIS: Uh-huh.

EXECUTIVE DIRECTOR AURIGEMMA: -- did was it did identify -- it -- it identified four different areas. An urgent, something that's at or near the end of its useful life; a top priority, a medium priority, a low priority, and then there's also programmatic which is something that has to be done every year.

CHAIR PRO TEM DAVIS: So what tool did you use to determine that?

EXECUTIVE DIRECTOR AURIGEMMA: An engineering consultant.

CHAIR PRO TEM DAVIS: Same -- same -- it's the same company here?

EXECUTIVE DIRECTOR AURIGEMMA: It's not the one that did the utility rate study.

CHAIR PRO TEM DAVIS: Oh, okay.

EXECUTIVE DIRECTOR AURIGEMMA: That was Hazen & Sawyer.

CHAIR PRO TEM DAVIS: Okay.

EXECUTIVE DIRECTOR AURIGEMMA: Yeah. They -- they're -- they are a national firm and, you know, they have resources around the country. So it was they that produced this document for us.

CHAIR PRO TEM DAVIS: Okay.

CHAIRPERSON PARDO: And what year was that done, again?

EXECUTIVE DIRECTOR AURIGEMMA: We accepted it 2013.

CHAIRPERSON PARDO: Right. Thank you.

CHAIR PRO TEM DAVIS: Okay.

EXECUTIVE DIRECTOR AURIGEMMA: So now, if there are no other questions, I'll get into the -- the presentation by our utility rate consultant. And -- and again, we talk about our -- our infrastructure. It's out of sight, out of mind. Earlier we talked about the Public Works, the -- the road jobs. And -- and that is for the -- the curb and gutter in the road. That's what you see. But what you don't see is under the ground, whether it's storm drainage or water and sewer pipes. And those pipes that you see right now, one came from lift station 50, which is at MLK and Avenue U, and again, because it's a very harsh condition, this was a wastewater pipe. It -- it -- it's aged. So essentially this is our agenda for this evening. I've already gone into an introduction and background.

And now we'll -- I'll introduce Rob Ori, the President of Public Resources Management Group, which is PRMG, and his firm provided us with the utility rate study.

DESIGN ANALYSIS CONDUCTED BY PUBLIC RESOURCES MANAGEMENT.

ROB ORI: Thank you, Lou. Again, for the record, my name is Robert Ori, principal of Public Resources Management Group. Also tonight with me is Mr. Mike Francis, who assisted me on the program.

CHAIRPERSON PARDO: Welcome.

ROB ORI: Or the project, I should say. Let me see if I got this right here. In terms of the study goals and objectives, basically what we tried to task to do is look at your financial position of the utility and try to come up with a capital funding plan for the -- the -- for the improvements that have been identified.

But the -- the overall goal is to maintain a sustainable forecast and a cost recovery plan that produces stable rates at the lowest cost to the customers over the long term. May not be the near term. We're trying to get a sustainable plan to meet these -- these issues. And there were several study objectives that we -- that we considered. First is to maintain the financial strength and creditworthiness of the utility. That deals with financial risk. The stronger we are as a utility, the better we can fund our capital needs, meet our requirements. We're flexible in terms of any issues that may come up, hurricane, for example. And -- and that is a -- a direct reflection on the city as a whole in terms of the ability to serve.

You want to promote increased capital reinvestment. This deals with quality service and compliance. I mean, Lou showed you some pictures of lift station 50, I think it was. This is an issue not just facing the -- the city, but it's really facing most utilities in South Florida but all -- all across the country, is a lack of capital reinvestment that's occurred

relative to the -- the -- the quickness and requirements of capital reinvestment, the need to replace, for example.

A very good example of this, you probably already heard this many times, is Miami-Dade where they didn't touch their infrastructure for many, many years and now their program's in the \$6 billion range and probably climbing. And that affects us directly. All the resources go down there. We have a harder time getting resources. It means higher capital costs, for example. So we want to make sure we've got a capital reinvestment plan which is money coming back into the system from rates, as well as the ability to issue debt. We do want to address some rate design issues that deals with cost recovery and equitability. Essentially, everybody basically pays the same rate in terms of a base charge and flow charge. And we want to restructure that on the commercial sector to charge them more based on cost to serve and capacity utilization. This is a cost recovery and equitability issue.

To the extent possible, avoid future rate shock to our customers. Obviously we have to put our customer hat on as best as we can and limit the amount of bill impacts to our customers, recognizing the overall study goal. And finally, we want to provide the about to issue additional bonds which deals with financial position. Our target is about \$40 million of bonds. If you think about the -- the capital plan that Lou just mentioned, if you add up those top-priority projects again, it's about \$32.8 million. You have adopted a five-year rate -- a 10-year rate phasing plan. You have five years left on this plan. It ends in 2019. Actually, about four years now, assuming you're already in '15. And that produces about \$2 million a year of -- of renewable and replacement type capital reinvestment. That's over \$9 million in the next four or five years; however, we have \$32.8 million of need, high-priority need.

And -- and -- and it's -- it's kind of come to -- to roost a little bit so one of the best ways obviously to finance this is through a bond issue. And you need rates in place at a sufficient level to issue those bonds. So we recognize that as a -- as an objective, as well. Based on that criteria, here's what we see in the system right now. The rates were reviewed back in 2009, 10-year implementation plan. You're in 2015 today. The average water increases remaining for that plan is about 2 percent per year. And where I'm at is I'm on this line right here, if you can see the arrow. It's about 2 percent per year. Inflation is 2 percent per year so it's really not contributing any more bottom-line dollars absent growth. And growth, although we've had growth -- FP&L, for example -- it's -- the long-term projection is not a lot of growth. We do not project really any material needs in the water. I'll talk to you about that a little later. You just have a couple of additional increases, about 1 percent, at the tail end of our financial forecast period.

Wastewater is -- is a -- is a different issue. The average rate increase for the next five years as adopted by the -- the district is around 3 percent. It's a little topsy-turvy a little bit. You see on there 2 percent this fiscal year. You've implemented this. Five percent next year. Drops back down to 2 percent. And then averages around 3.6 percent thereafter. It's a little -- little wavy there. A lot has happened in the sewer system. The East Central Regional Wastewater Treatment Plant, the Operations Board issued 86

million -- \$82 million of bonds, which we now have to pay. There's additional capital needs coming there. Lou mentioned the condition of the system on the wastewater side. And I will tell you, when I show you comparisons, your wastewater rates are undervalued compared to your neighbors and compared to ECR partners. It's very much undervalued. Water is right in line with the utilities. And one of the things we mentioned to another city, actually, who is an ECR participant, many years ago, having rates, competitive rates is very good. Having rates that are too low and not providing the needs for the system is not a good thing. And it eventually catches up to you. And that happened in that city, as well. And I think you're starting to approach that -- that -- that -- that position here.

We're recommending an additional 16 percent in '16 and followed by 10 percent in '17 and 8 percent. Very high increases but when you recognize that most customers receive water and wastewater service, the effective rate increase in '16, you add the two together, is around 10, 11 percent. And then it drops down thereafter, to kind of give you a feel. Again, there's a lot of reasons for this, all mostly related to the capital information needs of the system.

Let's talk about water for a second. I'm going to show you some --

COUNCILPERSON GUYTON: Wait. One second. Madam Chair?

ROB ORI: Yes, sir?

CHAIRPERSON PARDO: Go ahead.

COUNCILPERSON GUYTON: Could you go back to that last slide?

ROB ORI: Yes. There we go. Okay.

COUNCILPERSON GUYTON: So next year you're recommending 16 percent?

ROB ORI: Actually, I'm recommending 16 -- where is -- I'm trying to find your arrow here?

COUNCILPERSON GUYTON: Ten --

ROB ORI: Sixteen above the 5 percent, 10 above the 2 --

COUNCILPERSON GUYTON: Above what's already going to take place?

ROB ORI: Yes, sir. That's correct.

CITY MANAGER JONES: (Inaudible).

CHAIRPERSON PARDO: Yeah.

ROB ORI: I will show you that in a second. I have a slide showing you that. Yeah.

COUNCILPERSON GUYTON: Oh, okay. I just wanted to get those numbers down. Okay.

ROB ORI: Eight and 5.

COUNCILPERSON GUYTON: And 5. Okay.

ROB ORI: And water basically is essentially no change for -- for the next two years and 1 percent above that. But let me -- let me show you first how you would compare. This is the water -- water rate comparison. The blue that you see on there, the light blue, the Carolina blue is -- is your base charge. It's a fixed monthly charge regardless of how much water you use. The Duke navy blue there is your water use. And you can kind of see if you look at where we are, we're the orange over here. We're right here. And -- and this is the average of all these utilities in this comparison. And they're all basically Palm Beach County, Broward County type utilities. The ones you see in red, this one here and then these two here, are your ECR partners that have a sewer system. We've highlighted them in red. You don't see a Town of Palm Beach 'cause their sewer system is part of their general fund. That's why they're not on here.

But as you can see, the water rates currently -- this is as of today -- are slightly above the average of all these utilities. And the recommendations going into '16 is about, you know, a dollar -- roughly a dollar a month per -- at 5,000 gallons you look from here to here. All -- most of these other utilities will also be raising their rates. Fort Lauderdale, for example, I know has a rate increase. Jupiter has an indexing. Tequesta's looking at a rate study right as we speak right now. Hollywood has an RFP out for a rate increase. Martin County will be indexing their rates next year, as well. Lake Worth is -- is -- is always looking at rates, and City of West Palm Beach is actually getting ready to look at rates again, as well.

So from a comparative standpoint, our water rates look pretty good. And if you go back to this chart, if you look at the top line here, you can see that there's not much change what you adopted. You're right where you want to be on the water system side, even though you've got \$14.6 million of -- of -- of need coming. Your water rates are competitive and -- and we don't think there's a lot -- a lot of need to -- to revise your plan except near the tail end.

The sewer is -- is -- is a different story. And if this -- again, this is the same comparison. The light pink, whatever you call that color, is the base charge. And then the dark reddish color is the flow charge. And you are the purple. This is where you are today. This is with your -- with this 2016 rates, which includes that 5.17 percent increase. And this is what we're recommending right now. Which includes that 16 percent increase on top of it. This is the average. As you can see with your partners in the ECR plant, they're all above you right now and they're all being treated at the same source that the City of Riviera Beach is.

And we're recommending that we move toward the -- going toward the middle a little bit but still well below the average is our recommendation at this point, recognizing the

needs of the city. And the other thing I want to point out to you, if you look at this -- these bottom colors here -- some are lower -- most of these colors are a lot higher than our rates here. Our base charge is very low here, which is our fixed cost recovery. We always get the base charge whether we use 1,000 gallons or 10,000 gallons. We get that base charge. We -- we -- we -- we term that as being -- having revenue sufficiency.

The -- the -- the higher a base charge, the -- the more stable your revenue stream is. And we recognize this, as well, going forward. On a combined basis, water and sewer combined, you can see the -- the -- the -- the -- where we recommend to be. Here's where you are today. Here's where you'd be -- I'm sorry. That should be fiscal '16 adopted rates. And then this is your recommended right here, it's about a \$5 change. And that shows it right here. Again, this is that -- why I picked 5,000 gallons, just so you're aware. That's the average use-per-customer for your residential class. 86 percent of your bills rendered are for residential services. Also the majority of your customers, as well. And we've -- we're showing inside city service here.

But based on the recommendations we see, the current rates of \$45, if you just adopted the existing plan, you could go to \$46 or about five cents per day, we're recommending that you probably increase to about \$51, which will add about 13.6 cents per day or about 20 cents per day increase in service or roughly around \$5 per month for the 5,000-gallon user. Again, just to reiterate, you'd be right at the -- you'd be below the utility average for all these utilities, but much closer to the average than where you are today. And you'd still be much lower than Lake Worth and -- and West Palm Beach, who are ECR partners. Palm Beach County would be a little bit less than you. I do know they have some rate adjustments also planned, as well.

What we recommend, would recommend to you -- and we're open for questions -- is consider adoption of the rates to recover the cost of ECR operations and debt, increase cost, increase capital reinvestment, and the need to issue bonds. As Lou said, the system's in dire need of repair and maintenance. It's 58 years old, average service life. That's -- that's pretty old for a system. That's not just pipe. That's kind of everything. And so we -- that -- that's -- that's -- that's -- that's a pretty long age. From our experience, as well, from a financing side. The capital -- the -- the what -- the utility master plan through 2023 -- this was, you know, back in 2013 -- identified \$94.9 million in need through 20 -- 2023.

So if -- if you look at the -- the pictures, you look at the plan, you look at the age, you know capital reinvestment's coming. And if we don't do something, it'll be forced on us through line breakages, higher maintenance and whatnot. If the line breaks, we're going to have to fix it right then and there. And so we're trying to move more to a proactive approach of capital reinvestment and the ability to issue \$40 million of bonds to fund a lot of those improvements, all the priority projects, for example, to get -- to get that moving. Without the rate adjustments, we do not think you'll be able to issue bonds to fund this up front which delays the -- the -- the impact 'cause it spreads it out over 30 years. Even with the rate program, your rates will still be -- remain competitive with the region. And it puts you on the proper path from a -- from a rate implementation and

capital cost recovery standpoint to get where I think you need to go. And with that we'll open it up for any questions or questions with Lou or whatever.

CHAIRPERSON PARDO: Okay. Thank you. Anything from the board?

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Mr. Guyton?

COUNCILPERSON GUYTON: Just -- just -- I was sitting here calculating what the request was over the -- through 2019. If you go back -- go back to the slide where you had the --

ROB ORI: Let me -- right there?

COUNCILPERSON GUYTON: -- right there. No, no. not that one.

ROB ORI: Oh, I'm sorry. You want -- you want the percentages?

COUNCILPERSON GUYTON: Yeah, the percentages.

ROB ORI: I'm trying to get there. Sorry.

COUNCILPERSON GUYTON: Right there. We already have increases slated for waste water.

ROB ORI: Yes, sir.

COUNCILPERSON GUYTON: And in addition to those, that second line is what you're recommending on top of what's already been slated?

ROB ORI: Right. Just to reiterate what you just said, you're absolutely correct. This is where my -- the arrow is, is the existing rates you adopted to that 10-year plan.

COUNCILPERSON GUYTON: Uh-huh.

ROB ORI: Which obviously a lot of events have occurred that it wasn't recognized in the plan that they wouldn't have even known about, like E -- the ECR debt, etc. or the master plan being done. Oh, I'm sorry. Somehow I've -- I may have messed it up a little bit. Okay. Sorry. This would be in addition -- these are percentages. Obviously I always like to look at numbers, too. But this would be the percentages above that. Keep in mind that most of your customers receive water and wastewater service, and there's no additional here and just 1 percenters out here. But you look at these two years. You -- if you want to get, like, what's the average or effective increase, very simply, you could take the 2 percent plus the 21 percent. That's roughly 24 percent divided by 2. It gives you a good feel what the effective increase is. It's a little different than that.

COUNCILPERSON GUYTON: Yeah. A little different.

ROB ORI: But it's really -- as you're thinking, that -- that would be a good thing to have, if you think of that real quick.

COUNCILPERSON GUYTON: Okay. Effectively what, as -- as I calculate here from 2 -- from this year to 2-'19, I calculate it to include what's -- what's already slated and what's proposed. I added all those percentages and it came up to about 57 percent.

ROB ORI: That's probably pretty accurate without me checking it but I'd say that's --

COUNCILPERSON GUYTON: Yes.

ROB ORI: -- you're on the right path there.

COUNCILPERSON GUYTON: Yes.

ROB ORI: That's correct.

COUNCILPERSON GUYTON: And right now we are, on the water side, already charging a 2 percent.

ROB ORI: Right.

COUNCILPERSON GUYTON: My question is --

ROB ORI: That's the 2 percent right here basically --

COUNCILPERSON GUYTON: Yes. Yes.

ROB ORI: -- from -- from the other -- that's correct.

COUNCILPERSON GUYTON: You know, and this (inaudible) with the -- with the outdated infrastructure and, you know, if things start to break we're going to have to fix it and etc., etc. But my question is, if we were to float or try to float bonds, you mentioned that as was the case with the water, this could possibly strengthen our position, but it would be used as part of guaranteeing the payback based on our rates.

ROB ORI: Yes, sir. Let -- let me --

COUNCILPERSON GUYTON: Okay.

ROB ORI: -- try to address that. That -- that's a very, very good question.

COUNCILPERSON GUYTON: Okay. I'll let you address it but we don't need a long dissertation. Just -- just address it.

ROB ORI: No, no, no, no. There's a couple of things --

COUNCILPERSON GUYTON: I have --

ROB ORI: And Randy can -- can also address this. There -- there's -- when you issue bonds there's something called an additional bonds test. You have to have the rates in place and the revenue stream in place.

COUNCILPERSON GUYTON: Good.

ROB ORI: You want to get a second mortgage on your house.

COUNCILPERSON GUYTON: Uh-huh.

ROB ORI: You've got to show your paycheck to get the second mortgage. It's .kind of the same thing.

COUNCILPERSON GUYTON: I -- understood .

ROB ORI: And so we want to put ourselves in a position, the City, to allow you to issue those bonds when you're ready to go. And that's -- that -- that's --

COUNCILPERSON GUYTON: Okay. And where I'm going with this is we definitely have to do something.

ROB ORI: Yes, sir.

COUNCILPERSON GUYTON: Let me -- let me throw that out there. I'm contemplating how do we phase it in after already having one bond that increased 2 percent for the past 10 years. And now, if we go float another bond, they may request something similar with a certain increase beyond what it is now through '19. Possibility?

ROB ORI: Well, the goal was not to have the \$40 million bond issue raise your rates above what we -- what we had projected.

COUNCILPERSON GUYTON: Okay.

ROB ORI: If you were going to issue further bonds, another 40 --

COUNCILPERSON GUYTON: No, no, no, no. I'm just talking about the ones that you're recommending.

ROB ORI: -- okay. No, I -- I think this would probably be okay.

COUNCILPERSON GUYTON: Okay.

ROB ORI: Yeah, I don't think --

COUNCILPERSON GUYTON: Now -- now, that's -- I'm just trying to get clarification 'cause --

ROB ORI: Yeah.

COUNCILPERSON GUYTON: -- as -- as you probably know, we -- many of our residents are blue collar.

ROB ORI: Right. I know that.

COUNCILPERSON GUYTON: Yeah. We're -- many are not rolling in six -- I mean, six-, seven-digit incomes.

ROB ORI: I understand.

COUNCILPERSON GUYTON: And a certain percentage are even fixed rate. And we've been trying to address that by having a senior assistance program, which I think needs to be increased, I might add. So as -- as we consider the wastewater, the -- the Public Works infrastructure, all of these things that we need that require increases, my concern is phasing these things in where you had something about a rate shock or something to that effect. So that those who may not have the resources that some may have would not be hit in a manner where they just can't afford it.

ROB ORI: Right. I -- I -- I totally understand that. One of the things we tried to do, although the percentage is -- is -- is on a high side --

COUNCILPERSON GUYTON: Uh-huh.

ROB ORI: -- if you look at the percentage, I -- we did try to look at the bill and try to keep all the rate adjustments with -- with the adopted and the recommend -- the additional -- I'll call it additional and adopted. We've tried to keep it below the 3 to \$4 a month range for all those years, and that's what we -- we kind of tackled here knowing -- and that's what this slide is right here. This is the combined amount right here, this line right here.

COUNCILPERSON GUYTON: Okay. Now, let me ask you this.

ROB ORI: And this is your -- this is your -- this is your double -- your 50 percent on the rate, too, by the way. If I take 50 percent of that it saves -- sorry.

COUNCILPERSON GUYTON: Yeah. I saw it.

ROB ORI: -- \$23 after \$61. There you go.

COUNCILPERSON GUYTON: I saw it. That's -- I know. I'm doing the little -- I needed some assistance with the calculator but I got there.

ROB ORI: So I -- I'm -- I'm not done -- I'm not disagreeing with you all.

COUNCILPERSON GUYTON: You know, I can't do it in my head.

ROB ORI: You're pretty quick up there. So --

COUNCILPERSON GUYTON: Yeah. With my fingers, not with my mind.

ROB ORI: Yeah. But I gotta tell you. I definitely have to tell you.

COUNCILPERSON GUYTON: Yes. But -- but my -- my point, one year there's a 21 percent increase. My question is why can't it be averaged out over that period? If it's 57 percent divided by five, about 10 percent?

ROB ORI: There's a -- there's a couple -- a couple of issues you have.

COUNCILPERSON GUYTON: What? Okay.

ROB ORI: The first is time value of money. The earlier I get it, the more dollars I accrue. In other words, I -- if I issue 10 percent --

COUNCILPERSON GUYTON: Understood. Understood. Okay. I'm with you.

ROB ORI: -- to -- and -- and that's kind of what happened. I think you were talking the stormwater earlier about not raising rates for a while.

COUNCILPERSON GUYTON: Yeah.

ROB ORI: And now you gotta do this big adjustment. That's what we're trying to avoid, is another really big adjustment. So time value of money really helps you in this situation, 'cause they raise the rates 10 percent, 5 percent, whatever the number is, I get that every year thereafter. That's very important to you.

Second, if you're going to issue bonds, and we assume within 12 months, is the assumption right now based on the need, and the interest rates are still low, now's, you know, basically the time to issue. Then you need to have sufficient enough rates in place to do that. And that was the plan, as well. So that kind of led us to believe -- and knowing where you are on your sewer rates is the other thing. We -- we're -- oops. There you go. We were so low compare -- on the sewer side that we -- that's why we advanced -- we -- we front-end loaded the rate increase. We did phase it in over time. We phased it and lower it down. But that's why we put more up front versus even, because of all those issues. And this -- and this is your biggest issue, really, right here. You're the lowest in the area next to Boca, yet you've got a 58-year-old sewer system there that needs some help and we've got, you know, biosolids at the ECR plant, for example. So we said, If I can keep water alone and raise the sewer, I kind of had that effective phasing and increase but, you know, that's how we tried to approach it to give you what we could give without raising it too high.

COUNCILPERSON GUYTON: Okay.

ROB ORI: I would love to raise them even higher, personally. But I did not.

COUNCILPERSON GUYTON: Yeah. And -- and it all comes out on one bill so --

ROB ORI: It does.

COUNCILPERSON GUYTON: -- so they're still not going to be able to really determine -- well, they will be able to determine but they're -- most people look at the bottom line.

ROB ORI: They do.

COUNCILPERSON GUYTON: That's what -- that's what they do. That's the point I'm trying to get here.

ROB ORI: They do. In fact, they look at everything and call it the utility bill and it could have garbage and stormwater and everything else on it, too.

COUNCILPERSON GUYTON: Yeah. Yes, garbage and everything.

ROB ORI: Yeah. You're absolutely right.

COUNCILPERSON GUYTON: Okay, Madam Chair. That's -- that's all I have for now.

CHAIRPERSON PARDO: Okay. Anyone else? Going once? Okay. Well, thank you very much for the presentation.

ROB ORI: Thank you very much. I appreciate it. Thank you very much.

CHAIRPERSON PARDO: No, thank you.

FISCAL YEAR BUDGET DISCUSSION

CITY COUNCIL'S COMMENTS / DISCUSSION

CITY MANAGER JONES: Thank you, members of Council. 'Cause -- so as we start bringing forward the -- the CIP plans for the next year and the next five-year CIP plans, this information is going to be important for us to fall back on as we look at what those capital projects are, as we look at what the impact is on the residents from the proposals that have come forward. And so when we're -- we get to the CIP workshop and looking at the requests from the different departments, the mechanism that could be used that would assist in the stormwater area and in the wastewater area and particularly on the wastewater side as we start looking at our ECR commitments. Right now I'm kind of turning the meeting over to you and so if there are any items that you would like for us to consider or research for you as we begin to develop the budget, any particular things in the legislative office, we'll entertain those now so we can begin to work them in

CHAIRPERSON PARDO: Okay. When you say legislative, it's just for our office, not the overall budget?

CITY MANAGER JONES: If you have some initiatives for overall budget, as well. Yes.

CHAIRPERSON PARDO: Okay. All right. So we'll work our way down the line and I'll go first tonight.

Discussion of Mayor and City Council initiatives for the FY 2016 Budget.

CHAIRPERSON PARDO: All right. The first thing is we had a discussion a while ago about the -- putting meters over at the Ocean Mall. We did a parking study and if we implemented what the study said we would have -- we would probably have revenue in excess of \$700,000, right? That was the gross revenue. I'd like -- since that is a substantial amount of money, I would like for us maybe at our next budget meeting to have a discussion on that and to find out where you are with implementing that and if it's going to be implemented.

What else? I would also like to see over at the Ocean Mall a dedicated police officer on the weekends. And I would say an officer there from 9:00 in the morning till about 6 at night. We don't have a dedicated officer. The Ocean Mall Beach Park is a very, very popular destination, especially on the weekends. And I think we're at a point right now because of the popularity that we do need some kind of full-time security over there, especially on the weekends. You know, we have -- the CRA has their ambassadors. They don't walk the beach and we really need something over there. I would like to see that so if you could cost that out.

Waste management. I think we need to have a discussion on waste management and how we're going to move forward with that contract, only because that has the potential to impact our budget this year. So if you could -- if we could talk about that. There was -- there's been discussions at the county about possibly doing a one penny or a half a penny -- it's between a half a penny and a one penny sales tax which they would use for infrastructure and also for parks. The Palm Beach County League of Cities, we've had discussions about it, and what we would rather see is each city getting a share of the -- of the half a cent or one penny tax. So we can decide how to move forward with it. I think if we allow the county to do it, there is a good chance that Riviera Beach is going to see, you know, virtually nothing. You know, I was privy to a conversation one of the commissioners had about their district and, you know, they want to build, you know, this big, you know, several million dollar park in their district. And it would not encompass the City of Riviera Beach. So, you know, I'm just bringing that up because there's the potential for revenue down the road. It -- I guess it wouldn't go on the ballot until November of 2016 but it's just something to think about.

COUNCILPERSON GUYTON: Madam Chair, on that issue, I have a question.

CHAIRPERSON PARDO: Okay. Sure.

COUNCILPERSON GUYTON: And if I remember last time, they -- they did it on the gas tax, and it became pretty much a discretionary fund for each county commissioner, if I remember correctly. And your point about the cities getting a portion of it, my question would be has there been any discussion about the calculation of how much each city would get?

CHAIRPERSON PARDO: Yes. And Riviera Beach would get in excess of \$2 million. And that's based on the revenue -- that's based on the taxes collected at the end of 2014. I'll share the list with you.

COUNCILPERSON GUYTON: Okay. I just want to make sure 'cause --

CHAIRPERSON PARDO: Yeah. There's been -- and again, it's just discussion. It hasn't moved forward with the County.

COUNCILPERSON GUYTON: I'm good.

CHAIRPERSON PARDO: But the cities are saying, you know, We don't want the County in full control.

COUNCILPERSON GUYTON: No, I know they've tried that before and it's --

CHAIRPERSON PARDO: Right. We need to do it. And now the school board is trying to squeeze their way in, too. And so -- all right. And then the other thing is -- and I talked to you earlier about this -- the Riviera Beach Police, our police department, our police officers are providing security to the county parks, the three parks in the City, and we're not receiving anything for it. And I think it's time that the City become more vocal about that. And you know, I don't care if it's \$100,000 that we're expending every year to patrol the county parks; it's still revenue that our taxpayers shouldn't be expending. So I would appreciate you coming up with a plan, and we need to be sending a letter to the County and telling them that, you know, we no longer want to be footing the bill for this. And the County is getting ready to start their budget. They had one budget meeting already. They're thinking about raising their taxes and once again, the sheriff is getting an additional money.

CITY MANAGER JONES: Oh.

CHAIRPERSON PARDO: So it's time. We've been doing this since the downturn.

CITY MANAGER JONES: And -- and I definitely agree with you, and it's good now that -- and as we -- you know, our conversations, it's now at your level and you elected officials are willing to talk with other elected officials. Chief Williams did write a letter to them telling them we can no longer do this; this is how much it's costing, but of course, that's kind of going staff to staff. So elected officials to elected officials, I feel, will be beneficial at this point.

CHAIRPERSON PARDO: Well, that's great. If you share --

CITY MANAGER JONES: We'll make sure you get a copy of that letter.

CHAIRPERSON PARDO: Yeah. Share that letter and then we could, you know, do something with it. All right. And then the last thing I have --

COUNCILPERSON GUYTON: Madam Chair? All right. On that issue, has the Municipal League taken a position on it so that it can be a collaborative -- collaborative effort as opposed to us being the Lone Ranger?

CHAIRPERSON PARDO: I haven't heard of any other city who is doing this. But if you would like, I will bring it up at my next League meeting.

COUNCILPERSON GUYTON: I think it --

CHAIRPERSON PARDO: But we have a tendency to, you know -- if the County is trying to, you know, put a burden on us, we have a tendency to -- if they're doing it to one municipality, they usually do it to another.

COUNCILPERSON GUYTON: I think that would be a good -- good venue to --

CHAIRPERSON PARDO: But, yeah. We will definitely bring it up to them.

COUNCILPERSON GUYTON: -- to try to get some support on that position.

CHAIRPERSON PARDO: Okay. That's fine. And then my last thing is I am extremely supportive of a decrease in the millage rate and I would like to see a decrease of 1 mill. The City did get a windfall this year. We did not expect the \$8 million. And I think it's time that the taxpayers get a little something back. It's not going to be everything because we'll probably move forward with raising some of the utility rates which definitely need to be raised. But I am -- absolutely, you need to balance it out. And I think you need to give relief to people. And that's all I have. Thank you. Mr. Davis?

CHAIR PRO TEM DAVIS: I'm not gonna -- hold on. One of the things I would like to have for discussion is just more of an update like I requested before for the -- the vehicle replacement capital -- vehicle replacement plan. And as well as as far as the millage rate, I'd just like to look at it and see the impact it's going to have on the quality of level of services, as well as how it's going to impact the -- the discussions that transpired today with the rates that the staff is asking us to do with the 16 percent and what impact it will have with that, as well, and where the money will be coming from and how it impact that item in the budget.

CITY MANAGER JONES: Let me understand the last one as it relates to the impact of the millage rate. When we talk about that balance --

CHAIR PRO TEM DAVIS: Uh-huh.

CITY MANAGER JONES: -- if you were to increase this and reduce --

CHAIR PRO TEM DAVIS: Right.

CITY MANAGER JONES: Okay. Thank you.

CHAIR PRO TEM DAVIS: I just want to know where it's coming from and what impact it's going to have on the other side.

CITY MANAGER JONES: On the services.

CHAIR PRO TEM DAVIS: Versus all the level of services, you know?

CHAIRPERSON PARDO: Mr. Thomas?

COUNCILPERSON THOMAS: Yes. There is a request for a community center in the area of Firehouse Park, that area. I've been working with a group of individuals from that community to try to identify exactly what it is that they want. So in the next future, whenever our next budget meeting that we need to -- to have, I'd like staff to go ahead and to give a presentation on what it is that group wants. I know staff has also been working with them. And I also would like to see a -- an aggressive camera program done. Not just where the police expends, you know, whatever unused funds they have for cameras or the CRA, but I would like to see an aggressive camera program done in the area of Old Dixie to Congress. And -- and on Broad, but I want to put as many cameras in those areas as humanly possible. So I'd like to see a -- a -- a budget impact or to see what the cost or some type of cost analysis for that particular program.

I'm not sure of, you know, where I stand right now in terms of a reduction in the millage rate. Well, at least at the 1 mill. I don't mind it going over, you know, several budget cycles, but I'd like to see what it does. I'd like to see if we did bids aggressive as 1 mill, you know, what -- what would be the forecast for that. And I really don't want to sugarcoat it. I really would like to know exactly what it is. If it's something that's going to be able to be done without a crash in our delivery of services, I just want to know. So please don't -- don't be shy with that. I really want to know what it is. And if it's -- if it's going to be minimum or if it's not going to really affect us at all because of the new monies that are -- are proposed to come in, then that's fine. I do want us to be careful that counting chickens before they hatch could possibly put us in the predicament that we're facing on another side of government that we have. I do want to make sure that we take all that in consideration. I know we're doing our joint budget meeting, I think it's tomorrow.

CHAIRPERSON PARDO: It is.

COUNCILPERSON THOMAS: But I do want to make sure that we take all of that into consideration, as well, before we make any of those, you know, final decisions. But those are three things I would like to -- to do -- to do. I -- I did get, from my assistant, that a few of those concerned mothers showed up to wanting to speak on the item so I just want to make sure that I put on record that they -- they are interested in -- that community is interested in their -- a community center. They're very aggressive with it, and I did tell them that I will work as hard as I can to convince you all. But they need to do the convincing, as well, to you individually to put something else -- put some type of infrastructure in term of a community center in that -- to that -- that -- that particular area.

Also, Mr. Johnson, I want to -- before our next budget meeting I want to have an update on that project, all those projects that we put in reference to the sidewalks and the -- the resurfacing and remilling of streets and all that before we come back in case there's some additional monies that we need to -- to put over there. That's all for me.

CHAIRPERSON PARDO: Mr. Guyton?

COUNCILPERSON GUYTON: Madam Chair, all I have, my position has not changed on the reduction of the millage rate. Our taxpayers have been paying for years, years and years one of the highest millage rates in this county. And I think it's time that we provide some relief to them. It's long overdue. And it's my hope that we can work something out where the residents who actually pay for the services, pay for personnel costs, can also enjoy some level of relief. We have been working with the employees to ensure that they get raises, that -- now that we're back up, that they get what they so rightfully deserve. But we have not had a discussion about those taxpayers who actually pay the bill. And that is what is concerning me, that those who really step up to the plate are not enjoying some of the relief that others are. So my position has not changed there.

There was some discussion recently about funds coming to the city that were supposed to go to CRA and that was a problem. But I -- I think I made my position very clear that that was a solution and not a problem. And we don't have to worry about how to get those funds over from the CRA because of the restrictions within the CRA laws. Now they're over here but we need to make sure that the programs that we have adopted on that side continue to be funded, as was the case if the funds had gone over there. We had already had discussions about how to develop a strategy to get some over here. So there are no restrictions to put them back over there. There is no problem. We just need to make the decision that this amount would go there to fund X number of programs that we've already established. So it's my hope that we do do that. And we didn't get a windfall, in my opinion, on the City's side. It was just funds that we have now that I think both sides need to share. So come this budget cycle, the reduction in the millage rate for me is -- is a priority. And -- and our residents, I think, have been -- especially those who pay taxes, have been doing what they need to do for years. And -- and I think it's time now that we show some appreciation. Thank you, Madam Chair.

CHAIRPERSON PARDO: Miss Miller?

COUNCILPERSON MILLER: My key issue would be for the reduction of the millage rate, and I probably want to reserve the rest of my comments for after we meet tomorrow, just so I have a better understanding of which way we're going to be going. So once we meet tomorrow, then I can give you a little more.

CHAIRPERSON PARDO: Okay. Okay. And then -- all right. Is everyone good with the legislative budget? We'll have the same budget that you had this past year.

COUNCILPERSON GUYTON: I have a question about our receptionist as to which -- which budget does that come out of?

CITY MANAGER JONES: It's currently being paid out of City Manager's budget.

COUNCILPERSON GUYTON: Is that how it's going to continue to be?

CITY MANAGER JONES: Unless you see a need to change it. We can continue that.

COUNCILPERSON GUYTON: Now, we -- we do need a receptionist.

CITY MANAGER JONES: Yes.

COUNCILPERSON GUYTON: But I realize --

CITY MANAGER JONES: And that can -- can continue.

COUNCILPERSON GUYTON: Okay.

CITY MANAGER JONES: Yes.

COUNCILPERSON GUYTON: All righty.

CITY MANAGER JONES: What I did do was also there we did some minor operating -- like, since you got a new copier, we made sure for -- the operating stuff increased for the copier and things like that. But we --

CHAIRPERSON PARDO: Right. But individual budgets --

CITY MANAGER JONES: -- individual, we had not made any.

CHAIRPERSON PARDO: -- district budgets.

CITY MANAGER JONES: We had not made any adjustments.

COUNCILPERSON THOMAS: Well, I -- I think some need to be made. You know, training. It's very -- I -- I don't have it in front of me. The individual, I guess, you know, paper and all that, whatever those budgets are, they're extremely low, you know, on the operating expenses. Training definitely needs to be there, not just for us, for our staff members, as -- as well. It -- it -- it needs to be there. Training needs to be there.

CITY MANAGER JONES: So are you -- and I'm trying to figure out the area to put it. Are we talking in professional development or travel?

COUNCILPERSON THOMAS: No. It's -- it's a section in there for professional development and training.

CITY MANAGER JONES: It's -- okay. I --

COUNCILPERSON THOMAS: Yes.

CITY MANAGER JONES: -- professional development. I know that one. Okay.

COUNCILPERSON THOMAS: That needs to -- and then these devices -- I don't know what our replacement plan or, you know, whatever they are -- I know that they just got upgraded or whatever. I don't exactly know where the -- where all that comes from for replacement of our devices. I just know, Hey, I need another phone and yada, yada, yada. But I just want to make sure that, you know, wherever it's coming from, we -- we know and it doesn't pop up and -- later and we see it. And I think that's about all for the -- for the legislative for me.

But what I did want to make sure is when we come back with this, are -- are you doing both sides? I want to see both sides. I just don't want to see a budget just with a 1 mill reduction. I want to see it both sides. So I want to see the -- the cost, you know -- I -- I hear people, you know, saying that they want to see a 1 mill reduction on it. Then I also hear them say they want to share resources with the CRA. Obviously you're not going to get both.

CHAIRPERSON PARDO: That's not true.

COUNCILPERSON THOMAS: No, no, that's my opinion. And it's mine.

CHAIRPERSON PARDO: Okay.

COUNCILPERSON THOMAS: Okay? So you're -- you're not going to get both. And we need to have the conversations at the same time. If a 1 mill reduction is about \$3 million -- is that what it was?

CITY MANAGER JONES: Yes.

COUNCILPERSON THOMAS: Is it \$3 million? So if you take the \$3 million off you're dealing with not interested in taking all 5. If you're getting 8 -- the programs that need to be done on that side, you're not going to see very much. And that may be fine. We may need to do that. But I want it to be, you know, listed out. You know, I am -- I'm -- I'm -- for right now I'm not -- I'm not interested in taking all \$8 million and placing it in programs on the CRA side. I'm not. For me, I'm not.

COUNCILPERSON GUYTON: Me, either.

COUNCILPERSON MILLER: I'm not, either.

COUNCILPERSON THOMAS: It's -- it's a lot that has to be done on the City's side. So I want to make sure that we decide, that are here, among the five of us and then we go with however it goes. If this board says we do a 1 mill reduction, then I got to roll with it. But other than that, I just want to see both budgets. I don't want to see just all the work done on a -- on a 1 mill reduction and not showing us what that 1 mill -- how that 1 mill reduction works. So I mean, I know that's more work for everybody. But I -- I need to see it. I gotta see it.

CITY MANAGER JONES: Yes, sir. And, Madam Chair?

CHAIRPERSON PARDO: Yeah, go ahead.

CITY MANAGER JONES: Okay. Now, and that's also a good segue into my final comments as it relates to tomorrow night. And that will be an opportunity for us to begin those exact discussions. We met with the CRA on Friday. And they presented to us their needs. We will structure the workshop tomorrow in that we'll do an overview of the situation, the issues. We'll present to you what dollar impact a 1 mill reduction is, a half mill reduction, a quarter mill reduction, 'cause we've been looking at it with more than one option for a reduction. And so then the CRA -- and the impact it will have on the City, and then the CRA will present to us what their need -- needs, probably, are, and then we will proceed down that discussion.

So tomorrow will be the first of many before we get to the 13th, which is back to our budget workshop, for you to begin to have and for us to have that discussion and dialogue.

CHAIRPERSON PARDO: Okay. Anything else? All right. We're adjourned.

(CONCLUSION OF WORKSHOP)

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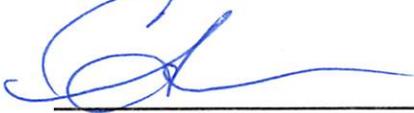


THOMAS A. MASTERS
MAYOR

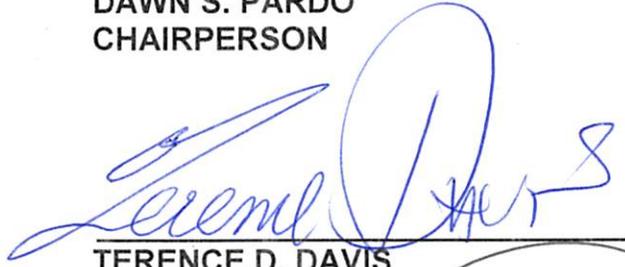


DAWN S. PARDO
CHAIRPERSON

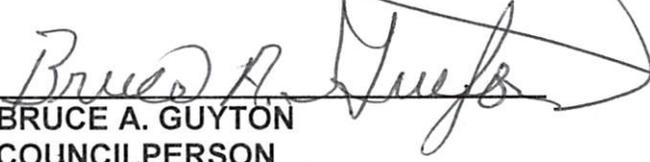
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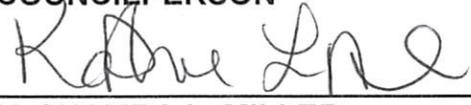
CLAUDENE L. ANTHONY
CERTIFIED MUNICIPAL CLERK
CITY CLERK



TERENCE D. DAVIS
CHAIR PRO TEM



BRUCE A. GUYTON
COUNCILPERSON



KaSHAMBA L. MILLER
COUNCILPERSON

ABSENT

CEDRICK A. THOMAS
COUNCILPERSON

MOTIONED BY: T. DAVIS

SECONDED BY: B. GUYTON

D. PARDO AYE

T. DAVIS AYE

B. GUYTON AYE

K. MILLER AYE

C. THOMAS ABSENT

DATE APPROVED: 08/05/15