

**CITY OF RIVIERA BEACH, FLORIDA
CITY COUNCIL BUDGET WORKSHOP MINUTES
CITY COUNCIL CHAMBERS
AUGUST 3, 2015 AT 5:30 PM**

(The following may contain unintelligible or misunderstood words due to the recording quality, as well as a constant skipping throughout this recording.)

I. CITY CLERK CALLS TO ORDER

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

II. ROLL CALL

CITY CLERK ANTHONY: Mayor Thomas Masters?

MAYOR MASTERS: Eating Hershey but I'm here.

CITY CLERK ANTHONY: 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 KaShamba Miller?

COUNCILPERSON MILLER: Present.

CITY CLERK ANTHONY: Councilperson Cedrick Thomas?

COUNCILPERSON THOMAS: Here.

CITY CLERK ANTHONY: City Manager Ruth Jones?

CITY MANAGER JONES: Present.

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

CITY ATTORNEY RYAN: Present.

CHAIRPERSON PARDO: Okay. We have a quorum. I'd like to invite everyone to stand for a moment of silence followed by the Pledge led by Councilman Thomas.

III. INVOCATION AND PLEDGE OF ALLEGIANCE

(Everyone stood for a Moment of Silence with the Pledge of Allegiance being led by Councilperson Thomas).

CHAIRPERSON PARDO: Okay. Miss Jones, I'm going to turn it over to you.

IV. DISCUSSION - RUTH JONES, CITY MANAGER

CITY MANAGER JONES: Thank you, Madam Chair. First of all, I would like to request your consideration to change the order of our published agenda. And if we could do the health insurance renewal, our agent of record, the Bernstein Corporation, is here, as well as the others, and we can get that presentation out of the way. Then we will go back to the discussion of the tentative budget. I would also like to add the Riviera Beach Housing Authority that would like to make a budget request of us.

CHAIRPERSON PARDO: Okay. So we'll put them at the end of the agenda prior to discussion by council?

CITY MANAGER JONES: Yes, ma'am.

CHAIRPERSON PARDO: Okay.

CITY MANAGER JONES: Thank you.

CHAIRPERSON PARDO: Okay.

CITY MANAGER JONES: First of all, let me say to council I know we've had a lot of these budget workshops. But it is a way for staff to hear from you, as well as for the residents to have an opportunity to bring their particular requests to you. Tonight what I'd like to start with, we all know that a major part of any budget happens to be the personnel and benefits cost. And we have gone out for an RFP for dental and some of our other programs, as well as it's time for consideration of renewal of the health care. So in order (skip in audio) to make this presentation tonight I'd like to introduce Richard Bernstein, and we'll ask him to proceed with providing us information as it relates to health insurance and other insurance renewals.

CHAIRPERSON PARDO: Okay. Good evening, sir.

RICHARD BERNSTEIN: Good evening.

V. FISCAL YEAR BUDGET DISCUSSION

A. DISCUSSION OF TENTATIVE BUDGET FOR FY 2015/2016

CITY MANAGER JONES: You have received the detail of the tentative budget from the manager on last week. I wanted to just kind of briefly highlight what has happened and occurred as a part of that process and what changes you'll see in the budget that you have in front of you.

If you'll recall in -- last year when we were doing the 2015 (skip in audio) Council made it very clear to me that the first priority for this year -- first priority for this year was tax relief for the residents and that before we added any new positions, before we increased any budgets, we had to consider the reduction in the millage. You have been quite instrumental in directing us as to what that recommendation should be. The current budget that you have in front of you has a .5 millage reduction.

You asked us to come back with a .5 and then a .25 for a quarter, which would be on top of that. So we -- we give you the most extreme case. If you lighten up and do less,

you always have more money that you can allocate amongst other projects, which would be approximately \$900,000 in the difference of that.

In the (skip in audio) in addition to the millage reduction, you also have the funding of our current contracts that we have with our employees, our contributions as it relates to pension reform and what we're doing with that. Because of the opportunity that we had this year that we were not expecting and my having the desire, as well as hearing the residents talk about the need for Community Development outside of the CRA, this particular budget has allocated \$1.5 million for neighborhood activities.

There have been some increases in some of the other expenditures and so in order to get into the detail on this, I'm going to ask Mr. Sherman if he'll go through what we have proposed here and we will entertain any questions you have. If there are things that you want us to take out or things that you want us to put in, we will entertain that.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Good evening. Again, Randy Sherman, Director of Finance and Administrative Services. Let me -- what I'm going to do is I'm going to start with the revenue structure that we have. Hopefully you -- you were able to follow it in the -- in the budget book that we gave you where we dealt with the revenues and then we dealt with the expenses.

These are pretty much the same revenues that you saw when we were here in June and we were giving you the preliminary numbers. The only number that really has had a significant change since then is actually the ad valorem taxes where we have now backed out the half a mill, which was just over \$1.8 million. You can see as you go down some (skip in audio) of the items in -- within your budget book, you actually have all 200 plus line items in there.

There are some increases but for the most part, these items are really coming across pretty level from year to year. The significant changes that we have in here are the lease payment for the Marina District is now included, and we have debt service payments, both for the Marina District and for the pension obligation bonds coming from the Utility District and the Stormwater Enterprise Fund. But again, for the most part, these are the same numbers that you saw back in June.

For the Utility District, again, very similar numbers. Not a lot has changed. These numbers here include the rate increase that is currently in place, the one that was adopted back in 2009. It does not include any rate increase that you had discussed at -- at a previous budget meeting when the consultant was in (skip in audio). So if that's something again that ultimately gets adopted along the way or -- or some form or fashion of that number gets adopted, we would have to come back and -- and -- and make the appropriate changes in here.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Yes, sir.

COUNCILPERSON GUYTON: On the -- Mr. Sherman, on the Utility District budget --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yes.

COUNCILPERSON GUYTON: Is Mr. Aurigemma here?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yes, he is.

COUNCILPERSON GUYTON: Oh, okay.

CITY MANAGER JONES: Yeah. And make sure that they understand that this is just the revenue, not the expenditures.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right. This is the revenue side. We're walking through all the revenues initially.

COUNCILPERSON GUYTON: Okay. I'm gonna save my questions for the expenditures.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay. She's reading your mind. Okay. On the marina. Again, you can see that these numbers -- again, these are pretty similar to what we saw back in June, but you notice that there's a -- a pretty hefty increase in these numbers, especially on the dockage fee from '15 going into '16. And really what that represents is the fact that the marina is now open, it's operational, it's functional. All of those -- the docks down there are -- are being leased to -- to the extent they can --

COUNCILPERSON GUYTON: I (skip in audio) Chair, I think I was on the revenue side, too.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay. Want me to back up?

COUNCILPERSON GUYTON: Just -- yes, please. Part of what was requested as it relates to an increase was for Utility District infrastructure. Mr. Aurigemma, is that -- could you come to the mike? My question is on the revenue side. You requested a slight increase for infrastructure improvement?

UTILITY DISTRICT EXECUTIVE DIRECTOR AURIGEMMA: (No audible response).

COUNCILPERSON GUYTON: That's a question.

UTILITY DISTRICT EXECUTIVE DIRECTOR AURIGEMMA: Okay. Yes, sir. Lou Aurigemma, Executive Director of the Utility District. Yes. Part of that rate increase or the -- the increase we requested was for infrastructure.

COUNCILPERSON GUYTON: Okay. And understood Mr. Sherman, he said none of that is included because we haven't decided on that yet, right?

CITY MANAGER JONES: That's correct.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: That is correct.

COUNCILPERSON GUYTON: Okay. And -- and the reason -- 'cause I would assume this is the -- the time if we wanted to have a discussion or -- or some deliberation, this

would be the place? Because it's not included now and at some point if it -- if we're going to do our infrastructure, we need to have a discussion about it.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah. Our - our plan -- you can have that discussion tonight if -- if you so desire. I thought it was that we would actually tie it into the capital discussion.

COUNCILPERSON GUYTON: Okay. I'll wait.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay. Okay. And then on the Storm -- I'm sorry. Whoops.

CHAIRPERSON PARDO: Wait, wait, wait, wait, wait. Go back to the marina, please.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay. Marina. I'm sorry. Again, the -- the -- significant increase. Revenues are up about \$185,000, and the bulk of that is in the dockage fees.

CHAIRPERSON PARDO: Okay. And (skip in audio) sure that the boats down there are paying their fees. I asked for a report a couple of weeks ago and noticed that we had a couple of tenants who were behind on their rents. And you know, that used to happen in Riviera Beach but, you know, I -- I thought we all made it clear that we're not doing that anymore. And I believe there was a commercial boat that was three months behind. So Mr. Sherman, are you going after it? Is it up to Mr. Legue? You know, what are we doing about that?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah. We don't -- well, right now the Marina District staff is the one that goes after those people. They're -- they're down there every day. They have the contracts. They're on site. They -- they're the ones that are going after that. If it gets to the point that it needs to go to collections or go further than that, then it goes over to Finance and we turn it over to - to our collection folks.

CHAIRPERSON PARDO: So how long do we let the boats sit there before we get paid?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: I'll --

CHAIRPERSON PARDO: Does anyone -- oh, Mr. Legue? Good evening, sir.

MARINA DIRECTOR LEGUE: Good evening. Ed Legue, Marina Director. We have a system of 30/60/90. In other words, when a boat goes to 30 --

CHAIRPERSON PARDO: Right.

MARINA DIRECTOR LEGUE: -- they get a letter, kind of a nice letter. Goes to 60, the letter's a little more intent. At 90, we basically say, Pay up or you're going to either go to collections or whatever. That's been pretty effective. Originally you're quite correct. We had a lot of boats that were way overdue. We have a pretty good -- pretty good receivable report right now. So I'm the guy. We do a monthly AR report and we take action based on that.

CHAIRPERSON PARDO: Okay. So have we kicked anyone out recently?

MARINA DIRECTOR LEGUE: No, sir -- no, ma'am.

CHAIRPERSON PARDO: Okay.

MARINA DIRECTOR LEGUE: No, ma'am.

CHAIRPERSON PARDO: Because -- all right. Well, if you're doing this, you know --

MARINA DIRECTOR LEGUE: I mean --

CHAIRPERSON PARDO: -- by the third month they're out. We need to make sure that the people are paying their bills. You know, we aren't going to --

MARINA DIRECTOR LEGUE: You have to apply some -- some -- some thought to how (skip in audio) get the money. If I just kick them out and they're gone, getting the money becomes a whole lot harder. If the boat's still there and they're still in business, then it's a little easier. I don't let people go four, five, six months. That just doesn't happen. But if -- if a guy's at 90, we come up with either a payment plan -- I mean, we've gone to the point of -- of locking boats up so that they don't leave.

CHAIRPERSON PARDO: Sure. And then some boats have owed us hundreds of thousands of dollars and took off in the middle of the night.

MARINA DIRECTOR LEGUE: That's quite correct.

CHAIRPERSON PARDO: You know? So I want to make sure that's --

MARINA DIRECTOR LEGUE: Not recently.

CHAIRPERSON PARDO: No. No.

MARINA DIRECTOR LEGUE: Okay.

CHAIRPERSON PARDO: But you have a boat that's on the east dock. The last time I looked at -- you know, I had asked for a report a couple of weeks ago and they were, I think -- they were close to 90 days behind.

MARINA DIRECTOR LEGUE: That's correct. That's correct.

CHAIRPERSON PARDO: Right.

MARINA DIRECTOR LEGUE: They're not there anymore. They're not -- they're not at 90 days anymore.

CHAIRPERSON PARDO: Okay.

MARINA DIRECTOR LEGUE: So they -- the -- the payments.

CHAIRPERSON PARDO: Right. Fine.

MARINA DIRECTOR LEGUE: So --

CHAIRPERSON PARDO: I just want to make sure that if they're going to be in that marina, everyone needs to be paying up.

MARINA DIRECTOR LEGUE: That's correct.

CHAIRPERSON PARDO: And if not, we just, you know -- they're -- we can't tolerate it anymore.

MARINA DIRECTOR LEGUE: Absolutely (skip in audio) we don't.

CHAIRPERSON PARDO: Okay. All right. Thank you.

CHAIR PRO TEM DAVIS: Madam Chair?

COUNCILPERSON MILLER: Madam Chair? Oh, go ahead. Let Mr. Davis --

CHAIRPERSON PARDO: Mr. Davis.

CHAIR PRO TEM DAVIS: Oh, thank you. Miss -- Miss Ryan, quick question as far as with regards to -- he mentioned a 30/60/90.

CITY ATTORNEY RYAN: Uh-huh.

CHAIR PRO TEM DAVIS: 30/60/90. Is that something by law we have to do? Or there's some other things we can probably visit to look at --

CITY ATTORNEY RYAN: No. I -- I don't know if it's in our ordinance, but it's definitely something that we've addressed through our dockage agreement. But it's not by law. And I know that staff has talked about making some changes as we go towards the third-party management.

CHAIR PRO TEM DAVIS: And that's something they will be addressing and bringing before the board?

CITY ATTORNEY RYAN: Correct.

CHAIR PRO TEM DAVIS: Okay.

CITY ATTORNEY RYAN: And we -- we will have to make some changes to our ordinance because we have an ordinance that spells out a lot of stuff --

CHAIR PRO TEM DAVIS: Okay.

CITY ATTORNEY RYAN: -- regarding our marina that we no longer will be in control of. So we will be making some changes going forward.

CHAIR PRO TEM DAVIS: Okay.

COUNCILPERSON MILLER: Madam Chair?

CHAIRPERSON PARDO: Yes, Miss Miller.

COUNCILPERSON MILLER: So is the standard procedure currently for anyone that's delinquent to send them through the collection agency? Are we doing that with Fidelity?

MARINA DIRECTOR LEGUE: Ed Legue again. At -- at an absolute last resort. And I have not had to do that for anybody in years.

COUNCILPERSON MILLER: But is our procedure at, say, 90 days if they have -- if they reached a 90-day point, do we immediately go to collection agency? Is there a policy or procedures that's in place saying, Okay. So you have 30/60 and at 90 you go to collection agency? I mean, they knew there's --

MARINA DIRECTOR LEGUE: If they're unresponsive at 90 days --

COUNCILPERSON MILLER: Uh-huh.

MARINA DIRECTOR LEGUE: -- there -- there's nothing written that says they go to the agency. But if they're unresponsive in 90 days, that's my only choice left is the legal action.

COUNCILPERSON MILLER: Have we been doing that, though, when they get to the 90 days if they're unresponsive?

MARINA DIRECTOR LEGUE: I haven't had anybody -- yeah. I haven't had anybody nonresponsive at 90 days so --

COUNCILPERSON MILLER: Okay. And when they are responsive, what are we saying to them?

MARINA DIRECTOR LEGUE: Well, it depends on the situation. You know, some of the businesses, the middle of the summer's very slow and -- and they get a little behind but they catch up later. I mean, I -- I don't -- I don't like playing bank. I don't want to be a bank. But I have come up with -- with payment plans. Okay. You pay your current month and -- and half of other month. And I get them caught up within -- within a couple, three months. So I mean, if I have to do that I do that. The goal is to collect the money.

COUNCILPERSON MILLER: Uh-huh.

MARINA DIRECTOR LEGUE: So that's what we do.

COUNCILPERSON MILLER: Okay. I know you don't want to be a bank but if they're -- you know, they're -- they're looking -- paying us for a service and the expectation, you either pay or you -- you can't have it. So we do want them to make -- we want to make sure it's clear that they have to pay and we don't want it to prolong past 90 days.

MARINA DIRECTOR LEGUE: Well, it --

COUNCILPERSON MILLER: And, you know, that doesn't make any sense. You know, if it's 90 days and you go to collections, 90 days, you go to collections. I understand we're kind of talking about this now, although we're getting ready to go to our third party.

MARINA DIRECTOR LEGUE: Uh-huh.

COUNCILPERSON MILLER: But I think it should just be a common practice. You know, just be a standard. Hey, 30 days you haven't paid, it's this consequence. Sixty days is this. Ninety days, this is what it is. And especially if she's saying that they leave in the middle of the night and still owe us money, there's no way for us to get -- have that recourse if we don't take it through that process of the collection agency. I mean,

we can't chase them down. But at least they know that it will follow them even if they did leave.

MARINA DIRECTOR LEGUE: Well, what I can say emphatically to that is we don't have the (skip in audio) of folks at the marina anymore.

COUNCILPERSON MILLER: Okay. Good. Very good.

MARINA DIRECTOR LEGUE: There's no getting in the middle of the night and leaving.

COUNCILPERSON MILLER: Okay.

MARINA DIRECTOR LEGUE: No, we have some very, very good boats and --

COUNCILPERSON MILLER: Real nice.

MARINA DIRECTOR LEGUE: -- very, very good customers.

COUNCILPERSON MILLER: Okay. That's good to hear.

CHAIRPERSON PARDO: Yeah. And hopefully it'll stay like that. But you know, remember, we're still not at a hundred percent capacity there.

MARINA DIRECTOR LEGUE: No, ma'am, you're correct.

CHAIRPERSON PARDO: All right? And once the season starts, you know, so --

MARINA DIRECTOR LEGUE: Yes, ma'am.

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

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay. On the -- the refuse, which -- you know, the trash collecting, again, that is staying fairly flat. And the only way that -- there is a slight increase kicking in in the -- in the contract, and we do have one year left in that contract. The admin fee, again, that comes along with that, again, is according to the contract.

CHAIR PRO TEM DAVIS: Madam Chair?

CHAIRPERSON PARDO: Yes.

CHAIR PRO TEM DAVIS: Mr. Sherman, what is the admin fee for the increase? What that would be?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: It's about 3 percent.

CHAIR PRO TEM DAVIS: It is? Okay.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: And then finally we have the stormwater. And again, as you know, this is assessed on -- on square footage basis. So unless there's a real change in -- in the square footage or, again, I know we've brought forth the preliminary rate increase to again deal with capital issues that we'll -- we'll deal with at the capital meeting. So right now, again, these fees are just pretty level coming across the board.

Getting into the expenses. Again, these -- these pages are right out of the book. The top line for each one of these that you see highlighted in yellow, that is the total for that cost center. And then below each of those is the budget by category. So you'll see there's personnel expenses, which will be wages and benefits, and then you have the operational expenses. And then on some of them like the one down at the bottom of this sheet, you will actually see the -- the capital expenses that are budgeted within those. Within your budget books you have the (skip in audio) line item by line items. And you know, again, you get the 2013 and '14 numbers along with the 2015 budget.

CHAIRPERSON PARDO: Okay. How come you're showing District 4 is higher than the other ones?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: 'Cause you're chairman.

COUNCILPERSON THOMAS: Chair.

CITY MANAGER JONES: Right now you're chair.

CHAIRPERSON PARDO: Which is only 1,200.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: You're chair. And then in some of the other districts they have -- they have employees that don't have health insurance so there's -- there's change -- if they don't health or they have health and not dental, it changes the numbers. All of the line items are the same in each one of them, including the Mayor's budget. Again, the only thing that really changes are the personnel.

COUNCILPERSON GUYTON: So, question, Madam Chair. So the red column, that is gonna be the '15/'16 budget?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Correct. So again, we tried to take -- especially on the -- you know, the legislative budgets, we tried to take the comments, I think, Councilman Thomas made about employee benefits -- employee training. Not employee benefits. (Skip in audio). Employee training. And some of the operational line items have changed. Keep in mind you see a large increase -- or not a large increase, but you do see an increase in the personnel again because now you have -- the FRS numbers are in there.

COUNCILPERSON MILLER: Miss -- Madam Chair?

CHAIRPERSON PARDO: Go ahead.

COUNCILPERSON MILLER: For the 2000 -- for District 2, 2013 and '14 and '15 personnel, why was that drastically higher than the other people? This your -- to personnel lines. 146,000 and --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN:
(Unintelligible) --

COUNCILPERSON MILLER: -- 149,000, 172. Why was that way more than everybody -- all the other districts? You got -- you -- anybody else see that?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah. I'm -- well, I'm trying to look at -- I'm trying to look at the detail here.

COUNCILPERSON MILLER: Or am I just seeing it? What caused that?

MAYOR MASTERS: Ray Charles can see that.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah. Yeah. That's -- that's my mistake. That -- the -- it -- the 78,000 is included in that number. The total is a clear --

COUNCILPERSON MILLER: Huh?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- I mean, the (skip in audio) is higher than the total. So that's -- that's a -- that's a formula mistake.

COUNCILPERSON MILLER: But I -- I mean, well --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah. That's a formula mistake. We'll -- I'll fix that.

MAYOR MASTERS: What should it be?

COUNCILPERSON MILLER: I mean, so what -- I mean, what is it -- is it supposed to be somewhere around what the rest of them have? 60,000, 60 something thousand?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: No. It -- it should be around the 69, \$70,000 for each one.

COUNCILPERSON MILLER: Okay. Okay.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: It's -- it's just picked up that 78,000 twice.

COUNCILPERSON MILLER: Twice?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

COUNCILPERSON MILLER: Oh, okay.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Good catch, thank you.

COUNCILPERSON MILLER: Uh-huh. I was just wondering. Hey, just --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: We try to catch all those.

COUNCILPERSON MILLER: -- I was just trying to figure out why they dropped when I got into office now.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: This is the problem you -- this is the -- no. This is the problem when you don't have a good system and everything's on Excel. You get mistakes like that. My mistake.

COUNCILPERSON MILLER: Okay. All right. No problem.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: And again, I have this slide, you know, for -- for -- for all of the cost centers. We -- I --

CHAIRPERSON PARDO: Hold on a second.

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

CHAIRPERSON PARDO: Can we just go back one.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Sure.

CHAIRPERSON PARDO: Let me just look at something here.

COUNCILPERSON GUYTON: It's 45 and 50. (Unintelligible).

CHAIRPERSON PARDO: Okay. Okay. I'm good.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay. I did want to talk about the -- the top one on this sheet which is the general admin. As you notice, that this one has gone from a budget of 6.7 million to a budget of 18 million. The primary reason -- well, there's a couple of reasons why that's in there. One is because it includes the payments to the CRA, so it includes their increase of 300,000 plus for their actual taxes plus the two and a half million dollars of assistance that you have asked us to provide. It includes \$4 million for a pay-as-you-go capital that is in there to be transferred to a capital fund. And there is also a \$4 million increase in the debt service line. So that's really why that number has increased so much. And again, I do have all of the line items on these if somebody wants to look deeper into any one of these budgets. I can put that up on the screen and -- and we can -- we can go through that.

COUNCILPERSON MILLER: And -- Madam Chair?

CHAIRPERSON PARDO: Yeah, go ahead.

COUNCILPERSON MILLER: -- the executive general administration amount, double or triple or FY '16, what -- what was that for?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Again, that includes the two and a half million for the CRA.

COUNCILPERSON MILLER: Oh, okay. I'm sorry. I missed you when you said that part.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay. Yeah. Do you want me to go through them all again?

COUNCILPERSON MILLER: No. I just --

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

COUNCILPERSON MILLER: -- I didn't know where you were when you said that --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah. I'm sorry.

COUNCILPERSON MILLER: -- with the CRA. Okay.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay? Oh, on this page, again, we have nothing that's really out of line. Most of the budgets are -- are pretty level going across. The Community Development numbers do include two new positions in support of the Neighborhood Sector Plan. And again, just the general volume. And it also includes the -- the addition or the upgrade to an assistant Community Development director.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Yes, sir.

COUNCILPERSON GUYTON: Question about the neighborhood assistance -- well, I haven't seen a plan. But there are going to be two employees that we're adding for -- for that area?

CITY MANAGER JONES: For consideration of the administration of that program, we're looking at two employees.

COUNCILPERSON GUYTON: Now, my question is, we've got -- and -- and -- and I was thinking about it. They -- they can't be hired on the CRA side because they would be restricted to the CRA area. So the employees need to be on this side. But we have an infrastructure over there with the CDC who's been working in many of these programs. And my question is, is there going to be some type of coordination there, because there are already programs in place? They're already getting funds -- some -- some of the programs have that can be used, I think, if we apply to the right program, beyond the CRA. So is there going to be some coordination with that established infrastructure that's already in place over there?

CITY MANAGER JONES: Yes, Mr. Guyton. One of the advantages of the way the CRA set up the CDC, the CDC can work citywide.

COUNCILPERSON GUYTON: Exactly.

CITY MANAGER JONES: They're not restricted to just working within the CRA.

COUNCILPERSON GUYTON: Yes.

CITY MANAGER JONES: And so what we have budgeted for would be the programming dollars. We -- there's been one meeting with them with staff on last week. They've submitted -- the CDC has submitted a proposal of the kinds of things that they can do for us --

COUNCILPERSON GUYTON: Uh-huh.

CITY MANAGER JONES: -- for our consideration. And that's the coordination that we're -- we're working through.

COUNCILPERSON GUYTON: Okay.

CITY MANAGER JONES: Yes.

COUNCILPERSON GUYTON: 'Cause what I -- what I would prefer not to see is trying to reinvent the wheel when they've already been working in these areas and has some, not just experience but contacts, too. And I just want to make sure that we're not duplicating services.

CITY MANAGER JONES: Right. And like I said, they can work --

COUNCILPERSON GUYTON: If we have it --

CITY MANAGER JONES: -- citywide so your --

COUNCILPERSON GUYTON: Yeah.

CITY MANAGER JONES: -- your CDC is structured to -- to be able to do that.

COUNCILPERSON GUYTON: Good.

COUNCILPERSON THOMAS: Madam Chair?

CHAIRPERSON PARDO: Yes, sir.

COUNCILPERSON THOMAS: So these employees wouldn't be up under the direction of the Community Development?

COUNCILPERSON GUYTON: Yes.

CITY MANAGER JONES: They would be.

COUNCILPERSON THOMAS: I'm -- I'm just asking.

CITY MANAGER JONES: They're -- the two employees would be.

CITY ATTORNEY RYAN: (Sneeze).

COUNCILPERSON THOMAS: Bless you.

CITY MANAGER JONES: Bless you. Under the direction of Community Development.

COUNCILPERSON THOMAS: Okay. But the CDC -- I'm just trying to see how that intertwine because I don't want CDC directing our employees.

CITY MANAGER JONES: No. They don't direct the employees. They implement the programs.

COUNCILPERSON THOMAS: Okay.

CITY MANAGER JONES: They apply for grants. They do --

COUNCILPERSON THOMAS: So how -- how does that work in conjunction with the Community Development Department?

CITY MANAGER JONES: Community -- a -- a major part of Community Development, in addition to planning is also Neighborhood Development.

COUNCILPERSON THOMAS: Understood.

CITY MANAGER JONES: So it's like it's another fork in -- you've got Building; you would have Planning and you would have Community Development or Neighborhood Development

COUNCILPERSON THOMAS: Uh-huh.

CITY MANAGER JONES: And so the staff people working with the staff at the CRA would work with the CDC for the implementation of the neighborhood plans on the City side. I can't have -- I can't force the CRA staff to work for the City.

COUNCILPERSON THOMAS: No. I get that. I just want to --

CITY MANAGER JONES: It would be a coordinated effort.

COUNCILPERSON THOMAS: -- I want to make sure that the -- that the overall direction policy is set by this board and carried out.

CITY MANAGER JONES: Any program, any allocation of resources comes back to the City Council. It's your approval. It's not --

COUNCILPERSON THOMAS: I just want to -- I just --

CITY MANAGER JONES: -- what -- yeah.

COUNCILPERSON THOMAS: -- want to make sure that -- that we're all in one accord with this.

CITY MANAGER JONES: Yeah.

COUNCILPERSON THOMAS: Because I don't want a -- an individual board getting a direction that they think it should go instead of the -- the -- the individuals that the community (skip in audio) for it to happen.

CITY MANAGER JONES: Yeah. They -- the total strategy would be called back to council.

COUNCILPERSON THOMAS: I mean, yeah, I know. I -- yeah, I gotta make --

CHAIRPERSON PARDO: I agree with you.

COUNCILPERSON THOMAS: -- I gotta make sure. That sometimes can get a little hairy to me. So I just want to make sure that with these new positions and this funding, that it's going to be up under the direction of our Community Development.

CITY MANAGER JONES: And that it will be.

COUNCILPERSON THOMAS: Okay.

COUNCILPERSON GUYTON: And, Madam Chair?

CHAIRPERSON PARDO: Yeah, go ahead.

COUNCILPERSON GUYTON: And -- and the -- the point that I was making is that there are programs already in place to some degree that we don't have to go out and create new programs or -- or expend resources that we already have access to through the CDC. And the programs are what I'm more concerned with than the actual -- where the employees are going to be and who they're reporting to, because all of that still has to come through us up here. Whatever program's implemented cannot be implemented without our approval over here on this side. Well, we're on that side, too. It's still -- it's still a --

COUNCILPERSON THOMAS: No. I'm more concerned about a direction of where it's going.

COUNCILPERSON GUYTON: Yeah. From -- from us.

COUNCILPERSON THOMAS: Right.

COUNCILPERSON GUYTON: From us. And -- and -- but I know that there are programs over there that can be introduced to us to consider whether we want that implementation throughout the city to determine if it's going to be a benefit. So -- but -- but the other thing -- well, my -- my other question's not dealing with Community Development. But while -- it is. The assistant director position --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yes.

COUNCILPERSON GUYTON: -- it's in there?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yes.

COUNCILPERSON GUYTON: Okay.

COUNCILPERSON MILLER: Madam Chair? The senior building technician position, is that in that figure there up on the screen? And if so, what -- what do they do exactly? I see what it says, but what would they be doing that's not already being done? Is Mary here?

CITY MANAGER JONES: No. Randy, you need to talk about your error in this document with that title to that position. That position is what the department had asked for as it relates to a new position in the department. What Mr. Sherman did was he went back and pulled from the department's request, not my request. So the -- the correction that you will see in the final budget, it will not be for that particular position in Building.

COUNCILPERSON MILLER: Uh-huh.

CITY MANAGER JONES: Both of the positions will be in Community Development and Neighborhood Services.

COUNCILPERSON MILLER: Okay. So this part is not accurate at the time?

CITY MANAGER JONES: It's correct -- accurate right now but it's --

COUNCILPERSON MILLER: For now.

CITY MANAGER JONES: -- it won't be -- you won't see it that way in September.

COUNCILPERSON MILLER: It'll change.

CITY MANAGER JONES: You'll see the two Community Development positions.

COUNCILPERSON MILLER: Right. Okay.

COUNCILPERSON THOMAS: Madam Chair?

CHAIRPERSON PARDO: Yes.

COUNCILPERSON THOMAS: Let me ask another question. Have we or have you, Mr. Sherman or Mrs. Jones -- Miss Jones, had a conversation with Mr. Brown in reference to this whole CDC, whole Community Development/Neighborhood process that you're going with?

CITY MANAGER JONES: Unfortunately, I have not had a conversation with Mr. Brown. The CDC contacted the city manager's office and asked them to come to a meeting. And the staff from the CRA was there. I do know after reading Mr. Brown's memos to us about funding for 2016 that that is one of the areas that he has said that we could give them the money and that they could do that for us. I have not responded back to him on his offer.

COUNCILPERSON THOMAS: Okay. Why don't we find a way to have that conversation? I mean, does the CDC have staff? Who -- who -- who contact you from the CDC? Do they have, like, executive director or do they have -- how did -- how did we get this meeting?

CHAIRPERSON PARDO: Is Mr. Brown here?

DEPUTY CITY MANAGER JONES: It is with Robinson from the CDC.

CITY MANAGER JONES: Yeah. The -- the chair or the president of the CDC was what -- the one that contacted (skip in audio).

COUNCILPERSON THOMAS: Oh, okay.

CHAIRPERSON PARDO: Which is a volunteer position?

COUNCILPERSON GUYTON: Yeah, she's volunteer.

CRA EXECUTIVE DIRECTOR BROWN: Tony Brown, Executive Director of the Riviera Beach CRA. The CRA manages the CDC. The CDC has no staff. There is a management agreement that you've approved that allowed my Neighborhood Services Group to provide services for the Community Development Corporation. Based on Miss Jones' proposal, if council goes this way, as I said to you at a joint meeting, then we would likely propose to you the elimination of our Neighborhood Services Group and then that would largely leave the CDC without the management function that we have hereto performed. So we did meet with Miss Jones' staff, Mr. Perry, and the CDC proposed -- or actually the CDC wanted to know in this budget implications what was the City's vision, what was the CDC's vision -- I'm sorry, the CRA's vision as it related to supporting the Community Development Corporation.

I indicated that one option at the CRA level, subject to your approval when you meet at the CRA board of commissioners, would be that we would likely consider a direct grant to the CDC and that they perhaps could then operate in an autonomous level.

CITY MANAGER JONES: Yeah.

CRA EXECUTIVE DIRECTOR BROWN: I would admit -- I would say to you the executive committee was a little concerned as to whether or not they were ready to be spun off. But that does create a problem as I indicated to you. We only created the Neighborhood Services Group when several years ago the City decided to get out of that function.

COUNCILPERSON THOMAS: I get it. So obviously some serious conversations and decisions need to be made in terms of what your actual proposal to this board is going to be in regards to that program on both sides. Because we can't, right now -- based on what Miss Jones and what Mr. Brown has said, there's not a -- a clear indication of which way you want to go with it. And that's fine. But we can make sure that we understand that, because it does have a budgetary impact.

If -- if the CRA is proposing to get out of this business, then what functions are we going to have for those two individual -- those two more employees to do if they have no real plan or no other organization to work with them? I -- I mean, are we doing some grants are having a grant position on, or what are we going to do with that or how are we going to do it? So I mean, either you -- you -- you guys -- you -- you two get together and figure out how you want to do that or we need to come up with a -- a different plan 'cause that doesn't sound like that we're together on that at all. That's cool?

CITY MANAGER JONES: (Unintelligible).

COUNCILPERSON THOMAS: All right.

CITY MANAGER JONES: Yes, sir.

COUNCILPERSON THOMAS: All right. No problem.

CHAIRPERSON PARDO: All right. Go ahead.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay. The next slide starts the police department. And again, there are no new positions being added to the police department. We have funded the resource officers for the school grant. But (skip in audio) in a separate fund. There's a transfer for the city match under the city manager's budget but the police department, again, has the same complement. And again, you're going to see, you know, some numbers vary back and forth here with, you know, health and pension type numbers. But for the most fact, this budget is pretty level going across. We have funded --

COUNCILPERSON THOMAS: Mr. Sherman?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yes.

COUNCILPERSON THOMAS: What about the -- and it may be in capital but I want to see how it's affecting every department's budget about the -- the -- the -- the -- the IT stuff that they need, the -- what is it? The MIS?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: The IT master plan, we'll -- we'll be getting to.

COUNCILPERSON THOMAS: Okay. All right.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay. We have funded the replacement of three K-9s and \$10,000 to -- to fund those K-9s, their operation. We have funded an extra square mile of ShotSpotter and some, you know, other contract issues relating to, again, some of their technology. And -- and -- but again, for the most part, you know, this budget is -- there's -- there's no great increases here. No great new programs. We funded, you know, vehicle maintenance and fuel and those types of issues. This is the rest of the police department up on the top. And again, you'll see here the third one down is actually --

CHAIRPERSON PARDO: Okay. I have a question.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yes.

CHAIRPERSON PARDO: So how many vacant positions do we have right now in the police department? And with this budget, with next year's budget, will we be funding new police officers?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: I believe the current vacancy count the last time --

CHAIRPERSON PARDO: You know, I know that recent -- right. Just recently several - - we've lost several police officers.

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

CHAIRPERSON PARDO: I think --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: So I know my count is probably --

CHAIRPERSON PARDO: -- one turn there --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- incorrect but I was at 13 and I'm sure it's probably -- is it higher than that now?

CITY MANAGER JONES: Last week's numbers.

CHAIRPERSON PARDO: They're all leaving.

ASSISTANT POLICE CHIEF MADDEN: Good evening, Mike Madden, Assistant Police Chief.

CHAIRPERSON PARDO: Evening.

ASSISTANT POLICE CHIEF MADDEN: We did run a report last budget meeting and that's the one I have here from July 13th. It showed that we had 13 vacancies.

CHAIRPERSON PARDO: So 13 vacancies as of the 13th?

ASSISTANT POLICE CHIEF MADDEN: Yes. And we did have a retirement recently.

CHAIRPERSON PARDO: So now we're going to -- right. So someone resigned on Monday?

ASSISTANT POLICE CHIEF MADDEN: We had a -- we had a retirement.

CHAIRPERSON PARDO: A retirement. Okay. So will that sergeant -- will you be looking to replace him and --

ASSISTANT POLICE CHIEF MADDEN: Yes. That will come from an internal promotion. And then it will leave a vacancy at the police officer rank.

CHAIRPERSON PARDO: Okay. So then there'll be 14 vacancies?

ASSISTANT POLICE CHIEF MADDEN: Correct.

CHAIRPERSON PARDO: Okay. As long as no one else --

ASSISTANT POLICE CHIEF MADDEN: And that -- and that includes the SRO grant where we just actually received the final signatures to fill. So that -- that's five positions in itself.

COUNCILPERSON THOMAS: Yeah, that's -- that --

CHAIRPERSON PARDO: Okay. But you are looking to fill these positions, right? We're not going to fill some of them and then --

ASSISTANT POLICE CHIEF MADDEN: Correct.

CHAIRPERSON PARDO: -- just take the money and --

ASSISTANT POLICE CHIEF MADDEN: No. We're actively recruiting and pursuing to fill those.

CHAIRPERSON PARDO: Uh-huh.

COUNCILPERSON THOMAS: What about our vehicles for the PD?

CHAIRPERSON PARDO: Wait. When you say vehicles, vehicles? Replacement vehicles or the ability to take some of --

COUNCILPERSON THOMAS: Whatever our vehicle --

CHAIRPERSON PARDO: -- some of the officers to take the vehicles home?

COUNCILPERSON THOMAS: Well, I didn't say anything about that 'cause I think all the officers already -- if they live in the city, they -- we already have a take-home car policy. What I'm talking about is the actual replacement and the new vehicles that should be coming every year.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right. The -
- we entered into a lease last fall. That was the last lease that we entered into for police
vehicles. I believe you've -- I know we've taken possession of some of those vehicles, if
not all of them at this point?

ASSISTANT POLICE CHIEF MADDEN: Yes.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: If we want to
enter into another lease going into this -- so -- so the -- the leases that you entered into
last fall for police and fire are included in the debt service for this year. If we wanted to
enter into additional leases at some point this year for delivery later within the fiscal '16
budget and push that debt service payment out to 2017, we probably can do that. I
mean, we'd have to make sure that we have the -- the debt capacity to do that. But
there's no cash in this budget to go and purchase police vehicles. There's 500,000 in
here for vehicles, but Public Works has been using that for nonpublic safety vehicles.

COUNCILPERSON THOMAS: Okay. But what about for public safety vehicles? We
do need to keep our --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Public --
yeah.

COUNCILPERSON THOMAS: -- vehicles --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Public safety
vehicles, 'cause their life span is so short, we've been doing the three-year leases and
then that's been -- we've been rolling those leases over and adding 25, 30 vehicles,
then you have another lease; you get another 25, 30. And as those leases roll over,
then you have capacity to then enter into the next lease and go into the next --

COUNCILPERSON THOMAS: So what's our recommendation for this year, Chief?

ASSISTANT POLICE CHIEF MADDEN: We have been replacing the marked patrol
vehicles for the last few cycles to catch up from the years where -- where we didn't buy
vehicles. So this year for '16 is what we slated to replace some of our specialized
vehicles such as the K-9 vehicles, Crime Scene vehicles. I think our --

COUNCILPERSON THOMAS: Well, the Crime Scene vehicles are extremely old. I've
seen them. They're very old. They really need to be off the road. That's just no joke.

ASSISTANT POLICE CHIEF MADDEN: Yes. And the --

COUNCILPERSON THOMAS: I mean --

ASSISTANT POLICE CHIEF MADDEN: -- and several of the K-9 vehicles were
obtained from the Sheriff's Office that already had 60, 70,000 miles on them and
(unintelligible) --

COUNCILPERSON THOMAS: So what's our plan to do that? 'Cause I mean, they --
we -- everybody's been patient. What -- what's our plan to get those vehicles?

ASSISTANT POLICE CHIEF MADDEN: Yeah. Our calculation is slightly less than what we've spent in the previous years. I think it was about 430,000 is what we submitted for, to be consistent with the -- the vehicle replacement plan.

COUNCILPERSON THOMAS: So the 500,000 that's in the budget now is not inclusive of that 400,000 that you're speaking of?

ASSISTANT POLICE CHIEF MADDEN: I believe that's a citywide number.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right. Yeah. The 500,000 is for nonpublic safety vehicles. So if we want to -- and the reason there's nothing in here, because by the time we -- we enter into a new lease, it'll fall into the 2017 budget.

COUNCILPERSON THOMAS: Okay. So we need to get it started, though, at least?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Get it started. Get your order.

COUNCILPERSON THOMAS: Okay. So what do we need to do to --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Bring the lease documents in. You approve that. We'd order the vehicles and then the payment would be in next year, in '17, not '16.

COUNCILPERSON THOMAS: Okay.

DEPUTY CITY MANAGER JONES: With the debt service for the first set of lease vehicles will end at the -- in the '17 year.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right.

DEPUTY CITY MANAGER JONES: The capacity to lease again will be there so we will still maintain the vehicle replacement plan.

COUNCILPERSON THOMAS: Okay. So --

DEPUTY CITY MANAGER JONES: There's a method to move forward, sir.

COUNCILPERSON THOMAS: Okay. That's all I needed to hear.

CITY MANAGER JONES: And so we will bring back early enough any new lease arrangements in order to cover the subsequent years. So you -- so we won't have a lag in that.

COUNCILPERSON THOMAS: Right.

CITY MANAGER JONES: Yeah. (Unintelligible) that back.

CHAIR PRO TEM DAVIS: Madam Chair?

COUNCILPERSON THOMAS: So now, wait. I'm sorry. Just one second. So for those K-9 vehicles, I mean, do we have to wait a year for those or are we able to go ahead and get those K-9 vehicles?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah, as long as we bring that lease in after October. That'll push it back and then it gets probably again an eight-month delivery period or maybe a little bit short -- a little bit shorter than that.

COUNCILPERSON THOMAS: And that means that they'll have to wait for eight months. I mean, if --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Well, I'm trying to think. We did the last one in December. And if we've taken possession now -- so maybe it's closer to six, seven months. But depends on the specialty of the vehicle and -- and how many other people are out ordering.

COUNCILPERSON THOMAS: So with the -- the new set of Tahoes that we've gone to, are there any K-9 -- is that what the K-9 officers are going to?

ASSISTANT POLICE CHIEF MADDEN: Yes.

COUNCILPERSON THOMAS: So are there any K-9s outfitted with those?

ASSISTANT POLICE CHIEF MADDEN: Not -- not presently.

CHAIRPERSON PARDO: No.

COUNCILPERSON THOMAS: Okay. Well, I want -- I -- I would like to see the -- those vehicles moved up a little bit. How can we get to that point?

CHAIRPERSON PARDO: Well, right now we only have one dog.

ASSISTANT POLICE CHIEF MADDEN: Yeah. The fund -- the funding for the dogs is also an October 1 expense. With the ordering of police --

COUNCILPERSON THOMAS: We only have one dog?

CHAIRPERSON PARDO: We only have one -- we have one animal.

CITY MANAGER JONES: We retired the others.

CHAIRPERSON PARDO: We're like North Palm Beach. One dog.

COUNCILPERSON THOMAS: Okay. Yeah. I didn't know that. But --

CITY MANAGER JONES: But they're in the budget to buy.

ASSISTANT POLICE CHIEF MADDEN: Yeah. They're in the budget and we are planning to -- we're already researching and identifying the dogs so that we'll be ready to move forward.

COUNCILPERSON THOMAS: So is the money there? I'm just trying to make sure we got everything ready to -- so we're ready to go when it --

CHAIRPERSON PARDO: The money is in the budget.

ASSISTANT POLICE CHIEF MADDEN: Yes.

CITY MANAGER JONES: The money is there for the dogs.

COUNCILPERSON THOMAS: Okay. Now, just 'cause we only have one dog we use everybody else dog, too. We just want to let the community know we -- we get some dogs in here, right?

ASSISTANT POLICE CHIEF MADDEN: That's correct.

COUNCILPERSON THOMAS: All right. Okay. We call Palm Beach Gardens or whoever we need. Okay.

CHAIR PRO TEM DAVIS: Madam Chair?

CHAIRPERSON PARDO: Go ahead.

CHAIR PRO TEM DAVIS: Mr. Sherman?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yes.

CHAIR PRO TEM DAVIS: I'm looking in the budget. As far as the police services at the Port of Palm Beach, I don't see anything there. What's going on with that line item?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: No, that -- there is no service being provided by the police department to the port.

CHAIR PRO TEM DAVIS: Oh, that's not being provided no more?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right.

CHAIR PRO TEM DAVIS: Who's providing services to the port now?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: I believe it's the County. County?

COUNCILPERSON THOMAS: When did we get away with serving the port?

CHAIR PRO TEM DAVIS: Yeah. When did this happen?

DEPUTY CITY MANAGER JONES: I think there was a restructuring of that contract. If you remember last year, they decided to get out of the contract with the City.

CHAIR PRO TEM DAVIS: Okay.

DEPUTY CITY MANAGER JONES: We've been back in discussions with them, and I think now it's done on a --

CHAIR PRO TEM DAVIS: Okay.

DEPUTY CITY MANAGER JONES: -- hourly basis on a detail rate.

CHAIR PRO TEM DAVIS: Okay. Cool.

COUNCILPERSON THOMAS: So they still utilize us?

DEPUTY CITY MANAGER JONES: It was a detail program. They still use the police department.

CHAIR PRO TEM DAVIS: So --

DEPUTY CITY MANAGER JONES: But they use it through a -- the detail program.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Extra detail.

DEPUTY CITY MANAGER JONES: Extra-duty detail program like the banks would do or some of our other business partners.

CHAIR PRO TEM DAVIS: Okay. I'm glad you brought that up 'cause my next question was looking over this off-duty detail, are we looking to increase that at some point?

CHAIRPERSON PARDO: That's a (unintelligible).

CHAIR PRO TEM DAVIS: Chief, somebody? Is that --

CHAIRPERSON PARDO: Off-duty patrol.

CHAIR PRO TEM DAVIS: The -- the -- the amount, the -- the detail.

CITY MANAGER JONES: Oh, the amount?

CHAIR PRO TEM DAVIS: The amount for the detail. Are we looking to make a consideration to potentially -- to increase that requirement any time in the near future?

POLICE CHIEF WILLIAMS: For the -- the extra duty --

CHAIR PRO TEM DAVIS: Detail, yes.

POLICE CHIEF WILLIAMS: -- hourly amount for the officers?

CHAIR PRO TEM DAVIS: Yes, sir. Yeah.

POLICE CHIEF WILLIAMS: Yes, sir. We are. And that's in the process.

CHAIR PRO TEM DAVIS: And that'll come back a little later for recommendations for approval? You all just pick it? It ever comes back before us?

POLICE CHIEF WILLIAMS: Well, it -- you -- it -- it's the -- it's been approved for over a year now. We hadn't implemented it.

CHAIR PRO TEM DAVIS: Oh.

POLICE CHIEF WILLIAMS: It hadn't been implemented because there was a request to hold off on implementation because the members were fearful that a number of the vendors would pull out if we increased the rate. But our rate is as competitive as the other agencies and it's due an increase. And that's in the process.

CHAIR PRO TEM DAVIS: Who made that recommendation that we -- that we hold back on that?

POLICE CHIEF WILLIAMS: It came from union representatives over a year ago.

CHAIR PRO TEM DAVIS: Okay. All right. That'll be all.

CHAIRPERSON PARDO: Okay. So I have a question on code enforcement. Professional services going from, let's see -- 2014 they were at 52,5; '15, 100,000, and now they're looking to go to 205. What is that? Professional services.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah. They had actually asked for \$350,000 of additional funding for lot clearing and board and secure. And we added \$100,000.

CHAIRPERSON PARDO: Okay. So that's what the professional services is?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Correct.

COUNCILPERSON THOMAS: What's been our need -- Madam Chair? What's been our need -- what's been -- if they're asking for 350,000, what's it -- I mean, are they asking for that significant amount because there's a drastic need for it or --

COUNCILPERSON GUYTON: Uh-huh.

POLICE CHIEF WILLIAMS: Madam Chair, what we attempted to do in addressing it this year was some of the ongoing concerns with the next steps in our code process. And in addition to that, being responsive to some of the abandoned properties. The board-up -- the board-up costs, the lot-clearing costs, having the ability to do our legal research to take the next steps to make a determination whether or not we want to foreclose on properties.

All of those things had not been funded to the extent that we were able to take those next steps. What we've proposed this year is an attempt to -- to get us on track and keep us on track. Last year -- or actually we're in -- yeah, earlier this year we had an increase in the complaints for abandoned properties and grasses and things growing up around those properties. And we had actually run out of funds. And so the manager asked us to do an in-depth analysis of what we needed in order to stay on track, if we're going to be -- since we're going to be in that business. So essentially, when there's the complaint, we'll go in and take action. And then, of course, we'll levy the property in order to get the dollars back. But what we plan to do is to kind of stay on top of those properties, either those --

COUNCILPERSON THOMAS: Is it 100 -- you asked for 350 but only 100 was given. Is that going to have us at least to be able to fill the difference versus what we're dealing with now or no?

POLICE CHIEF WILLIAMS: Yes, sir. We'll be able to -- we'll -- we'll be able to make significant strides in keeping our city looking good with the -- with that -- with those dollars amounts.

COUNCILPERSON THOMAS: Okay.

POLICE CHIEF WILLIAMS: Yes, sir.

MAYOR MASTERS: Madam Chair?

CHAIRPERSON PARDO: Yes, Mayor.

MAYOR MASTERS: Mr. Sherman, is there -- or whoever would like to answer the question. Is there any money in the police budget -- I know there -- I was told there was a few body cams and they were still experimenting with them. But is there any money -- pardon me -- in the budget for police body cams?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Police body cams is actually a capital request so there is no dollars in here, and that if we want to discuss body cams, that would be at next Monday's meeting. And that document isn't out yet. We haven't published that yet so I really can't tell you whether it's in there or not 'cause there really hasn't -- you know, final decision --

MAYOR MASTERS: Mr. Madden. Chief Madden, do you know about that? I think Chief Madden mentioned that there was some money that's there just in case if we decide to go with body cams.

ASSISTANT POLICE CHIEF MADDEN: Yes. (Skip in audio) anticipated discussion on that topic so we did prepare a capital item to outline all the program needs and capital expenses.

MAYOR MASTERS: So there's a -- there's an itemized plan for body cams?

ASSISTANT POLICE CHIEF MADDEN: It is -- it is submitted in --

MAYOR MASTERS: And we'll know next Monday? We'll come up --

ASSISTANT POLICE CHIEF MADDEN: We -- we have also submitted a grant for -- to offset those costs and we're waiting to find out about that funding.

MAYOR MASTERS: Okay. Just for the record, as you know, I'm a firm supporter of -- and a proponent of body cams for police officers. Anyone that's in law enforcement. Thank you.

ASSISTANT POLICE CHIEF MADDEN: Yes, sir.

CHAIRPERSON PARDO: Okay, Mr. Sherman.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay. I -- I did want to point out Fire is -- don't want to leave them out there. They're the bottom two items on the bottom here. Fire, if you recall, was one of the departments that required some budget increases when we did the midyear budget. So within the fire budget there's no new personnel, but we have taken care of some of their overtime requests, their vehicle maintenance requests; some of their uniform requests were funded, along with some of the -- the firehouse items such as mattresses and, you know, the stuff -- types of items that they needed that probably is long past its useful life.

CHAIRPERSON PARDO: All right. Go back to uniforms.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yes.

CHAIRPERSON PARDO: So we're only -- we're only going to give them some money for uniforms? We're not budgeting --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: No. I believe they asked -- and the number -- I can pull it up, but they asked for 16,5 and the whole 16,5 that was asked for.

CHAIRPERSON PARDO: Okay. So they got everything they asked for?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: This -- this -- this is for the uniforms; the -- their protective gear is actually in the capital plan.

CHAIRPERSON PARDO: Okay.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yes.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Yes, sir.

COUNCILPERSON GUYTON: And Mr. Sherman, speaking of that capital plan, has there been consideration for a new fire station in that capital plan?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: What we're looking for in the first year of the capital plan would be the planning dollars for the fire stations.

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Again, that's -- that's not necessarily enough money to design them. It's certainly not enough money for construction but it's --

COUNCILPERSON GUYTON: That's good.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- at least enough money to -- to get that process started.

COUNCILPERSON GUYTON: Yeah. I --

CHAIRPERSON PARDO: And that's for the three stations? For --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: We kind of combined the three in -- into one and, you know -- 'cause I'm not sure which one would really happen first and, you know, where those needs are. So you'll see that we actually are looking to combine some of those dollars in and consolidate it into one account.

COUNCILPERSON GUYTON: Yeah. I -- I had the benefit of touring fire station 2 last week. I cannot say this nicely.

CHAIRPERSON PARDO: No. Say it because I think most of us have been to all the fire stations and there's no way to say it nicely.

COUNCILPERSON GUYTON: It -- it's pathetic.

CHAIRPERSON PARDO: It's deplorable. The conditions are deplorable.

COUNCILPERSON GUYTON: We --

CHAIRPERSON PARDO: In every fire station except station 4. I'm sorry. I'm sorry, sir.

COUNCILPERSON GUYTON: Okay.

CHAIRPERSON PARDO: But I had to get it out there.

COUNCILPERSON GUYTON: But our -- that was my first time having that experience for our first-line responders. We can do a lot better. We should do a lot better. I don't want to look at rehabbing. My support is going to be tear it down and rebuild. And I know we can't do them all at one time, and I think the chief has a plan of --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right.

COUNCILPERSON GUYTON: -- of how he would like to incrementally bring us into the 21st century, because we're still back there with those 1970 buildings. And I -- I was -- I was surprised, to be -- to -- to say the least. So I definitely want to have that as a serious, serious discussion. Because I think that whether we're planning to do police and Public Works somewhere, and -- and we need to address that, as well. Fire need to be included in that capital --

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

COUNCILPERSON GUYTON: -- planning for the near future.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right.

COUNCILPERSON GUYTON: Thank you, Madam Chair.

CHAIRPERSON PARDO: All right.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Public Works to the top part of this and then you have Parks down at the bottom part of this sheet. Public Works, we did add one project manager to oversee some of the infrastructure or the infrastructure projects that are -- that are undergoing with the street money that we have. Parks, again, there was some money added in there for small tools, you know, to upgrade some of their equipment. There is \$30,000 in there for Jazz after Dark, but no new personnel on the Parks Department.

COUNCILPERSON THOMAS: Mr. Sherman?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yes.

COUNCILPERSON THOMAS: What is our staffing level in our Parks and Rec. Department?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: As far as total staff?

COUNCILPERSON THOMAS: Yes.

CITY MANAGER JONES: Okay. It's in the back of this book.

COUNCILPERSON THOMAS: Is the director here?

CITY MANAGER JONES: Yeah. The director is (skip in audio) vacation. We do have -- if you can turn to the summary page in your staffing in your documents.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

COUNCILPERSON GUYTON: But they don't know it offhand? We do have the -- the interim director that's here.

CITY MANAGER JONES: Miss Franks?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Good evening. Aladia Franks, the Assistant Director of Parks and Recreation.

CHAIRPERSON PARDO: Good evening.

COUNCILPERSON THOMAS: What's our staffing level? Good evening.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: We have about 44 employees and majority of those are part-time. They're not full-time employees.

COUNCILPERSON THOMAS: Okay. What do we have in terms of -- so that's in Parks and the Rec. Department?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: It's in all five divisions.

CITY MANAGER JONES: Five.

COUNCILPERSON THOMAS: Okay. What's our staffing level in Recreation?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: We're below standards. We have two full-time and everybody else -- I think we have two part-time. We were about at 10 in 2008 and we haven't returned to that level.

COUNCILPERSON THOMAS: Why?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: No staffing. We haven't been approved for additional staffing at this time.

COUNCILPERSON THOMAS: Okay. Have you asked for some more?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: We've discussed it. We've discussed it.

COUNCILPERSON THOMAS: I -- I get it. I -- I understand and it seem like you're being very reserved. I'm asking the question as a board member. Whatever happen happens, but I'm asking a question as a board member. Obviously more staff is needed.

CITY MANAGER JONES: In which -- can I -- I need to be -- they have five divisions so -- and I can't know which one you were talking about.

COUNCILPERSON THOMAS: Right now I'm talking about Recreation. If you're saying you only have two full-time staff members, is that one for Tate and one for Wells?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Well, originally we had a Recreation superintendent. That was omitted in 2008. We had a Recreation -- two Recreation coordinators. We're down to one. We had two Recreation leaders. We're down to one. We had eight part-time aides at the gym. We're down to one at each gym.

COUNCILPERSON THOMAS: Okay. Every other department is getting more staff. I expect to see this department that get up to a level that's going to be able to operate. Okay. Go ahead.

CITY MANAGER JONES: Okay. So y'all are -- the directive now is more staff?

COUNCILPERSON THOMAS: No. No.

CITY MANAGER JONES: 'Cause when we -- okay.

COUNCILPERSON THOMAS: That -- that's not a directive I'm giving overall.

CITY MANAGER JONES: Oh, okay.

COUNCILPERSON THOMAS: Every department that I've seen has increased staff somewhere except for the Recreation Department.

CITY MANAGER JONES: In what departments? We've only added two new positions for next year citywide.

COUNCILPERSON THOMAS: Okay. So let me make sure I get this straight. So we only got two positions that came --

CITY MANAGER JONES: New.

COUNCILPERSON THOMAS: All right. No problem. No -- no problem. I don't believe that to be true 'cause we did six in Finance and we're doing another couple again. But that's fine.

CITY MANAGER JONES: Well, the six moved from Utilities. They wasn't new other -- they just moved over.

COUNCILPERSON THOMAS: Okay.

CITY MANAGER JONES: Yeah.

COUNCILPERSON THOMAS: No problem. No problem. No problem.

DEPUTY CITY MANAGER JONES: Can I -- Councilman Thomas, I think we have started to address some of the conversions during the tough years from full time to part-time. In last year's budget I think we looked at removing some of the part-time, and we gave them back five full-time positions as a way of starting to replenish that department back to its full-time levels. But during the lean years most of those positions were converted to part-time.

COUNCILPERSON THOMAS: Okay.

CITY MANAGER JONES: Yeah, because --

DEPUTY CITY MANAGER JONES: Last year they got back five full-time.

CITY MANAGER JONES: But that was not -- he is only talking about Recreation. Those positions were in Maintenance. 'Cause right now --

COUNCILPERSON THOMAS: I'm --

CITY MANAGER JONES: -- the positions that we have in Recreation are the director, the assistant director; you got all your camp coordinators, your camp --

COUNCILPERSON THOMAS: But that's just for the summer.

CITY MANAGER JONES: And that's why so many of them in that area are part-time.

COUNCILPERSON THOMAS: Right.

CITY MANAGER JONES: We --

COUNCILPERSON THOMAS: That's fine. But I'm talking about year round, having enough support to deal with these programs and they're not being ran on a -- on a shoestring budget, so to speak.

CITY MANAGER JONES: Yeah. 'Cause we did give them new this year a superintendent's position so that they did get back one new superintendent in this year's budget.

COUNCILPERSON THOMAS: But is that for Recreation or Parks?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: That is Parks.

COUNCILPERSON THOMAS: I'm concerned --

CITY MANAGER JONES: Okay. 'Cause I didn't -- I didn't know how they divided up the responsibilities.

COUNCILPERSON THOMAS: -- I'm -- I'm concerned about Recreation. I'm concerned about the ones that's dealing with our athletics, including swimming, cheerleading, all of those types of things that we're not really dealing with. So I'm -- I'm -- I'm concerned about that. Because we -- we're short-staffed on that side and it appears that, I mean, the people that are there are doing the best they can. But it seems like we need more staff over there so that's what I'm trying to look at.

CITY MANAGER JONES: Yeah. One of the things, the consideration was for program aides who are actually in the building. That's where you need your people.

CHAIR PRO TEM DAVIS: Yeah.

CITY MANAGER JONES: It's not in that hierarchy of superintendents. I don't need another chief. I need some workers.

COUNCILPERSON THOMAS: Right. I'm -- well, I'm -- that's -- I'm not asking for the --

CITY MANAGER JONES: So that would be -- so that would be, at most, two more people.

COUNCILPERSON THOMAS: For -- to go into the facilities?

CITY MANAGER JONES: So that -- so that there's a full-time person in each facility all the time rather than part -- I think they're part-time now?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Yes.

CITY MANAGER JONES: They're part-time.

COUNCILPERSON THOMAS: Okay.

CITY MANAGER JONES: And so you need -- in order to be able to -- so in looking at that --

COUNCILPERSON THOMAS: Well, two is a start.

CITY MANAGER JONES: Yeah.

COUNCILPERSON THOMAS: I -- I'm -- I can be satisfied with two. Two is definitely a start with that, which -- which -- which would be my -- my concern. The other thing that I have is what capital monies are we investing to redo both Tate and Wells? I mean, we -- we redo the floor in one of them or two of them every couple of years or whatever. But I'm talking about a total renovation where the -- the facilities that people use for restrooms are, you know, sanitary enough. We can put some decent light fixtures in there or some of that. What are -- what are we doing to address that -- that aspect?

CITY MANAGER JONES: You have not received your capital budget yet. That's next Monday's discussion. If you'll recall, when we presented our unfunded need, those two buildings were a part of the unfunded need. And the decision was to do roads and not do facilities. Now what we've got to do is try to see if we can find another funding source, not only for that building, but you need a library and some of those other buildings. So it's got to be in subsequent funding for large-scale capital projects.

COUNCILPERSON THOMAS: Okay. So -- no problem. For the short scale, we at least need to do redo the bathrooms.

MAYOR MASTERS: Yes.

COUNCILPERSON THOMAS: And put some -- you know, the doors and all of that type of stuff that doesn't take hundreds of thousands --

CITY MANAGER JONES: Paint.

COUNCILPERSON THOMAS: Paint. All of that stuff. We at least need to do that. I mean, so I want to see that in this budget year. I want to be able to not look embarrassed when someone wants to use the restroom and be like, Man. I mean, is this really a --

CHAIRPERSON PARDO: Uh-huh.

COUNCILPERSON THOMAS: -- you know, facility? So that -- that needs to happen in this budget year. I want to make sure that that's addressed, you know, in this budget

year. So those additional two employees and those addressing those -- those concerns with -- with the -- the -- the Rec. Department.

CHAIRPERSON PARDO: Okay.

COUNCILPERSON MILLER: Madam Chair?

MAYOR MASTERS: Madam Chair?

CHAIRPERSON PARDO: Okay. Hold on a second. So I'd like to know what kind of money is going (skip in audio) beach park. Has anyone been over and checked out the bathrooms over there and the rust and, you know, what are we doing over there? I think that is probably the most popular park that we have in the city. And, you know, I never hear people talking about it.

CITY MANAGER JONES: The monies have been allocated to make those renovations. I don't know where the solicitation is to get the work done but the monies have been allocated.

CHAIRPERSON PARDO: For the bathrooms, too, right? Not just the trellis outside? For the bathrooms, also?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: We will include that. We had --

CHAIRPERSON PARDO: Yeah? Okay.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: -- yeah.

CHAIRPERSON PARDO: And then the other thing is Barracuda Bay. Barracuda Bay costs us what, \$418,000 a year? And you know, bring us up every year. Do you think maybe we should go out and either find someone to run it or do some kind of public/private (skip in audio) with Barracuda Bay so, you know -- half a million dollars is a lot of money. Especially if we're trying to bring the Parks and Recreation up to a higher standard. And I know that you have gone out now, right? We're looking for a new executive director so, you know, I don't know if we have the conversation now or wait until we hire a new --

COUNCILPERSON THOMAS: Executive Director for what?

CHAIRPERSON PARDO: For Parks and Rec.

CITY MANAGER JONES: She said executive director but she meant director.

COUNCILPERSON THOMAS: Oh. Oh.

CHAIRPERSON PARDO: I'm sorry. Director.

COUNCILPERSON MILLER: Oh. Yeah, I was like, "For Barracuda Bay?" Do they get a (unintelligible)?

CHAIRPERSON PARDO: Director for Parks and Rec. But I really think, you know, a half -- or close to a half a million dollars a year is a lot of money for that pool. And it's not open year round.

CITY MANAGER JONES: Uh-huh. It costs a lot.

CHAIRPERSON PARDO: It costs a lot, right. And you know, I never see it at full capacity. Is that --

CITY ATTORNEY RYAN: You hit your --

CHAIRPERSON PARDO: Oh, sorry. Serie's husband's talking to me.

CITY MANAGER JONES: Now, that --

CHAIRPERSON PARDO: So anyway, I -- I really think it's --

CITY MANAGER JONES: -- it's probably time to resurface that discussion.

CHAIRPERSON PARDO: -- you know, you need to have some kind of conversation about that.

COUNCILPERSON MILLER: Madam Chair?

CHAIRPERSON PARDO: Go ahead. Go ahead.

COUNCILPERSON MILLER: We were -- a few weeks ago we discussed about having to do that year-round program in order to qualify for the summer vouchers. With the personnel that we currently have, would we be able to do that? Because I know we said that's something that we want to try to look to do if we want to receive that voucher next summer. With having the level of personnel that we have now, are we going to be able to do that or we need to put more people in the personnel positions in order to have it?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: We will need additional.

CITY MANAGER JONES: Did you have a staffing request for year-round camp?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: No. Whatever -- if we implement the after-care program, we will need additional staff.

COUNCILPERSON MILLER: How many?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: We're looking -- we're actually working with the Department of Children and Families to come up with the criteria to make sure that we have all that in place. So we should --

COUNCILPERSON MILLER: So if we're going to be going after that summer voucher for next summer, we need to make sure that we account for that when we're looking at it.

CITY MANAGER JONES: You gotta budget it now.

COUNCILPERSON MILLER: Yeah.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: That's correct.

CITY MANAGER JONES: So that -- we need that number as soon as possible.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Okay.

COUNCILPERSON MILLER: Yeah.

CHAIR PRO TEM DAVIS: Madam Chair? Are you done?

COUNCILPERSON MILLER: Yeah, I'm done. Thank you.

COUNCILPERSON THOMAS: Is that in addition to those two?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Yes.

CITY MANAGER JONES: Yeah.

COUNCILPERSON THOMAS: Okay.

CHAIR PRO TEM DAVIS: Has -- has it been brought before the board in the last -- past -- well, since you've been as our -- operating as city manager for Parks and Rec. to budget us redoing those bathrooms at -- at Wells and Tate's Gymnasium? Has it ever been brought before this board?

CITY MANAGER JONES: They have --

CHAIR PRO TEM DAVIS: As a -- as --

CITY MANAGER JONES: -- over the years I think they've been a part of the unfunded capital. When you get the capital, in the back all the things that the departments asked for that's unfunded --

CHAIR PRO TEM DAVIS: Uh-huh.

CITY MANAGER JONES: -- it's been off in there.

CHAIR PRO TEM DAVIS: But it's never been a priority?

CITY MANAGER JONES: It has never been a priority, neither has there ever been a -- a true plan. We were looking at total replacement.

CHAIR PRO TEM DAVIS: Okay. I've --

CITY MANAGER JONES: 'Cause if you look at the ceilings, if you look coming in, I mean, and -- so our stopgap until we can get replacement would be to do renovations.

CHAIR PRO TEM DAVIS: Have staff looked at the budget, how much it would cost us to do, just say a renovation in Wells bathroom itself?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: About 60,000 for that.

CHAIR PRO TEM DAVIS: About 60,000? That's toilets, floors, everything?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Floors, tiling.

CHAIR PRO TEM DAVIS: This -- this is where I am with that.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Partitions, everything.

CHAIR PRO TEM DAVIS: We done spent more money on less -- more important stuff, but that bathroom's been that way since I was a little boy. And you mean to tell me --

COUNCILPERSON THOMAS: Before you was a little boy.

CHAIR PRO TEM DAVIS: Well, I can remember, but if -- if it's been that long, that need to be a priority at this budget workshop.

COUNCILPERSON THOMAS: No. It's -- it's definitely a priority for me.

CHAIR PRO TEM DAVIS: Yeah.

COUNCILPERSON THOMAS: It's definitely a priority for me.

CHAIR PRO TEM DAVIS: I mean -- I mean, 'cause if we're gonna --

MAYOR MASTERS: Me, too.

CHAIR PRO TEM DAVIS: -- look to later on doing a new facility, potentially -- I mean, \$60,000 is an investment for the next five to six years where -- I think it's really worth it because somebody should have to come over to Wells -- to City Hall to use the bathroom, then go back over there to play. You know what I mean? I -- I haven't talked -- I think this board need to consider that. You know, Miss -- you know, Miss Miller, that's District 2 so you represent them.

COUNCILPERSON MILLER: I know.

COUNCILPERSON THOMAS: The bathrooms here need to be renovated.

CHAIR PRO TEM DAVIS: Well, let's not --

CITY MANAGER JONES: Yeah, I was getting ready to say, you just got capital needs everywhere.

COUNCILPERSON THOMAS: Yeah.

CHAIR PRO TEM DAVIS: Well, definitely worth looking at --

MAYOR MASTERS: Yeah.

CHAIR PRO TEM DAVIS: -- when staff bring in the recommendation for a budget, to prioritizing that specific bathroom in that location so that staff and those who use that facility can feel more comfortable, you know, and do that upgrade. 'Cause later on we can address the entire facility, but \$60,000, I think, is much needed upgrade renovation.

COUNCILPERSON MILLER: I agree.

CITY MANAGER JONES: Yes, sir.

COUNCILPERSON THOMAS: That'll take care of both of them?

CHAIRPERSON PARDO: Okay. So --

CHAIR PRO TEM DAVIS: No. Just the one.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Well, that's the two at Wells and then another 60 at Tate.

CITY MANAGER JONES: Tate, yes.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: To bring it up to where we would like it.

COUNCILPERSON THOMAS: Okay. So I'm saying that's all of the restrooms in the --

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: That's more the locker rooms. That's not the staff restrooms. We are doing a -- like a --

CHAIR PRO TEM DAVIS: The locker rooms.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: -- minor facelift that we started. We just redid some lighting in there and painting it and replacing some of the lockers, just to give it kind of a facelift.

COUNCILPERSON THOMAS: Staff have their own restrooms at these facilities?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: It's just -- it's -- yes, just one partition.

COUNCILPERSON THOMAS: Okay.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Uh-huh.

COUNCILPERSON THOMAS: So, like, if they're not the -- if you have a visitor to the facilities and they're not the children who are utilizing the locker room, what -- what do they use? So what are they -- the parents that come out to this game, what do you --

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: They would use locker room/restrooms.

COUNCILPERSON THOMAS: Okay. I -- that is a policy decision, I guess, so we'll talk about that later. But I just want to make sure that we're providing a place that the adults can use that don't have to commingle with the kids.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Of course.

COUNCILPERSON THOMAS: You know? Okay.

CHAIRPERSON PARDO: Okay. So have we had a discussion about merging the -- I guess you call it your street team or the lawn guys with Public Works?

CITY MANAGER JONES: We've had that discussion for the last two years in the process.

CHAIRPERSON PARDO: Okay.

CITY MANAGER JONES: And as a part of moving forward with that, we are looking to consider just the Parks' maintenance and merging the Streets. We did not do it in this particular budget because it would require Parks needing additional positions. Because the people -- just like with our Street crew, your maintenance workers in your parks are also the ones that do your breakdowns, the setups, and so they do dual roles. So even if you took the function, you couldn't take all the people 'cause you would still need to leave some people in Parks for their setups and repair and maintenance within the parks, if a swing breaks and those sorts of things. So for the maintenance, yes, we have had the discussion about at least the lawn maintenance piece potentially next year moving to Park -- moving to Public Works. But we would still need to make sure that Parks had enough staff to do what they would need to do as it relates to programming.

CHAIRPERSON PARDO: Okay. But couldn't Public Works do that, also? Because, you know, when we have activities, the guys from Public Works, they come over and they either set up or they help break down. And they do certain maintenance tasks, also.

COUNCILPERSON THOMAS: It depends on what it is.

CITY MANAGER JONES: Yeah. We'd have to kind of look at what --

CHAIRPERSON PARDO: No, I --

CITY MANAGER JONES: -- some of the workloads have been for those particular ones. The unfortunate thing is that we run into situations where Parks is setting up in one place and Public Works is setting up in another place. And so it would definitely require a great deal of coordination to be able to pull people off of their other jobs in order to be able to do those setups and breakdowns and minor maintenance in the parks, as well as maintenance of our facilities.

CHAIRPERSON PARDO: Well, I think it's something that, you know, you should seriously take a look at. You know, we might be able to get a better service out of it if it's -- you know, if you have one department working on all of it.

CITY MANAGER JONES: On all your --

CHAIRPERSON PARDO: Instead of piecemealing it.

CITY MANAGER JONES: Yeah. Yes, ma'am.

CHAIRPERSON PARDO: Okay.

MAYOR MASTERS: Madam Chair?

CHAIRPERSON PARDO: Yes, Mayor?

MAYOR MASTERS: Miss Franks, (skip in audio) have you been working in the Parks and Rec.'s Department?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: About 15 years.

MAYOR MASTERS: Okay. And you're serving as interim now or what are you -- what position are you serving now?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Assistant director.

MAYOR MASTERS: Assistant director. How long have you been assistant director?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: For about maybe eight.

MAYOR MASTERS: Eight?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Yeah.

MAYOR MASTERS: Okay. I just want to say for the record --

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Well, five, eight, yeah, off and on.

MAYOR MASTERS: Okay. I just want to say for the record --

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Yeah.

MAYOR MASTERS: -- I've -- I've seen you in action in the last few weeks. I've seen you early, early in the morning when a lot of kids are there and the parents and -- and I like what I see. I like your interaction --

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Thank you.

MAYOR MASTERS: -- with staff and with the parents.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Thank you.

MAYOR MASTERS: And I just want you to know that I think you're doing a great job.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Thank you.

MAYOR MASTERS: Under the circumstances of running the whole thing --

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Thank you.

MAYOR MASTERS: -- basically in that position. And I'm -- I'm thankful for what you --

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Thank you.

MAYOR MASTERS: -- the service that you are -- that you're rendering. I want you to know that it's noticeable.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Thank you so much.

MAYOR MASTERS: Thank you. Now also, I think just for the public, I think that the Jazz in the Dark -- Jazz in the Park --

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Jazz after Dark.

MAYOR MASTERS: -- was (skip in audio), wasn't it?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Well, it --

MAYOR MASTERS: Didn't you create that?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: -- it's always a team effort, but I had a big part in it and -- but it's a team effort. No I in team.

MAYOR MASTERS: But you brought it to fruition, didn't you?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Well --

MAYOR MASTERS: Because I want to.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: -- (unintelligible) (skip in audio).

MAYOR MASTERS: Well, you told me that. Didn't you tell me that was your idea?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: No. I never told you that.

MAYOR MASTERS: You had something to do with it?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: It was -- never told the Mayor that.

MAYOR MASTERS: Well, I remember you telling me that it -- you brought it into fruition or you had something to do with the beginning of it and something --

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Well, it started as a blueprint and it had -- it was brought to life so --

MAYOR MASTERS: Okay.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Okay. I'll take about 80 percent of the credit.

MAYOR MASTERS: Well, thank you. Okay. Well, I'll give you the 80, then.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Thank you so much.

MAYOR MASTERS: But you're doing a good job from what I've seen. And --

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Thank you so much, Mayor.

MAYOR MASTERS: -- especially early in the morning. You're staying late at night and I -- I appreciate what you're doing.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Oh, thank you.

MAYOR MASTERS: Thank you.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Thank you so much.

CHAIRPERSON PARDO: All right.

COUNCILPERSON THOMAS: One more thing before we leave Parks, please. The -- the maintenance upkeep on Dan Calloway, the flower pots and the graffiti and just repainting the benches and, you know -- what type of plan or what type of funding needs to go to make sure that we can keep that up, keep that --

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Additional funding -- we've had a lot of vandalism. We've had three arsons. The concession stand was almost burnt down. The picnic tables. It's vandalism. I mean, about five to 10 lights a week above.

CITY MANAGER JONES: Yeah.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: So it's a big issue.

CITY MANAGER JONES: Councilman --

COUNCILPERSON THOMAS: So do --

CITY MANAGER JONES: -- Councilman Thomas, what I have asked the Director of Public Works and his people to do is to go and do an assessment of Calloway. They have provided me with that document so that -- what it would take to bring it back up and consistent care and maintenance throughout the year.

COUNCILPERSON THOMAS: Right.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: We just need (unintelligible) --

COUNCILPERSON THOMAS: But now, listen, but you --

CITY MANAGER JONES: In order to -- so that it doesn't get in that condition again.

COUNCILPERSON THOMAS: Right.

CITY MANAGER JONES: Yeah. That's what we need to guard against.

COUNCILPERSON THOMAS: That is definitely what I want to see. But I also want to make sure that if you put a fence up, somebody's going to jump it. All right? I mean, that's just what's going to happen. Now, I don't know what we need to do to try to curve that, what funding we need to do. Maybe some extra activities to keep the -- the youth involved or whatever on it or, you know, try to educate them on, Hey, look, you're tearing up your own stuff here. I -- you know, I don't know what we need to do. But if we're losing 10 lights and burning down trees and concession stands, that's -- that's a real issue. That's a real issue and we can't just keep replacing that stuff over and over and over again without making some type of adjustment. So I don't know what that is. That's why you're there.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Yes.

COUNCILPERSON THOMAS: I'm sure you'll come up with an idea. But I want to make sure that we have the funding there to back whatever the idea is -- idea is.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: (Unintelligible).

CHAIRPERSON PARDO: Okay. My idea is -- and I brought this up several times -- open up the park.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: The park --

CHAIRPERSON PARDO: Okay. You have kids that live across the street that are playing in glass and dirt. All right? Because the park isn't open.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: The park is open at 7 in the morning till sunset.

CHAIRPERSON PARDO: Okay. And what -- and what about when school is in? When school is back in session?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: It's open at 2 p.m. and closed at 10:00.

CHAIRPERSON PARDO: Okay. All right. Well, I've been over there many times. Okay? And the park is shut tight.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: The -- the staff is -- comes on site at 2:00 so they open --

CHAIRPERSON PARDO: Really?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Yes.

CHAIRPERSON PARDO: Well, just so you know, I've been over there many times. I brought this up to staff. My --

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Yes.

CHAIRPERSON PARDO: -- my former aide and I were over there when we watched the kids over in Stonybrook playing in the glass and the -- and the dirt, because the park was closed. And I would think if that park was open on a regular basis and there was someone in there and they had activities, that maybe like Mr. Thomas said, you know, they would take -- there would be a sense of ownership. But when you have a park that's closed a lot, I could -- I understand why those kids are going in there and vandalizing. So --

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: I'll look into that. Our -- our -- our Parks staff --

CHAIRPERSON PARDO: Yeah, please.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: -- come on staff at 6 a.m. in the morning. They open all the parks and the tennis courts and I'm not sure why that happened. But they open all the facilities in the morning.

CHAIRPERSON PARDO: Yeah.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Uh-huh.

CHAIRPERSON PARDO: Okay.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: So I'll look into that.

CHAIRPERSON PARDO: All right. And I'll send you the photos. 'Cause I have the photos.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Thank you so much.

CHAIRPERSON PARDO: Of everything being closed.

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Thank you.

CHAIRPERSON PARDO: Thank you. All right. Mr. Sherman?

ASSISTANT DIRECTOR OF PARKS & RECREATION FRANKS: Thank you.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay. And the last slide for the general fund is Lindsey Davis and the Civil Drug Court. Again, nothing -- nothing major in changes there. Moving on to the Utility District. Again, this -- this --

CITY MANAGER JONES: Madam Chair?

CHAIRPERSON PARDO: Yes, sir.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Oh, I'm sorry.

CHAIRPERSON PARDO: Sir? Oh, my God. It's getting late.

CITY MANAGER JONES: I know my voice is deep.

CHAIRPERSON PARDO: No, it's getting late. Yes, Madam Manager. Oh, my God. I can't believe I said that.

CITY MANAGER JONES: Before we get into the Utility Special District discussion, I would like if Council would consider -- and this is another time where you're kind of wearing two hats. One of the things that I've heard you say repeatedly is that you need an adequate amount of time to vet these issues. And 30 minutes once a month is not adequate time for you to actually be getting into what you possibly could be deciding at a policy level of what was going on in the Utility District. We've got major CIP projects coming on board. Especially with the disinfectant and all the things that you're looking at. There's major construction in what we're -- our role in the ECR. And we don't have time to give you reports. We don't have time for you to have adequate discussion.

And so what I am suggesting is that you consider establishing a separate day for Utility District meetings and that what -- that way you're not bound to a 30-minute meeting and trying to get the work done. It will also give you an adequate amount of time in order to get more in-depth in the things that you really want to know about the workings of the Utility District. And this is going to require a great deal more of your time rather than the 30 minutes once a month.

CHAIR PRO TEM DAVIS: Okay.

CITY MANAGER JONES: So part of that I'm also asking that you all consider some sort of stipend because you -- you are getting ready to increase your time quite a bit. And particularly as we start doing the constructions and you have the procurements that are going on. And I would recommend that you consider somewhere between maybe \$1,000 a month or \$1,500 a month. This currently is not built into the budget, but we do have the flexibility and I would just like to have your reactions to my recommendation.

CHAIR PRO TEM DAVIS: Madam Chair?

CHAIRPERSON PARDO: Yes, sir.

CHAIR PRO TEM DAVIS: So Miss Jones, this is something you're asking us just to make a decision today or just to look over now for next week's meeting or --

CITY MANAGER JONES: You can look over it now or you can give me feedback now. The final budget for all entities is not going to be finally submitted until we get to September.

CHAIR PRO TEM DAVIS: Okay.

CITY MANAGER JONES: So we've got the month of August. But the sooner that you have that discussion and that dialogue, the sooner I'll know what to put into that September budget that you'd receive that we'll have the public hearings on.

CHAIR PRO TEM DAVIS: Okay.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Yes, sir.

COUNCILPERSON GUYTON: This is something that I think is long overdue. We oftentimes run over our 30 minutes. The documents oftentimes are voluminous and not just the time that we spend in the meetings, but the time that's required just to prepare for some of these meetings. At least for me. Because I try to read those documents. It's -- it's substantial and I'm sure that others do, too. So I support the recommendation from the city manager and I think that we need to move forward on it. You establish a separate day and if we are devoting the time that is needed, a separate day would be appropriate. And -- and I'm not opposed to the stipend, either.

COUNCILPERSON THOMAS: Madam Chair?

CHAIRPERSON PARDO: Yes, sir.

COUNCILPERSON THOMAS: I am -- I am very concerned about some of our infrastructure problems that are happening over on the Utility Board side and I do think that we need to spend more time trying to address those issues. I know we're going to get into a few of them tonight. But it is a -- a short meeting having it at 30 minutes, a meeting. I -- I -- I think that maybe we should go to definitely a different day to -- to get this done, especially with the way we're going to be going to a different disinfectant for our water supply and the -- the issues and infrastructures breakdowns that we're having,

we can have more time to look through those and -- and give a wider plan. I know we have, what, \$200 million in plans that we want to try to get to? That will give us some more time and opportunity to be able to address those so I'm definitely in favor and support of it.

CHAIRPERSON PARDO: Okay.

COUNCILPERSON MILLER: Madam Chair?

CHAIRPERSON PARDO: I --

COUNCILPERSON MILLER: Go ahead.

CHAIRPERSON PARDO: -- I support it only because, you know, I do have my meetings with the -- with Mr. Aurigemma, right? So I can get up to snuff on everything prior to our 30-minute meeting. But also, a lot of times Mr. Aurigemma doesn't have the time to give us updates on the ECR. And the ECR is very important. It's a big -- it has a big financial impact on the City of Riviera Beach. And yeah, I'm -- I'm definitely supportive of putting time aside. You know, if we want to do it every two weeks or just once a month, but it's something that we really need. So I am definitely supportive of it. Yes, Miss Miller?

COUNCILPERSON MILLER: I was just going to ask that. Would we be looking at doing it twice a month? Once a month?

CITY MANAGER JONES: I figure your minimum is once a month.

COUNCILPERSON MILLER: Uh-huh. The stipend amount, how did you come to that -- that -- those figures?

CITY MANAGER JONES: I just thought it was just kind of, you know -- in looking at the roles and the responsibilities that that would be -- I didn't survey or anything of that nature.

COUNCILPERSON MILLER: Okay. I mean, I'm in -- I'm in support of it simply because of us always feeling like we're rushing through things. I -- you know, when we started saying we're going to be approving to get -- give ourselves more money, that always become a little issue. But if you look at it, I mean, we're doing CRA. We do the Utility District. I mean, we're on several boards where we're, you know, splitting it all. It's, like, 5,000 for each one almost.

But I'm in support of having the additional meetings, separate -- well, separate meeting. I -- you know, I -- I can't say that I'm going to agree with the amount only because I don't know, you know, how do we come up with the amount. I want to say just a random amount. If we had some sort of justification on how we came to that amount, you know, I'm okay with that. But I certainly believe we need separate -- a separate time because we do rush through that meeting and it's very important (skip in audio) are very, very important and we don't really have the time and as Mr. Guyton said, the voluminous paperwork that we do have to read for the Utility District. There's a lot of homework outside of the meetings that we do for all -- all the board meetings. But I definitely agree with having the additional meeting. I can't comment on the amount, though.

CHAIRPERSON PARDO: All right. Mr. Davis?

CHAIR PRO TEM DAVIS: I agree. I agree with everything. I mean --

CITY MANAGER JONES: Okay.

CHAIR PRO TEM DAVIS: -- you're making a recommendation. Bring it back. However you want to do it.

CITY MANAGER JONES: Okay. Thank you, sir.

CHAIRPERSON PARDO: All right. So we have a consensus.

CITY MANAGER JONES: Uh-huh. Mr. Sherman, if you want to finish the rest of the division?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay. Utility District. Again, if you look at the bottom line, okay, you'll notice that there really isn't that much of a change to the bottom line. It's about 250,000, which really represents the increase in the rates that -- that are already approved. But you will notice that there are some shifts in the dollars here. I

In the top section under Administration, you notice that the debt service has gone down over \$200,000. That was a result of the refunding that we did last year so you're starting to see those dollars work into your -- your budget. And if you go down to the bottom section which is the sewage collection or wastewater, and you look at Operations, you'll actually see that that number's increased a million dollars. Again, that's the payment that is required to go to the ECR. And, you know, I know we've talked about that in the past, that that was going to be the big increase. But other than those -- and again, you get the same shifts with health and -- and retirement. The -- and I'll get a little bit deeper into the pension obligation bonds and -- and the pension reform in a -- in a moment here. But again, the Utility District, you know, is a beneficiary of that, as well. So that's why you see some of those personnel numbers move up and down. But again, overall, it's a \$250,000 increase in the budget.

COUNCILPERSON GUYTON: And just, Madam --

CHAIRPERSON PARDO: Go ahead.

COUNCILPERSON GUYTON: -- a question. Mr. Aurigemma, are you still the chair of the ECR?

UTILITY DISTRICT EXECUTIVE DIRECTOR AURIGEMMA: (Unintelligible), sir.

COUNCILPERSON GUYTON: Okay. That -- that's what I wanted to recognize, too.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: He is.

COUNCILPERSON GUYTON: We have an employee that is in a leadership capacity for all of the municipalities, a part of this district. And I'd like to congratulate him. I think he's doing a good job and keep up the good work.

CHAIRPERSON PARDO: Okay.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay? And then finally for the budgets we have the -- the marina budget. And I'll tell you that this budget was actually developed based on current operations. We have been trying to work with Loggerhead. We've been providing -- been providing them financial information and contractual information. And next time we get together on these budgets, hopefully we'll have a budget proposal from them and what they think that they will be operating in. But the marina right now is -- is based on operations. So those numbers will be changing. The refuse collection, again, as we mentioned earlier, that's based on the contract that we have. And then under stormwater, I did want to point out that, again, they did -- we're a beneficiary of the pension reform and we have been able to actually put \$315,000 into capital. Again, but these numbers are decreasing every year. And, again, we talked about the rate increase that we'll talk about at the capital budget.

Back to the general fund. I did want to kind of get a little bit more on a global basis on some of these numbers. The general fund budget is going up \$10.7 million. And if you look at the top section of this slide you'll notice that five line items -- and again, these line items, you know, for the most part, cut across all the departments. But five line items actually account for \$8.5 million of that.

The debt service number, again, includes the 2014 bonds that we issued last fall for the street projects and the Marina District. It also includes a number in there for the pension obligation bonds. We have not priced those bonds yet. So I -- you know, so that number may change slightly. We have \$4 million on the next line for capital projects. And I'll get a little bit more into detail with that on -- I believe it's the next slide. We have the 200 -- 250? -- sorry, Tony. We have the \$2.5 million for the CRA. That was a Freudian slip. \$2.5 million for the CRA assistance. The wages. Again, all of the wages that are in your contracts are all, you know, fully budgeted. I know there's some issues with those wages but they are all fully budgeted. So when all the matters get resolved, the -- the dollars are there.

And again, after pension reform our pension number actually went down \$3.7 million in this budget. And again, part of that is offset by the debt that's up in the other line. But I'll walk you through the -- the slide that was in the transmittal letter. All the rest of the line items add up to only about \$2.2 million. So that's, again, all your other contract -- contracts, professional services, office supplies, repairs and maintenance, fuel. All those other line items only add up to \$2.2 million.

COUNCILPERSON THOMAS: Madam Chair?

CHAIRPERSON PARDO: All right. I have a question.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yes.

CHAIRPERSON PARDO: The wages. The 1.26?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yes.

CHAIRPERSON PARDO: Okay. So is that across the board?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: That would be across -- all employees across the board in the general fund. Yes.

CHAIRPERSON PARDO: Okay.

COUNCILPERSON GUYTON: Wait, wait, wait.

CHAIRPERSON PARDO: So -- and so that's for next year. So across the board, we'll be paying out 1.265?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: More than this year, yes.

CITY MANAGER JONES: This year.

COUNCILPERSON GUYTON: More than this year.

CHAIRPERSON PARDO: More than this year.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yes.

CHAIRPERSON PARDO: Okay.

COUNCILPERSON GUYTON: So --

CHAIRPERSON PARDO: All right. Go ahead.

COUNCILPERSON GUYTON: -- I have a question, Madam Chair. And I don't know if this is the fund that we would have this discussion, but the Housing Authority requested \$50,000.

CITY MANAGER JONES: They're next on the agenda.

CHAIR PRO TEM DAVIS: They're on there.

COUNCILPERSON GUYTON: It's on -- okay.

CITY MANAGER JONES: Yeah. We added them to the agenda tonight so --

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay? What I did want to point out here, again, last year you told us very clearly that you were looking for a tax relief. And the budget that we were developing in the earlier part of this year was geared towards being a rather austere budget, not a lot of increases. We were trying to provide the tax relief without having any impact on services. When the FPL money came in, after the half mill decrease, the FPL money actually turned into \$6.5 million of new tax revenue. And this is really how the \$6.5 million has -- has been allocated. We had that live working session a couple weeks back. And I just wanted to kind of point out that your budget is balanced without the FPL money. And that includes the half mill reduction. So none of this FPL money is being used either for the tax relief or to actually balance your budget.

What's being recommended, again, as I had on the prior slide, \$4 million in pay-as-you-go capital, which would include a million for the IT Strategic Master Plan, million and a half for the Neighborhood Sector Plan, a million dollars for Avenue E, design and engineering, so we can get that work done. And then again, we kind of consolidated the requests for the fire station preliminary dollars and the -- the community center dollars and put that as one number to see how that shakes out. Then when we get over to the capital side, if you want to break those dollars up, that certainly can be done. And I know we never had the discussion on the parking enterprise fund that evening as we were running late. But Mr. Brown and I and -- and staff have met. We've talked a lot about Ocean Mall and the parking needs down at the Marina District.

We need to develop a parking master plan. Parking master plan will come in. It will look at the usage. It'll look at the needs. It'll look at the hours. It'll look at the rates. It'll tell you, you know, what type of capital dollars you need and hopefully put together not only all the ordinances and -- and regulations, including enforcement, but also put together a financing plan to do the capital side of -- of your parking operations.

So we came up with that \$200,000, considering that that covers some open-air parking, two parking garages located in two different areas. You know, I think we're pretty confident that \$200,000 will cover that. And that's the balance of the \$4 million and then, again, the \$2.5 million that's going to the CRA.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Yes, sir?

COUNCILPERSON GUYTON: I've got a question. In the capital plan -- and I guess we'll have this discussion -- are -- are we allocating the -- the 8 or 10 million -- Mr. Sherman, are you with me?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

COUNCILPERSON GUYTON: For the Avenue E project.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yes.

COUNCILPERSON GUYTON: Are -- are we putting that in the next two-year budget?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: No. This one --

COUNCILPERSON GUYTON: Or --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- this million would be in the '15/'16 budget.

COUNCILPERSON GUYTON: Oh.

CITY MANAGER JONES: (Unintelligible) is just for design.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: But this is just -- right. Correct. That's just for the design and engineering.

COUNCILPERSON GUYTON: I -- I understand. Well, I guess we'll have this discussion, 'cause trying to make that May 8 -- May '18 deadline, then those funds gonna need to be allocated. Or --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah. I -- to be honest with you, I don't think there's any way you can make the '18. And -- and -- and here's --

COUNCILPERSON GUYTON: Well, I didn't think so but --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- when I -- in my mind, it's going to take at least a year to do the bidding and the design and engineering. And then you have to turn around and go out and bid the work and then get the work done. I think '19 at the earliest is the best that you're gonna be able to actually get all of that work -- that -- that's a long stretch of road. It's a -- it's a major project. You know, we don't have the other dollars allocated --

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- at this point 'cause they're unknown at this point.

COUNCILPERSON GUYTON: Uh-huh.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: But we wanted to get the design and engineering done so that you at least would be ready to go when you're ready, you know, when you have that funding identified.

COUNCILPERSON GUYTON: Okay. And I -- I don't oppose that because I've been supporting --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

COUNCILPERSON GUYTON: -- these projects from the beginning.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

COUNCILPERSON GUYTON: We just need to know what the time frame is, because now the resubmit -- and we need to identify when we feel we will actually have the dollars. Because we would need the dollars in order to get the match so there's been discussion about resubmitting or trying to make the May '18 so --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right.

COUNCILPERSON GUYTON: -- we need to have a clear understanding where we're going and what time frame we're looking at. So when we do resubmit we can --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right.

COUNCILPERSON GUYTON: -- put those dates on there. Thank you.

COUNCILPERSON THOMAS: Madam Chair?

CHAIRPERSON PARDO: Yes, sir?

COUNCILPERSON THOMAS: I want to just make sure that the 300,000 that it says for fire stations and community center, I want to make sure that that community center is the one that's going to go in the firehouse area. Is -- somebody?

CITY MANAGER JONES: Yes, sir.

COUNCILPERSON THOMAS: Okay. And is --

CITY MANAGER JONES: That's the -- the design and engineering for that.

COUNCILPERSON THOMAS: -- so are you -- are you splitting 150 for the fire department and 150 for the design and engineering for the community center?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: No. We had a couple of \$90,000 (skip in audio) for the fire stations, again, just to -- to kind of kick them off, do some maybe sizing and -- and --

COUNCILPERSON THOMAS: Did -- did you say you had a couple of \$90,000 requests?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Because there's -- there's three fire stations.

COUNCILPERSON THOMAS: Right. So if you did 90 --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: So there's a request for each of the fire station.

COUNCILPERSON THOMAS: -- 90 -- you did 90, 90 and 90?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right.

COUNCILPERSON THOMAS: Right.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: And then the balance of it --

COUNCILPERSON THOMAS: So --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- would be for the community center.

COUNCILPERSON THOMAS: Is \$30,000 enough?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: It's probably not enough necessarily.

COUNCILPERSON THOMAS: Okay. Then I want to see enough in there. Please do not play with me when it comes to this community center. And I want to make sure that you understand that I'm serious about this.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: No. No, I understand that. But -- but the issue that -- that I had and the reason that I consolidated here -- and again, we can break it out when we get to the other side -- is I don't think all

three fire stations are necessarily going to be able to go at one time. So even though there were three requests of 90, I don't think you'll need three requests of 90 all at one time.

COUNCILPERSON THOMAS: Oh.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: So if the community center comes in at 75, you have 75 to do that and then maybe two fire stations right away and then the third fire station may kind of fall in -- in between.

COUNCILPERSON THOMAS: I -- I understand that. I don't want a fire department to go by the wayside.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

COUNCILPERSON THOMAS: But it needs to be enough money in there, as well, for that. So I don't know how y'all are coming up with that. But I need to see that that's money that's allocated for that. That will be done so that this starts October 1.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: And your -- so your preference is then break them out, show them as a separate line item?

COUNCILPERSON THOMAS: Definitely.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: And -- and again, we can do that. Yeah.

COUNCILPERSON THOMAS: Yeah. Definitely.

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

COUNCILPERSON THOMAS: Okay.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: I can do that.

CHAIRPERSON PARDO: All right. That's fine. So if you're going to do that --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay.

CHAIRPERSON PARDO: -- I want to see how the money is broken out for station 3.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay. Yeah. We'll go back and we'll break out all -- all four projects again.

CHAIRPERSON PARDO: Yeah. Thank you.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

CHAIRPERSON PARDO: And you know what? And while you're at it, why don't you break up Neighborhood Sector Plan, too.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Into the four sectors?

CHAIRPERSON PARDO: Absolutely.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Is that -- yeah. Okay.

CHAIRPERSON PARDO: Yeah.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: I -- I thought the plan was really to -- to split it up 25 percent in each sector but we can do that.

CHAIRPERSON PARDO: Then show it. Then show it. So when we vote --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Then we can do that.

CHAIRPERSON PARDO: -- on it, when we vote on the budget --

COUNCILPERSON THOMAS: I'm fine with that.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: You have it.

CHAIRPERSON PARDO: -- it's there.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah.

CHAIRPERSON PARDO: So, you know, we're not playing Three Card Monte with the money.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Okay.

CITY MANAGER JONES: Okay. So that ends our presentation of the tentative budget for 2016. We have listened to the areas that you wanted. We will still have opportunities for adjustments to this budget. So based on our subsequent budget workshops, we will incorporate those changes so the budgets that is submitted for public hearing in September will reflect all of your desires and your needs. And so I want to say thank you.

Next week we were scheduled to do capital. However, we are bringing back health care so we will do health care and capital -- not just health care but insurances, vision, dental -- next Monday, along with the tentative capital budget plan. And then after then you all will give us more definitive responses on where you think we need to be going as it relates to capital projects, as well. If we need another budget workshop prior to September 1st, we will schedule that and tentatively have that available and done. So I want to thank you for your attention today.

COUNCILPERSON GUYTON: Wait -- wait a minute. Don't we have another item?

CHAIRPERSON PARDO: Yeah. Yeah. Yeah.

CITY MANAGER JONES: I was just -- yeah. You want to do that now?

CHAIRPERSON PARDO: Yeah. But before you go to the other item, can you give me the dates again for our two meetings in September? Aren't we moving them because of the school board and the County? Do we have the dates yet?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Yeah. It'll -- it'll be Thursday, which I believe is the 3rd.

CITY MANAGER JONES: September 3rd.

CHAIRPERSON PARDO: Okay.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: And then it'll be our regular meeting of the 16th.

CHAIRPERSON PARDO: Okay.

CHAIR PRO TEM DAVIS: What was that?

CHAIRPERSON PARDO: September 16th. Okay. All right. Good.

CHAIR PRO TEM DAVIS: September 3rd?

CITY ATTORNEY RYAN: Uh-huh.

CHAIRPERSON PARDO: All right. So the last thing on the agenda, we had a -- a plea from the Housing Authority for some money. All right. So who's doing the presentation?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Good evening. I'm John Hurt, Executive Director of the Riviera Beach Housing Authority.

CHAIRPERSON PARDO: Thank you. Good evening, sir.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Good evening, Council Members, Mr. Mayor, City Manager. Thank you for giving me the opportunity to come before you to --

COUNCILPERSON THOMAS: Excuse me. Excuse me one second, Mr. Hurt.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Yes?

COUNCILPERSON THOMAS: Madam Chair, I forgot to ask about this. I just saw Mr. Brown walk in and it jogged my memory. Have we looked at his debt restructuring offer?

CITY MANAGER JONES: We have looked at it and we're in the process. By the end of the week we'll have provided him a written response to his request prior to his budget workshop.

COUNCILPERSON THOMAS: Okay. No problem. Sorry about that, Mr. Hurt.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: No problem, sir. Once again, I just want to thank you for the opportunity for us to be here. I'd like to take a moment to acknowledge my board of commissioners that's here with me tonight. We have our Chairman Mr. Artice Cobb. We have our Vice Chair Delvin Thomas, and we have Commissioner Jeffrey Jackson and somewhere we had Commissioner Rodney Roberts. But maybe we lost him over time. Okay. It's a new -- it's not my computer.

DEPUTY CITY MANAGER JONES: I'll get it right --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Were you right?

DEPUTY CITY MANAGER JONES: Yes.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Okay.

COMMISSIONER ROBERTS: Good evening, everybody.

CHAIRPERSON PARDO: Okay.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Commissioner Rodney Roberts.

CHAIRPERSON PARDO: All right. Continue, please.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: As you know, the reason of the Riviera Beach Housing Authority is to provide decent and affordable housing for our residents of Riviera Beach who really fall in the low-income category. And that's families under the 80 percent of area medium [sic] income. The Riviera Beach was established by this body back in 1968 under the State Statute 421. And the City Council adopted the resolution that declared, "Insanitary and unsafe inhabited dwellings accommodations in the City of Riviera Beach," and, "There's a shortage of safe and sanitary dwelling accommodations in the City of Riviera Beach, Florida, available for persons of low income as rental that they can afford," and, "There's a need for a housing authority in the City of Riviera Beach."

As you -- as you well know, this housing authority, over the past years, have had its challenges. But since 2006, this housing authority has been making every effort to sustain itself. After the takeover by HUD and they left and returned this body to the City of Riviera Beach, we've had a site that's been uninhabited at -- at the former Ivy Green Village. And we've since then been trying to redevelop that site to provide affordable housing for the residents here in the City of Riviera Beach.

Since then the board has developed three initiatives for the housing authority. First being the redevelopment of the former Ivy Green Village site to be known as the Heron Estates. The second initiative was the acquisition and preservation of affordable multi-family housing, and the third initiative was the development of a scattered site with acquisition rehab and new construction of single-family houses for larger low-income families.

In the past four years since I've been here, we've been trying to fulfill that mission, and we've done that by attracting developers to help us rebuild the former Ivy Green Village site. We've made applications for tax credits to rebuild on that site. We have made four attempts in trying to attract a private/public partnership with developers. And we're still in that effort. We anticipate the redevelopment of the former Ivy Green Village known as Heron Estates is going to be a \$30 million project. We hope to build at least 150 units there. Our current concept says that we hope to build 176 units. Seventy-five units for senior families, 75 units for families with veterans' preferences, and an additional 26 units yet to be determined. We feel that that redevelopment, Ivy Green

Village site, will make a major impact on this city, both in terms of revenues and taxes, as well as potential jobs ongoing. Not only for the construction, but the continued provision of employment for residents of the City of Riviera Beach.

As you can see, this is the existing conditions as it's been for the past eight years. And we hope to redesign that to bring back a full community to that site. We're -- we're here this evening to ask this body to consider -- since we are a special dependent district of the City of Riviera Beach, to consider some ongoing financial support for the administration (skip in audio) of the housing authority.

This is the request we bring to you this evening: The housing authority has an operating budget of about \$100,000 a year. In the past three to four years, we've been maintaining that budget by operating income that we get from the management of a -- NSP houses that we own, which is four houses in the City of Riviera Beach. We've had some insurance funds that was left after the demolition of the former Ivy Green Village site that we've been drawing down to maintain that site and we have other slight income.

We had anticipated at this point in time that we would have had a tax credit deal for the redevelopment of that site and we would be in (skip in audio) to have generated more income through that redevelopment. But because it hasn't happened, we've had to sustain this housing authority with the available funds that we have. This year we ran into some challenges in that because we haven't been successful today. While we're still working on that, income stream hasn't been enough to support our expenses, which is one of the reasons that we're coming before this body for your consideration for ongoing financial and administrative support.

As you well know, we just have a staff currently of one person, part-time. We, at one time, had an administrative support but our budget could not sustain that. And so going forward, in order to get better capacity, in order to maintain the housing authority and sustain it, we're going to need other financial revenue streams. So we're before you tonight to ask for your consideration for ongoing support for the housing authority as a part of your operational budget. This will be one of two requests that we will come to you for.

The other is your support in acquisition of the Blue Heron Apartments, which we would hope to talk to you about on Wednesday night. So if you have any questions, I'll gladly try to address them.

COUNCILPERSON THOMAS: Madam Chair?

CHAIRPERSON PARDO: Yeah. Go ahead, sir.

COUNCILPERSON THOMAS: Well, a couple of questions. The first question is what do you mean by "ongoing support"?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Well, we're currently putting together a 4 percent bond for the senior building. And we would hope before the year's out to go after another 9 percent tax (skip in audio). But in our development timelines,

we will probably not have any on-site revenue streams for the next two to three years for the completion of those projects.

COUNCILPERSON THOMAS: Okay.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: And so --

COUNCILPERSON THOMAS: So you want us to provide what type of financial help for the next two or three years?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: We were asking \$100,000 per year for the next two or three years.

COUNCILPERSON THOMAS: Okay. And what is the benefit of the City for us doing that?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Well, the benefit of the City is the sustainability of your housing authority. Our housing authority. So that we can be in the position to complete this on-site development, which is critical, I feel, to the ongoing provision of housing in this city.

COUNCILPERSON THOMAS: Okay. So I -- I hear you saying \$100,000. Do you have what that includes?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: That would include (skip in audio) for our budget. I didn't, this evening, bring a complete breakdown of our operational budget. But --

COUNCILPERSON THOMAS: You're asking for \$100,000 but you can't tell us what you would like to use it for?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: It will be for administrative and operational support. That will be administrative salaries. We have approximately 39,000 for the ongoing maintenance of the site itself. But that monies is not used for administrative salaries. It is not used for training or any other type of administrative costs for the budget.

COUNCILPERSON THOMAS: Okay. And then you said that we -- well, we have to pick up their benefit package now, as well, don't we? Don't we have to pick up this employee's benefit package?

CITY ATTORNEY RYAN: I'm sorry. I wasn't --

CHAIRPERSON PARDO: Their benefit package. (Unintelligible).

CITY ATTORNEY RYAN: Well, yes. If they hire employees, we -- the City will have to provide FRS benefits --

COUNCILPERSON THOMAS: Right. That's what I'm saying.

CITY ATTORNEY RYAN: -- to the housing authority. (Skip in audio) debate right now as to whether or not the -- Mr. Hurt is under FRS because he has a contract.

COUNCILPERSON THOMAS: Well, I'm trying to -- right. I'm trying to figure out. We -- we -- and he said he's going to come and ask for some more money on Wednesday. I'll ask him what that is in a minute. But I'm trying to figure -- this board doesn't report to us?

CITY ATTORNEY RYAN: No.

COUNCILPERSON THOMAS: We don't get any information from them?

CITY ATTORNEY RYAN: None.

CHAIRPERSON PARDO: You have to --

COUNCILPERSON THOMAS: Sometimes the board members that I know of, they don't give me any information. I talk to Mr. Jackson and Mr. Thomas from time to time and Rodney, of course, I have the opportunity of engaging with him from time to time. But we don't know any of the business that's on the board. There's never a report here that's done. As a matter of fact, I think that the Mayor is the only person that actually selects the board members. We have no authority --

MAYOR MASTERS: Council confirms, though.

COUNCILPERSON THOMAS: Say -- say that again?

MAYOR MASTERS: You all confirm the --

COUNCILPERSON THOMAS: Right. But you select them.

MAYOR MASTERS: Right. You confirm.

COUNCILPERSON THOMAS: We just -- yeah. We -- right. I get it.

CHAIRPERSON PARDO: Right. We can't select them.

COUNCILPERSON THOMAS: But we have no (skip in audio) -- you're asking us to give 100,000 but we have no input as to what you do or how you do it or the strategy that you, you know, are going by doing that.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Okay. If -- if I may, Councilman?

COUNCILPERSON THOMAS: But -- okay. Well, you can. I'm not quite finished but you can go.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: No. Well, you finish, sir.

COUNCILPERSON THOMAS: Okay. No problem. So you're asking -- what are you planning on asking for on Wednesday night?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Wednesday night I would come before this body to ask for your support in acquisition of the Blue Heron Apartments, which is an Affordable Housing initiative.

COUNCILPERSON THOMAS: And -- and what -- and how much is that going to be?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: That is going to be \$50,000. We're putting in \$780,000 down payment on the purchase of that building. But we need some --

COUNCILPERSON THOMAS: Where are you getting the \$780,000 from?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Okay. We have access of what they call replacement housing funds. And those funds can only be used for the replacement of public housing. And we cannot access those funds until we develop or acquire some public housing. It is our plan to acquire the Blue Heron Apartments and put six public housing units in there. That means that six of those units would be available to families at or below 30 percent of area medium income.

COUNCILPERSON THOMAS: And what is the rest of them going to be used for?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: They're going to be affordable housing. They will be for families of 80 percent area medium income.

COUNCILPERSON THOMAS: Are you going to be selling these or are you going to be renting them as they --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: They're going to be rented. They're going to be rented as affordable housing units.

COUNCILPERSON THOMAS: Okay. So you -- you came to us a while ago to defer some type of tax repayment or --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: That's correct, sir.

COUNCILPERSON THOMAS: What was that for?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: That was for our application for a 9 percent tax credit bond with the Florida Housing Finance Corporation. That's those applications we made with our co-developers. We --

COUNCILPERSON THOMAS: So is that in -- is that --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: No. I advised this body via e-mail that we weren't successful in the last round. We came in second for the third time. Okay?

COUNCILPERSON THOMAS: Okay.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Yeah. Unfortunately, it's a lottery process. With our co-development partners we made application. And we'll make application again if given the opportunity.

COUNCILPERSON THOMAS: Okay. So let me make sure I'm understanding. I'm just getting my mind around this.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Okay. Okay.

COUNCILPERSON THOMAS: You want \$100,000 for staff. That means that you --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: And operations, yes.

COUNCILPERSON THOMAS: And operations. So that means that you're planning on bringing on a -- an administrative assistant or whatever?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: We would hope if we --

COUNCILPERSON THOMAS: And then that means that we would have to pick up their employee benefits, as well?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: If they are our employee, yes, you would.

COUNCILPERSON THOMAS: Right. So --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: That would be a part of that monies that you would make available to us.

COUNCILPERSON THOMAS: Oh, okay.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: We have no other funds to pay.

COUNCILPERSON THOMAS: I -- I -- I get it. I get what you're saying.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Okay.

COUNCILPERSON THOMAS: Has anybody come up with an actual number of what's that going to -- to be or you just (skip in audio) hundred thousand dollars 'cause that's a round number?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: We have not come up -- we have not gotten that far with our discussions with HR and the City about what that pension FRS means to an employee because we have no employees at this point in time. So we haven't done those calculations. But I'm sure they would advise us if, in fact, we staff an administrative assistant.

COUNCILPERSON THOMAS: Okay. So you need -- you need 50,000 for the acquisition of the Blue Heron Apartments?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: That's correct.

COUNCILPERSON THOMAS: Okay. And this is --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: And I would make that presentation on Wednesday and give you all of the data.

COUNCILPERSON THOMAS: Well, tonight is probably a good night to talk to me about it since we're dealing with budget and it's in our mind. I mean, you're welcome to do it Wednesday if you don't want us to discuss it tonight. We --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Well, I thought that it would be appropriate if I just talk about budgetary considerations for -- for the 2016 --

COUNCILPERSON THOMAS: Well, what do you --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: -- 'cause that's -- 'cause the 50,000, we were --

COUNCILPERSON THOMAS: -- what do you think we're going to do with the 50,000?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: We need immediately. We need that now.

CITY MANAGER JONES: In this year's budget.

CHAIR PRO TEM DAVIS: In this year, before October.

COUNCILPERSON THOMAS: Okay. Let me make sure I understand this.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Yes, sir.

COUNCILPERSON THOMAS: You're coming right now in August saying you need \$50,000 for what?

CHAIR PRO TEM DAVIS: Acquisition.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: For a nonfederal fund contribution for the acquisition of the Blue Heron Apartments. We're -- we're -- we will put about 90 -- about \$900,000 of federal funds in there, but we need some nonfederal funds in order to consummate that (unintelligible).

COUNCILPERSON THOMAS: And Miss Jones, where are we -- where are we planning on getting this \$50,000 from?

HAIRPERSON PARDO: We don't have it.

CITY MANAGER JONES: Mr. Hurt and I met today and that's one of the things in looking at what we currently have allocated. I told him I would look and see whether we had spent all of our contingency money for this fiscal year. But that would be the only place, if there's money left in contingency, to be able to give them \$50,000 in this year's budget.

COUNCILPERSON THOMAS: Okay. Give me -- give me another (skip in audio) --Mr. Guyton, I see you're trying to come in. Listen. This is my issue.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Yes, sir.

COUNCILPERSON THOMAS: I just said the same thing in an earlier meeting at the CDC, that we don't have any type of control, oversight or anything of this particular board. And we were -- we're being asked to give money to it. And I'm saying the same thing about this particular board. We have no oversight, no -- we don't know what you -- when you meet, we don't get any type of, you know, information.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: If I -- if I may, Mr. Councilman, I was going to answer that earlier. I would like to say at least a couple of things. Number one, we're required by statute to make an annual report to the City.

We've tried to do that in the past years. You will get an annual report this September. I think the last time I was able to provide you one which may have been two years ago. I've provided the body with an annual report. We will do a better job of that this year, which would include our financial statement. We have a draft of that already. And in addition to that, we do publicize our meetings on channel 18, public meetings.

COUNCILPERSON THOMAS: We show your meetings on 18?

COUNCILPERSON GUYTON: No. They just --

MAYOR MASTERS: No. They publicly make the announce --

CITY MANAGER JONES: Notice of meeting.

MAYOR MASTERS: -- public --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Notice of meetings.

COUNCILPERSON THOMAS: Oh. Oh.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: We -- yes, we have a website that we -- we try on a regular basis to publish the notices of our meeting and our minutes. We are a public body like you are. We invite the public to come. We would invite you to come at any point that you would like. In -- in terms of ongoing regulations, we're governed by statute just as any -- as all public housing authorities are in the State of Florida.

And so by statute, the Mayor appoints the board members for a municipal housing authority, and you have the right to confirm. We have open-book policy over there. There's been requests from members of your board about our operations and our finances, and we've gladly provided that in a timely manner. And we will continue to do so. If the (skip in audio) wants information or wants input, there's vehicles to do that.

COUNCILPERSON THOMAS: Mr. -- Mr. Hurt, what I would have liked to have seen is a collaborative effort. If you all are aligned the way we are about what our housing needs are, the way we feel, instead of operating as an independent board but saying you need money, I mean, we don't know what your -- your -- you know, your plans are in terms of what your vision is for whatever your housing projects are or will -- you know, will be. It's fine with me. I'm just going to let you know where I'm at, you know, with it.

If we had a place that we could really look for the money, for the \$50,000, I would entertain that. I would entertain it if it wasn't going to put us in a further hole. I just don't think that it's the right thing to do to come at the end of a budget year and say, Listen. We need a -- we need \$50,000. You know? It's not like the City has an endless amount of money. And as you already see, we're trying to (skip in audio) holes.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Absolutely.

COUNCILPERSON THOMAS: The -- the -- the other part of that is if you're saying that you need \$100,000 a year for the next three years, I want to see where the plan is for that. And then it would have to be some policies put in place that this board would need to know what's going on. So I'm just not of the mind-set to give money and then just be

like, Y'all do whatever, you know, you want to do over there and we don't know what's going on with it. So --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: And (unintelligible) --

COUNCILPERSON THOMAS: -- that's where -- that's where --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: -- and --

COUNCILPERSON THOMAS: -- I'm -- I'm -- I'm at with it. I -- I wouldn't mind a -- the housing authority picking up, you know, something if they're going to -- if it's going to be better than what it is now in terms of -- well, we don't really have problems with the Blue Heron Apartments. And I just wouldn't want it to -- to go to having any problems. But if you're saying that this is part of your plan, that's fine. I don't have any money -- with you acquiring that, but I'm hoping that you acquiring this, you won't need the \$100,000, 'cause you'll be able to, you know, finance yourself with that. If that's going to help you, then I -- I could see myself supporting that. Is that going to help you?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Absolutely. That would help with our sustainability. Our projected pro forma on that, as I will show you, with all of a cash flow of maybe \$80,000 a year.

COUNCILPERSON THOMAS: How many apartments are you going to pick up?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Seventy-four.

CHAIR PRO TEM DAVIS: Seventy-four.

CHAIRPERSON PARDO: Hmm.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Seventy-three occupied units, one maintenance shop.

COUNCILPERSON THOMAS: And you should be able to do how much a year?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Yeah. We anticipate a cash flow somewhere around \$80,000 a year.

COUNCILPERSON THOMAS: 8-0?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Eighty. Yes, sir.

COUNCILPERSON THOMAS: That's all?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: That's cash flow, sir. That's after debt service. We're borrowing \$3.08 million in order to purchase the building. So we need to --

COUNCILPERSON THOMAS: Okay. But how are you going to add your -- your administration -- your administration time and your -- you know, your salary, whatever? How are you going to -- to fit that in?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: The pro forma on that includes a -- a rental person to assist in the operation of that.

COUNCILPERSON THOMAS: So -- okay. So then you will be good?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Yes.

COUNCILPERSON THOMAS: If we give you the 50, you can handle the rest of that stuff?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: It would help. That -- with our sustainability. But I'm making this request in lieu of, you know, our consummating that deal in a timely fashion. So ongoing, you know, we wanted to take this opportunity while you were in this mode at the budget workshop to make our request known. And that's open as we go forward.

COUNCILPERSON THOMAS: Okay. Thank you.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Uh-huh.

CHAIRPERSON PARDO: Okay. I have a question for staff. So if we give them the money, who's going to oversee it?

COUNCILPERSON THOMAS: That's what I've been asking.

CHAIRPERSON PARDO: All right. I'm not comfortable with shelling out 50,000 or 100,000 to -- to an entity that I have no control over. So is there a staff person who would have control?

CITY MANAGER JONES: What we would have to do is have the discussion, the establishment of housing authorities throughout the country as dependent districts is in your federal statutes. They can't control that.

CHAIR PRO TEM DAVIS: Uh-huh.

CITY MANAGER JONES: And them being although dependent, there is a part of that statute, an independence as it relates to housing. I have seen housing authorities that are considered, for lack of a better word, extension of Community Development Departments. And that is your actual department that does the oversight.

CHAIR PRO TEM DAVIS: Uh-huh.

CITY MANAGER JONES: However, unless they are asking you for something, they don't have to come to you asking permission to do something. But your liaison, your point of contact would be your Community Development Department or either your -- the person over the Neighborhood Sector Plans (skip in audio). As Mr. Thomas mentioned that their housing initiative complements what we're trying to do in our neighborhoods as it relates to --

CHAIR PRO TEM DAVIS: Okay.

CITY MANAGER JONES: -- to housing and that they're working together and not as separate entities.

CHAIRPERSON PARDO: Sure. And I believe this is --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: If I may say --

CHAIRPERSON PARDO: -- and I believe this is something that the CRA tried working with -- they tried working with them about a year or two ago. Right?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: We -- since -- since I've been here I -- I've made every effort to try to partner with the CRA, with the CDC. I have had ongoing conversations. We have a draft cooperation agreement with both bodies to jointly, you know, develop housing for our low-income families in the city. We've been open to that. We're certainly open with partners with the City on any, you know, amicable basis that we can. We're not trying to work independently. (Skip in audio) a very highly --

CHAIRPERSON PARDO: Okay. So if you have a draft with them, how come the draft wasn't executed?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: I'm sorry?

CHAIRPERSON PARDO: You said that you had a draft?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Yes, ma'am.

CHAIRPERSON PARDO: Okay. So how come the draft wasn't executed?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: We are in process of that. We've forwarded it to the CRA and the CDC. Mr. Brown has looked at it and gone through his process, come to some agreement. I've done the same with my board. So we have a -- a draft that we agree upon and we would hope to execute that within the next 30 to 60 days.

COUNCILPERSON THOMAS: Well, how come this board hasn't --

CHAIRPERSON PARDO: Yeah.

COUNCILPERSON THOMAS: -- gotten any of that? How come this board hasn't gotten any of this stuff?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: As I say --

COUNCILPERSON THOMAS: This board sits as Mr. Brown's board as well as the City's board.

CHAIRPERSON PARDO: Mr. Brown, would you like to come up here --

COUNCILPERSON THOMAS: What --

CHAIRPERSON PARDO: -- and tell us what's going on on the CRA side with this?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Mr. Brown.

CRA EXECUTIVE DIRECTOR BROWN: Again, Tony Brown, Executive Director of Riviera Beach CRA. You have not seen the cooperative agreement yet because we hadn't set a date to have it executed. It is a cooperative agreement. No financial

obligation between the CRA and the housing authority. It -- it's a -- it's a document for us --

CHAIRPERSON PARDO: Yeah.

CRA EXECUTIVE DIRECTOR BROWN: -- to -- to work together.

CHAIRPERSON PARDO: So they didn't ask you for the money?

CRA EXECUTIVE DIRECTOR BROWN: They -- they did. And, in fact, we would have -- we would have brought it to you for consideration had the project been in our -- in our boundaries. The project is not in our boundaries. And had it been in our boundaries and based on the information they shared, I think we would have favorably considered it, and we would have favorably recommended it to you for consideration.

COUNCILPERSON THOMAS: What about the CDC?

CRA EXECUTIVE DIRECTOR BROWN: The CDC, it -- its unrestricted cash has been -- well, actually, the money that has been donated by several commercial banks have been primarily for the houses to be constructed. So it has been restricted by the donor. We see the partnership with the housing authority as another strategy to provide quality affordable (skip in audio) for families who are at low income and very low income housing stream. We have looked at the real estate portfolio of the housing authority, and unfortunately, most of it is outside of our CRA. And in the past, the CDC, I know, has responded at least to one RFP that they put out. So we see the housing authority as -- when Miss Jenkins did her presentation, as one of the community partners that we would love to be in close partnership with.

CHAIRPERSON PARDO: Okay. Thank you. Well, I need to get going. But I'll tell, you know -- I'll tell my colleagues --

COUNCILPERSON GUYTON: Can I say something, Madam Chair?

CHAIRPERSON PARDO: No, 'cause I'm getting ready to leave. I am not supportive of this, only because I have no control over the money. And what we'll be doing is giving them taxpayer dollars and we have no control over those dollars. So I am not supportive. Go ahead, Mr. Guyton.

COUNCILPERSON GUYTON: Thank you, Madam Chair. And let me -- let me say I do (skip in audio) some of the reservations of my colleagues, and they're valid reservations about accountability to -- if there's a request for funds, there should be some type of itemization, documentation on how the funds are going to be spent. That's one thing. And I, too, would like to see that.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Absolutely.

COUNCILPERSON GUYTON: If there's a request, this is how it's going to be spent. That's just protocol. Having said that, the Riviera Beach Authority -- and -- and -- and let me back up. Was the \$100,000 itemized up here? 'Cause I walked out for a minute.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: It -- it was not this evening.

COUNCILPERSON GUYTON: Okay. I -- I -- I don't see that it (unintelligible).

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: I -- I thought this evening that we would bring the --

COUNCILPERSON GUYTON: Okay. I just wanted to make sure 'cause I stepped away for a minute.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: -- request idea to you. We will follow up with detailed documentation.

COUNCILPERSON GUYTON: Yeah. That's always important when you're soliciting funds. This -- especially public funds. Absolutely required. But the Riviera Beach Housing Authority, to me, is part of our city.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Correct.

COUNCILPERSON GUYTON: Your success -- just my opinion -- or failure reflects us. I think that there can be monitoring mechanisms put in place so that if there were any funds contributed, either we have a staff member or others who may be working collaboratively with your organization. I don't see you as a separate entity like I said that about the CRA. We're all Riviera Beach. And should you all fail -- and when the HUD came in, that reflected us as a city.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Absolutely.

COUNCILPERSON GUYTON: We -- we didn't look good then. They didn't separate the two. So me, I'm in support of the \$50,000. I think that you need that opportunity. You need to show that you can perform. But it needs to be some monitoring mechanism to reporting back to the City. I feel that the housing authority is one of the most important organizations in our city, because it provides or designed to provide a critical service to our community.

Now -- now, when the organization was recreated, there was -- between me, you and the gatepost, there were some issues about some of the board members and -- and whether we were reaching out and getting those type of people in our community with the expertise that would allow that organization to grow. I heard that before I even got on the board. That's (skip in audio). As a matter of fact, staff, I wanted -- I wanted to know what the expiration dates were of the board, too, of the board members. 'Cause I want to make sure that --

UNIDENTIFIED SPEAKER: Well, ask them. We don't have it.

COUNCILPERSON GUYTON: Yeah. I -- I --

UNIDENTIFIED SPEAKER: (Unintelligible).

COUNCILPERSON GUYTON: No, I don't want it tonight. I would like the expiration date term (skip in audio) of your board members. Mr. Hurt, are you with me?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Yeah. Absolutely, sir. You'll have it tomorrow. It's not a problem.

COUNCILPERSON GUYTON: Okay. Okay. All of the board members. I guess -- I know Mr. Thomas just said he -- he --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Yeah. All of the board members, right.

COUNCILPERSON GUYTON: -- he would like to have that copy, too.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Absolutely. I -- I --

COUNCILPERSON GUYTON: But --

CITY MANAGER JONES: (Unintelligible).

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Right. I thought I provided that information before but I will again. Not a problem.

COUNCILPERSON GUYTON: Yeah. But -- but it is very critical that, in my opinion, you all have an opportunity to perform. We don't have an unlimited amount of cash. And I didn't know that we were going to be asked for \$100,000 tonight for the next three years, either.

CHAIR PRO TEM DAVIS: Uh-huh.

COUNCILPERSON GUYTON: I thought we was coming here about that 50,000 that I knew about.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Right. I -- I thought it would be appropriate, because this was a budget workshop, to talk about a budgetary item.

COUNCILPERSON GUYTON: Okay.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: The 50 is definitely a one-time shot and I'll be making that --

COUNCILPERSON GUYTON: And that's why I'm in support of that. Because --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: -- and -- and I'll be making that presentation on Wednesday.

COUNCILPERSON GUYTON: -- it was a one -- okay. But I --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: A detailed presentation.

COUNCILPERSON GUYTON: -- but I -- I -- I -- one of my concerns that -- well, I don't want to say a concern. The apartments -- it is a concern because I don't want to fall -- I don't want those apartments to fall into the wrong hands. Are they on the market irrespective of your offer?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Our commercial contract with them now allows for them to consider back-up offers.

COUNCILPERSON GUYTON: Okay. What -- what I don't -- because the owners now take good care of them.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Absolutely.

COUNCILPERSON GUYTON: And if they're going to step away, I wouldn't want it to fall in someone else's hands that we certainly have no relationship with. We -- we need to improve ours but at least there is some level of communication here. And if they fall into hands that we have no communication or relationship with, that's right on our main (skip in audio) there. So that can be catastrophic to our image. We need to understand the total picture here because if they're going to get rid of those apartments anyway, I think that somebody in the city need to buy for them. "Buy" mean go and make an offer to try to ensure that they're kept up.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Yeah. They've been trying to sell that property for over a year. We've had it under an agreement for over a year.

COUNCILPERSON GUYTON: Okay.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: What is why it hasn't been sold to a private investor at this point.

COUNCILPERSON GUYTON: Which is good.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Uh-huh.

COUNCILPERSON GUYTON: Which is good. But my point is, is that it can fall into the wrong hands and it can deteriorate to a very bad eyesore because we elected not to -- is this a loan or are you asking for a grant of 50 grand?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Ideally it would be a grant. But we would consider --

COUNCILPERSON GUYTON: But you would also consider it being a loan?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: -- consider a loan.

COUNCILPERSON GUYTON: When you start making money?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Yes.

COUNCILPERSON GUYTON: I would prefer that.

COUNCILPERSON THOMAS: Well, that's a whole different story.

COUNCILPERSON GUYTON: Okay. Well, we -- we just need to get to the facts here.

CHAIRPERSON PARDO: (Unintelligible) money.

COUNCILPERSON GUYTON: Yeah. But -- and -- and if it fall into the wrong hands, it can be even worse. I don't want to take that chance. I'll take a chance on 50 grand because y'all are part of this city, and we'll figure out a way to get our funds back 'cause you're gonna have to come back to us again for something.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Absolutely. We -- we plan to -- we plan to build --

COUNCILPERSON GUYTON: And as long as you have to come back to us, we have some leverage.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Absolutely.

COUNCILPERSON GUYTON: So here's where I am: I support the 50 grand. I think it's worth it to not allow those apartments to fall into hands of investors that we have no knowledge about or if they're going to keep them up and they be an eyesore on our main thoroughfare. So it is my hope that our board consider not just whether we're giving them 50 grand, but what hands they may fall in if it's not the housing authority, over which we do have some leverage because they come back to us for loans. So I support the 50 grand. I don't want to take a chance of those apartments falling into the wrong hands, and they become deteriorated and dilapidated, and we're sitting here, you know, going back and forth over the 50 grand when we possibly could have put them in hands that we do have some leverage over. Now --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Thank you, Mr. Councilman. May I add to that?

COUNCILPERSON GUYTON: Yes. And not a -- the 100,000 a year, that's a different story. We need a -- I need an itemized budget to show how those funds would be expended. I don't have that now and -- and that's the problem.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: And -- and -- and you -- and you would have that. If I might add to that, Councilman. This is a preservation of affordable housing. We plan to maintain the rents at Blue Heron at the levels that they're at right now, which is from \$650 to \$750. You can go (skip in audio) and see the acquisition of -- of apartments and houses, and those affordable rents at that level are now turning into \$1,000 a month, \$1,200 a month, or \$1,400 a month. We're --

COUNCILPERSON GUYTON: Understood. And one last question. I know that my colleagues have been here all night, too.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Uh-huh.

COUNCILPERSON GUYTON: I have a question for the chair, Mr. Cobb.

HOUSING AUTHORITY CHAIR COBB: Yes. My name is Art Cobb. I happen to be the chair of the Riviera Beach Housing Authority presently. I'd like to thank the Mayor, each commissioner and Miss Jones for accommodations tonight. And I will answer any questions. I do have a statement to make but, yes, sir.

COUNCILPERSON GUYTON: Okay. My question is -- or if you want to make your statement first I'll allow that, or the Chair, through the Chair, if you wanted to make a statement. As long as it's not a 30-minute statement, right?

CHAIRPERSON PARDO: Yeah. No, it -- seriously, it needs to be quick, especially since you still need to come back to us with the real budget (skip in audio). And then there was a comment that you're going to come back to us on Wednesday night, also. You know, it's -- it's getting late so if you could just keep it short and sweet, please?

HOUSING AUTHORITY CHAIR COBB: Yes, sir.

COUNCILPERSON GUYTON: Okay. Go -- okay. And I'll -- I'll yield.

HOUSING AUTHORITY CHAIR COBB: Just very short. Actually, the whole concept tonight is to come up with a policy and procedures, which we already had set our goals and objective to preserve housing, affordable housing in Riviera Beach. That's the only reason we're here. We feel very strongly that we are a -- will be a true partner to the City. I made several attempts to -- and I think there should be an educational program, too, 'cause I think there's a misconception of what the housing authority is all about and what they're planning to do.

But I truly recommend that we spend some time with the Mayor and the board to answer all the questions that you have tonight. We wouldn't be here if we didn't need some assistance. And obviously the role of the housing authority is to provide, again, affordable, decent, safe housing in this community. Everybody knows how long I've been in this community. It's not about me. I spend my time basically 'cause I truly believe in the preservation of housing in this community.

We will -- we heard you. We'll go back and formulate those recommendations that you will have at our next meeting, whether it's next Wednesday or not. I don't know. But we will make an attempt to make sure that we realize that we need to start some communication with this city council. I think the communication and lack of knowledge and policy is basically what we need to do. We maybe should have done that before we came here. I made every attempt -- and when I -- this past year to talk to your chair which is Mr. Thomas on many occasion. I think we made it once.

COUNCILPERSON THOMAS: Yeah, you did.

HOUSING AUTHORITY CHAIR COBB: And obviously I wanted a follow-up on that but obviously that didn't happen. I called his office several time and that didn't happen. I truly believe in educating our constituency. I'm new as a housing authority administrator, but I'm not new to public administration. I'm a public policy person. So I plan to go back to the board of directors and to facilitate everything that you requested tonight in a formality where it can be recognized and acceptable to you. We are a partner of you. We should be partnering more than we are, although we are separate entities set forth by state statute. But we need to make sure that we respond to your -- your requests.

COUNCILPERSON GUYTON: Okay. My only question --

CHAIRPERSON PARDO: Are you guys under the -- I'm sorry, Mr. Guyton. Are you under the jurisdiction of the inspector general, Palm Beach County?

HOUSING AUTHORITY CHAIR COBB: Yes, we are, because we are a byproduct, dependent agency of you, of the City of Riviera Beach. When we first organized nobody realized that we should have been except me. I served on six boards so I know exactly (unintelligible).

CHAIRPERSON PARDO: Oh, okay. So you guys are?

HOUSING AUTHORITY CHAIR COBB: So we are.

CHAIRPERSON PARDO: Okay.

COUNCILPERSON GUYTON: Okay. Well, Madam --

HOUSING AUTHORITY CHAIR COBB: All dependent -- all dependent agencies.

CHAIRPERSON PARDO: No, that's not true.

CHAIR PRO TEM DAVIS: No, that's not true.

CITY MANAGER JONES: They don't do the CRA.

CHAIRPERSON PARDO: No. They don't do the CRA.

COUNCILPERSON GUYTON: No.

CHAIRPERSON PARDO: All right. Well, we'll check that out.

HOUSING AUTHORITY CHAIR COBB: Is the CRA a dependent agency?

CHAIRPERSON PARDO: They are.

HOUSING AUTHORITY CHAIR COBB: Okay.

CHAIRPERSON PARDO: And they're not covered under it.

HOUSING AUTHORITY CHAIR COBB: Well, we was told that because --

CHAIRPERSON PARDO: Okay.

HOUSING AUTHORITY CHAIR COBB: -- we were a housing authority under the -- a dependent agent for the City of Riviera Beach, we all had to go through that training, which I've gone through. I've (unintelligible).

CITY ATTORNEY RYAN: Okay. But hold on. There's a difference between the Ethics Commission and --

CITY MANAGER JONES: And the OIG.

CITY ATTORNEY RYAN: -- the --

CHAIRPERSON PARDO: Right. Well, we could just call the OIG and ask them.

CITY ATTORNEY RYAN: -- inspector general. So --

COUNCILPERSON GUYTON: A quick question.

CHAIRPERSON PARDO: And they'll request that --

HOUSING AUTHORITY CHAIR COBB: No, we're not -- we're not in the State of Florida. I am. But we're not in the State of Florida as a housing authority.

COUNCILPERSON GUYTON: A -- a quick question. Do you all have legal counsel on a regular basis that comes to your meetings and advise you all as you make decisions?

HOUSING AUTHORITY CHAIR COBB: Yes, we do. Yes, we do. We've had --

COUNCILPERSON GUYTON: Who is your legal counsel?

HOUSING AUTHORITY CHAIR COBB: We -- the housing authority's had legal counsel on its own, particularly when Ivy Green was there, 'cause they had subsidies and they had funds.

COUNCILPERSON GUYTON: I know.

HOUSING AUTHORITY CHAIR COBB: So we've maintained a legal counsel at all -- at all times.

COUNCILPERSON GUYTON: Who is the legal counsel now, if I might ask?

HOUSING AUTHORITY CHAIR COBB: The legal counsel was Lynn Solomon. She left us and now we've got Matthew Russell.

COUNCILPERSON GUYTON: Okay.

HOUSING AUTHORITY CHAIR COBB: And as we -- as we talk about that, that's one of the things that the statute recommends, that if we need assistance from our dependent agency, it could be through legal services, administrative services. There's a lot of ways that the cities can provide services to housing authority, particularly a housing authority; we're a small housing authority starting all over again.

COUNCILPERSON GUYTON: Okay. Would -- and you would have to carry back to your board, but would you all be willing to work collaboratively with (skip in audio) or some other staff should we decide to either lend or start helping funding some of your expenses?

HOUSING AUTHORITY CHAIR COBB: Well, basically, Mr. Guyton, we would take that under consideration. We -- I'll say again, we are a dependent agency only by ruling.

COUNCILPERSON GUYTON: Understood.

HOUSING AUTHORITY CHAIR COBB: Okay?

COUNCILPERSON GUYTON: Understood.

HOUSING AUTHORITY CHAIR COBB: But I have suggested to my board and my director that we should have started a cooperative agreement with you. And that way we could sit down and discuss these elements that goes into services that we haven't done.

COUNCILPERSON GUYTON: Okay. That's all I have, Madam --

CHAIRPERSON PARDO: All right. Anyone else?

CITY MANAGER JONES: Madam Chair?

MAYOR MASTERS: Yes, Madam Chair.

CHAIRPERSON PARDO: Go ahead, Mayor.

MAYOR MASTERS: Is this the -- basically is this the end of the meeting?

CHAIRPERSON PARDO: Yes.

MAYOR MASTERS: The end? Just -- just two things. One is I -- I am very cognizant of the fact that we have two or three members on the board who term has expired. I have done everything I can and I want to keep making it public. I want to integrate the board. And I've said it to everybody on the board. I'm just not satisfied with not having a board that doesn't totally represent the entire (skip in audio). So -- and I'm making it in a public appeal, that we do want to -- I want to integrate the board to represent the entire city.

Also in conclusion, just take this second. This is a missing man in our city. It's a \$1,000 reward for him. The family doesn't have planes and boats like other families. But I want to get the word out. \$1,000 reward to help find this 75 -- 79-year-old man missing from the City of Riviera Beach, lived a few blocks from City Hall. Thank you, Madam Chair.

CHAIRPERSON PARDO: Thank you. Miss Jones?

CITY MANAGER JONES: Just one -- one comment. And I wish to --

MAYOR MASTERS: Mr. Jordan was his name. I'm sorry.

CITY MANAGER JONES: Yeah.

MAYOR MASTERS: Is his name.

CITY MANAGER JONES: I would be remissed [sic] if I wouldn't -- did not make my council aware of my conversation with Mr. Hurt. When they first approached me about purchasing that property on Blue Heron, I will tell you very honestly, I was very concerned, 'cause the current owners have really done a good job to bring that property up. You don't have the police calls you used to have. And I don't want, on Blue Heron Boulevard, a Stonybrook or do I want any of the other projects. And I made that very clear to him --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Absolutely.

CITY MANAGER JONES: -- that I could not support this money if they could not guarantee that those units would maintain the same quality, and we would not have those issues that that unit has had in the past. And he assured me that there would be someone on site. But I will tell you that I expressed to him my reservations about that acquisition on one of our main corridors.

CHAIR PRO TEM DAVIS: Okay. And then (unintelligible) --

COUNCILPERSON GUYTON: And what about if somebody gets it that doesn't keep it up?

CHAIR PRO TEM DAVIS: Then let's (unintelligible).

CITY MANAGER JONES: I could probably get rid of them faster than I can my own housing authority.

COUNCILPERSON GUYTON: Well, a private -- private entity?

CITY MANAGER JONES: Then it would be me that cause the problem. So it's harder to get rid of me than the process to -- to get rid of another independent person. But they assured me that they will do everything that they can. They'll have someone on site, I understand, in one of the units, and I think that will be critical in maintaining the environment on that particular corridor and on our Blue Heron corridor.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: We plan to have on-site presence and then we also plan -- our capital improvements for that property as it stands today is over \$700,000 of improvements that we plan to do in the next two to three years once we acquire the property.

COUNCILPERSON GUYTON: Have you ever considered -- Madam Chair? Have you ever considered a property management firm, working with -- with the property management firm?

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: We've (skip in audio) property management firm interest while we've been in this process of acquisition.

COUNCILPERSON GUYTON: Okay.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: I have proposals for -- from three property management firms. We're -- that's one of the considerations, between that and on-site management. So --

COUNCILPERSON GUYTON: Okay.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: -- we've look -- we've looked at that option, as well.

COUNCILPERSON GUYTON: Okay. Thank you. That's all I've got.

CHAIRPERSON PARDO: All right. Thank you, sir.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Well, I thank -- I thank this council.

CHAIRPERSON PARDO: We look forward to seeing you --

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: On Wednesday.

MAYOR MASTERS: Thank you.

CHAIRPERSON PARDO: -- Wednesday. Okay. Thank you.

HOUSING AUTHORITY EXECUTIVE DIRECTOR HURT: Thank you.

CHAIRPERSON PARDO: Well, is that it? No more business? All right.

B. CITY OF RIVIERA BEACH FY 2015/2016 HEALTH INSURANCE RENEWALS

RICHARD BERNSTEIN: Thank you very much. I thank the board and everybody for the opportunity to stand here and go over our -- what we've accomplished in the last three months. My name is Richard Bernstein. I'm the CEO of Richard Bernstein & Associates, Inc. We're the agent of record for the employee health benefits. Let me give you a brief history of the renewal process and how we were able to get where we are today.

The first response of Aetna was an 8 percent increase, drive that down about 40 percent decrease and get it down to 5 percent. We had a meeting with staff and we had a meeting with Aetna. And inside that 5 percent increase, staff said and we said to Aetna, We want to go down to zero. Aetna came back with a new -- with a new program which included bariatric and an extra \$15,000 to enhance wellness for next year.

And we -- we -- we met with City, and the conclusion was that we should take this new program at no increase. And there's a couple of options that Aetna will go over with you and they will explain to you the difference between the old man, the new plan. And also in recommending this new plan, we were very concerned about the Cadillac tax going forward, 'cause we know that in 2018, that's going to be a serious situation, and we're -- we're getting ready not to have that problem so that we're prepared. And if we have to make changes in the next (skip in audio) that we will be able to make those changes.

CITY MANAGER JONES: Could you explain what the implications are? You mentioned Cadillac program. But could you explain that a little more?

RICHARD BERNSTEIN: Yeah. Can we bring it up on the screen so that we can -- the Cadillac tax, if you go over a certain premium on your health care and certain benefits, they can hit you with a 40 percent tax, which is a very serious impact in tax. Our job as -- as your advisors are -- are not to have you hit that particular number and to drive the cost down. And we thought that in the process that the first step in this particular year was instead of getting a 5 percent increase was to try to keep that increase down to zero. So that would keep the process starting. And that's something that we could -- every year on that.

COUNCILPERSON THOMAS: Sorry about that.

RICHARD BERNSTEIN: That's okay. So I mean, that was the important thing is to try to make sure that -- that you don't hit that number and that we stay on top of that. And Aetna was very concerned about it, also. And that's why Aetna went back, and they came up with this new plan in which we would not be able to give you the rate increase but to keep you down to no increase. And I would like Aetna, with your permission, to explain to you the two different plans that are available and the options that you would have in that.

CHAIRPERSON PARDO: Just for the record, Commissioner -- or Councilman Guyton is now on the dais.

COUNCILPERSON THOMAS: Madam Chair, Miss Jones, can you have somebody from IT come and help with whatever the issue is about it being --

RICHARD BERNSTEIN: Madam Chairman, we -- we could take a couple of seconds. I'd like to have Wayne Monek come up for a second and go over that Cadillac tax so that we can maybe break it down while they're fixing this up if that's okay?

CHAIRPERSON PARDO: That's perfect. That's perfect.

WAYNE MONEK: Thank you. My name is Wayne Monek. I'm with Richard Bernstein & Associates in charge of the employee benefit. Cadillac tax. First of all, in 2018, the Affordable Care Act says in 2018, as you might have seen up there on the screen, it said \$10,200. That \$10,200 should be the main number that you're all -- all thinking about while you're going through the options that you have. The 10,200 is taking your health insurance premium, your employee premium, multiply the monthly premium by 12, and if that goes over 2,000 and -- if it goes over \$10,200 in 2018, there will be a 40 percent increase to that.

You're going to -- you're going to be also hearing about flexible spending accounts. In that \$10,200, the flexible spending account is -- is in addition to that. So anybody -- and it's not only -- it's not the premium that the employee pays; it's the premium that the City pays, as well as the employee, as well as any money that goes into a flexible spending account. If that adds up at this time, if that would add up and it would remain at that number in 2018, you would be held to the 40 percent tax on that.

CHAIRPERSON PARDO: And I have a question. Is there -- is that just for municipalities or is that across the board?

WAYNE MONEK: No, that's every -- that's the -- that's the Affordable Care Act.

CHAIRPERSON PARDO: Thank you.

WAYNE MONEK: Uh-huh.

CHAIRPERSON PARDO: That could bankrupt people. Okay.

RENTHIA JACKSON: Good evening. My name is Renthia Jackson. I'm the account exec for Aetna Health Plan.

CHAIRPERSON PARDO: Good evening.

RENTHIA JACKSON: The City of Riviera Beach has options to consider for your renewal. The upcoming slides will illustrate your current benefits, alongside some alternate design changes that will yield a lower increase. So let's take a look at the overview of these offerings. For 2015, your current plan is coming in at a 5 percent increase to your overall current premiums. Then you have two alternate plans that you can consider that will offer you a zero increase or a 1.4 increase depending on the benefit changes that you select. Effective October 1st, 2015, Aetna has included a \$25,000 wellness allowance for the City to provide an on-site wellness program for your employees and a bariatric surgery benefit rider will be included, as well. Okay. Just to go --

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Yeah, go ahead.

COUNCILPERSON GUYTON: Excuse me. What is a bariatric survey -- I mean, surgery?

RENTHIA JACKSON: The bariatric surgery rider? It is a -- a benefit for members who, with their -- when they see their doctor and the doctor considers them that they meet certain criteria, they're overweight, meet certain parameters, it -- it covers a surgeon to lose weight, to help with -- they have to have a number of conditions --

COUNCILPERSON GUYTON: Okay. Okay.

RENTHIA JACKSON: -- beyond obesity such as some other comorbidities, as well, to qualify for this.

COUNCILPERSON GUYTON: Okay.

RENTHIA JACKSON: Okay. So the -- some of the benefit considerations that you can -- let's take a look at this first screen. Currently you have three plan designed for your employers. The most popular one -- plan is the HN Only. You can elect to keep your current benefits with no changes. That will bring you to a 5 -- that will yield a 5 percent increase if the City decides to go with things the way they currently are, make no benefit changes at all. Your alternate plan A has an increase in deductible, out of pocket maximum and slight copayment changes. The copayment for all three plans increases by 5 for PCP and for specialists. That's a \$5 increase to what they currently pay today. The ER copayment changes range from a \$50 copay to \$100 copay increase and the RX retail copays increase by 5 to 10, depending on the tier.

The alternate that you would -- the second alternate that you would have is a less aggressive approach. It includes all the changes that I just mentioned; however, you could leave the deductible at what it currently is today and this will get you a 1.4 percent increase.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Go ahead.

COUNCILPERSON GUYTON: And you may have covered this and forgive me if you have. What is the justification with -- let me back up. What changes in the plan would warrant that increase in all of those levels there? What are employees getting more or is that part of the Home Affordable Act -- what is --

RENTHIA JACKSON: The -- okay. Let -- let's take a look at the first -- the second column. The second column where it talks about your plan design, these are where your current benefits are today. It's just an overview where your employee or -- they pay \$500 for deductible for hospital services.

COUNCILPERSON GUYTON: Uh-huh.

RENTHIA JACKSON: And 1,000 for family. And then the next column is your plan design. And in red is if you were to tweak those benefits under your alternate A, this would give you a zero increase.

And then on the column -- on alternate B, if you were to leave the deductible the same but make all the other changes below that column, this would give you a 1.4. So what we've done is, your current plan as it is structured today has a 5 percent increase from your current premiums. The alternates, depending on how you tweak your plan designs, will yield a lower increase. You can go with A, which is a little bit more of aggressive plan design change and -- or you can go with B which leaves the -- the deductible, which is kind of a higher out of pocket for people who have to be hospitalized. You -- it would remain at what it currently is today.

These are very small changes but, of course, that's all relevant to the person who's utilizing the benefits. Your PCP under these alternate plans would change by \$5. Instead of paying \$15 when you go see the doctor, you'd pay 20. The specialists, it's a \$30 copay. So under the alternate plan designs it would go up to 35. On the (skip in audio) this particular plan is \$100 increase. However, on your next plan -- which you don't have many members enrolled in that -- it would only go up \$50. But all of this is -- these benefits tweaked just gives you a lower increase for the City, for their -- for your renewal for next year. So it's -- it's just some options for you to consider if you wanted to lower your increase. Or if you wanted to remain where you are, then you're at a 5 percent.

COUNCILPERSON GUYTON: So it depends on the plan design that would determine if there is an increase?

RENTHIA JACKSON: Right. I kind of liken it to purchasing a car. You can purchase the car and then you may say, You know what? I want to buy the power windows. I want to, you know, put a C.D. player in or I want satellite. So depending on those buy-up options, that -- those things will increase the price or cause the price to go down.

COUNCILPERSON GUYTON: Okay. Thank you, Madam --

CHAIRPERSON PARDO: Okay. Continue.

RENTHIA JACKSON: Okay. So (skip in audio) next you're looking at on the -- on these plans, as well, the RX increase -- increases by 5 to 10 depending on the tier. So we have, I illustrated here, is just your most popular plan design. Most of your members -- I would say 92 percent of your members are enrolled in this plan so that's how they will be impacted if you were to make those changes, you know, under the alternate plan design.

Then we have your next plan design which is the HN Option. So you see the changes here as I mentioned, the PCP, the specialist, the ER. The ER only goes up by \$50. What you're looking at on this plan more so is even the deductible goes up, pretty much the same as the last plan. However, on your next plan, which is the Open Access MC plan, this is where you're going to see a little bit further reach here where it goes up to 1,250. The out-of-network goes up and the in-network out of pocket max, as well as the out-of-pocket max changes, as well, if you were to go -- wanted to lower your increase from 5 to 1.4 or to zero. These are --

COUNCILPERSON THOMAS: Madam Chair?

CHAIRPERSON PARDO: Yes, sir?

COUNCILPERSON THOMAS: Would this be considered like the PPO?

RENTHIA JACKSON: Yes. Uh-huh.

CITY MANAGER JONES: Yeah, that's it, because you're using phrases that we --

RENTHIA JACKSON: I apologize. I apologize. The first plan, which 92 percent of your members are enrolled in -- let's go back to that -- is your HMO. It's a national HMO plan. Most of your members utilize this plan.

COUNCILPERSON THOMAS: Okay.

RENTHIA JACKSON: The next one is a Point of Service and then your third one is like a -- a PPO plan.

COUNCILPERSON THOMAS: Okay.

RENTHIA JACKSON: Now, some of the options that you would have if you decided -- and then, you know, this is just something that you can consider -- if you decided to tweak some of the benefits, and you're concerned about the impact that it would have on your members in out-of-pocket costs, you could consider partnering this with a FSA, a flexible spending account, and you could consider taking some of these and maybe funding these members with the FSA account.

They will receive a debit card. Let's say just for example, if you wanted to give each member \$100 funding on this with the savings that the City would save on this if they decided to tweak the benefits, you could lower each -- you could fund each member's account with the \$100 and they would start off with the \$100. They could increase more. They may say, Well, I know I'm going to have some procedures next year. My deductible is \$500 so they may want to increase that. And this will help them to -- with the impact that these benefit changes would affect them. So it's just something that you may want to consider doing with the savings, or you could not consider adding the FSA, as well.

So I just wanted to kind of point it out there for members who say, Well, I got less benefits and I happen -- I have to pay more out of pocket. That is just an option for you to consider along with the alternate plan design, you can consider with the current, as well. Questions on that? Hopefully I didn't confuse you.

COUNCILPERSON GUYTON: Yes, I do. It was my understanding that they can leave the plan as it is?

RENTHIA JACKSON: Absolutely, yes.

COUNCILPERSON GUYTON: And keep the same benefits?

RENTHIA JACKSON: Uh-huh.

COUNCILPERSON GUYTON: Without an increase?

CITY MANAGER JONES: It's 5 percent.

RENTHIA JACKSON: No. It's a 5 percent increase. There's a 5 percent increase based on claim utilization for the current plan. So if you leave the plan the way it is today, it's additional -- it's going to be 5 percent more cost of what it cost today. If you wanted to offset that cost, then you could tweak the benefits to either have a zero percent increase or a 1.4 percent increase.

COUNCILPERSON GUYTON: So they would have to reduce their benefits, essentially?

RENTHIA JACKSON: Well, you don't have to. It's something, yes, you could consider in order to get that lower -- that lower renewal.

CHAIRPERSON PARDO: So the employee would have to pay more.

CITY MANAGER JONES: And you don't really reduce benefits. They just pay more.

CHAIRPERSON PARDO: The employee would just have to pay more.

RENTHIA JACKSON: Exactly.

COUNCILPERSON GUYTON: And I -- I guess my concern is -- well, if I can -- it's their way -- or if -- when you say 5 percent, is -- is -- is there a way that if the board chooses to absorb that and not pass that on to the employees, could that happen?

RENTHIA JACKSON: Absolutely but that would be a decision that you guys would make.

COUNCILPERSON GUYTON: I know. I know.

RENTHIA JACKSON: Yes. Okay. Uh-huh. Absolutely.

COUNCILPERSON GUYTON: But that would be -- what is -- what would be -- or Mr. Sherman can answer this. I hope he can. What is the overall 5 percent cost if there were consideration for the board --

CHAIRPERSON PARDO: Mr. Sherman?

COUNCILPERSON GUYTON: Mr. Sherman?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Good evening. Randy Sherman, Director of Finance & Administrative Services. Every 1 percent -- insurance is about \$40,000. So the 5 percent is about 200,000.

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Well, now -- and again, keep in mind, the 5 percent is not only what the City pays. It's also what the employees pay. So if you have a two-person plan or a family plan, you contribute the increment over the single, over the one -- you know, one person. So those would all be going up 5 percent, as well.

COUNCILPERSON GUYTON: Okay.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: And that -- that was really what we were trying to look at, was not to have the premiums increase for -- for those people and what were the changes that we could possibly make.

COUNCILPERSON GUYTON: And this increase is industry wide or is it just with the plan that we have?

CATHY AGUIRRE: Good afternoon. Cathy Aguirre, Vice President of Account Management and Sales. Thank you for your time. We are honored to be partners for the past five years. And we're here today obviously to answer any questions you may have. Increases in general are based on your claims experience. You are a fully experienced rated case. You've been with us for five years and you have over 500 lives. So basically your claims are looked at. We look at trend and we calculate your increase. When we started this renewal process two months ago, your claims experience plus trend plus the health care taxes, which are about 3.5 percent due to the Affordable Care Act, gave us an 8 percent increase.

We evaluated the renewal alongside with your insurance agents, and we basically reduced your increase to a 5 percent which is where we are today. So in order for you to keep the benefits you are -- you have today, you would have a 5 percent increase as Renthia explained to you. But I do want to point out that 3.5 percent of the spend is taxes alone. So while you're receiving a 5 percent increase, part of that increase is to pay for the Affordable Care Act benefits. And that is taxes. We can't escape that, unfortunately. But with that comes some additional benefits that your employees have been able to reap over the past few years since 2010. Did that answer your question?

COUNCILPERSON GUYTON: Yes.

CATHY AGUIRRE: Okay, great. Thank you.

MAYOR MASTERS: Madam Chair?

CHAIRPERSON PARDO: Yes, Mayor.

MAYOR MASTERS: Good evening. A couple of questions, I guess, the last speaker who spoke. Were you to come up with the measurement as far as our claims, what do you measure that to? Do you look at other cities to come up to say that we have more claims than others or others have more than us? What -- what is the measuring stick here?

CATHY AGUIRRE: Nine percent is what trend is going for about in the tri-county area. So that's the average. Basically hospitals and providers knock on our door every single year and want an increase and that's the standard increase. So if your case performs extremely well, they should -- you should be getting an (skip in audio). However, based on your performance, so your pure claims experience, we basically pay -- you pay us \$1,000 for an example, and we pay out in claims \$900; that would be a 90 percent loss ratio. Our target loss ratio for your account is 85 percent, as it is with any other government entity.

So right now as we would look at your renewal and look at your other adjacent counties, we basically look at your claims versus your premium and we come up with the figure. Based on your loss ratio today, it represented an 8 percent. We conceded by 3 percent.

So as far as a baseline, you are your own baseline. Every single independent city runs based on their claims experience. Any city under 500 lives, we actually pool their experience with our manual rates which typically doesn't benefit them. In your case, your increase is less than trend, which means you're performing better than some of the other cities. So the fact that you're getting something less than the 9 percent, which is the average, means you are performing better than the average.

MAYOR MASTERS: And that's what I wanted you to say. Thank you.

CATHY AGUIRRE: Thank you. I got there, though.

MAYOR MASTERS: You did.

COUNCILPERSON MILLER: Madam Chair?

CHAIRPERSON PARDO: Yes.

COUNCILPERSON MILLER: For our current plan you said if we stuck with that, that would be 5 percent. What would it be for plan A and for plan B, the percentage?

CATHY AGUIRRE: Plan A is no increase. Plan B is a 1.4 percent increase. So the thought process we had was you go with the no increase. Yes, you are going to increase your deductible by \$250 for the single, and you are going to have some minor adjustments to your maximum out of pocket, your primary care, your specialist, ER and RX. However, it's still a rich benefit. When you compare your current plans to other government and municipalities, you have an extremely rich plan. It's in the 90 percentile as far as actuarial equivalency is concerned.

If you were to make no changes today -- and correct me if I'm wrong -- you would be imposed a Cadillac tax in 2018. Today your current premiums for the plan that has the majority of the members is about 9,200 a year so you're only 1,000 off. So by the time your 2018 renewal kicks in, you'll be over the 10,200. However, on your POS and your PPO, you are exceeding \$10,200 today. So understand, if you don't make changes, you will, as a city, be imposed that 40 percent tax that is not tax deductible. So it's important that you consider doing this before 2018.

So either you make the benefit change now in baby steps and you make some minor adjustments later on, or you wait till 2018. However, at that point you will -- do run the risk of having to pay a tax. So my recommendation and the recommendation of your consultants was to go with option A, which is the more aggressive one. So you're changing your deductible and you're making some minor changes. But compare that to Broward Sheriff's Office -- I compare it to the school board of Broward County, you still would have slightly richer benefits.

COUNCILPERSON THOMAS: Madam Chair?

CHAIRPERSON PARDO: Yes, sir.

COUNCILPERSON THOMAS: I have a question. And it -- it may be apples to apples; it may not be. What if we went with vision and dental all with one company? Do we -- will we realize some savings from that?

CATHY AGUIRRE: We offer vision and dental and we do offer multi-line product savings discounts, to answer your question.

COUNCILPERSON THOMAS: Right. It was -- you know, it's like the Progressive commercial. You know, the guy didn't get the sprinkles 'cause he didn't win the thing. So I'm thinking, you know, I mean, well, is this something that we could -- we could look at to see if we can get some additional savings if we did vision and dental, as well as health? Was that a question that kind of threw everybody for a loop or --

CATHY AGUIRRE: You -- you do have an RFP out in the street and we unfortunately could not provide a response for vision and dental --

COUNCILPERSON THOMAS: Why?

CATHY AGUIRRE: -- because there was missing pieces and the process unfortunately took longer than we anticipated. And unfortunately, once we received the information, it was too late for our underwriting team to provide a bid.

COUNCILPERSON THOMAS: Okay. I understand that. So is the RFP on the street or is it finished?

INTERIM HR DIRECTOR SULLIN: Good evening. Marie Sullin, Interim HR Director. We went out for RFP, and we actually extended the time and Aetna had still (skip in audio) request additional information and that time closed out so they were not able to bid. But we provided -- all the other carriers were able to bid on the product.

COUNCILPERSON THOMAS: Okay. Wait a minute. Let me just make sure I'm understanding this correctly. We have a current carrier that couldn't get information to bid on other services?

INTERIM HR DIRECTOR SULLIN: Basically when you go out for bid, there is specific information that they request. For example, it could be list of the employees and blah, blah, blah.

COUNCILPERSON THOMAS: Got it.

INTERIM HR DIRECTOR SULLIN: Those basic informations were provided. But in addition to that, they may -- the carriers, including Aetna, may ask for additional information. And those are provided. But on top of that, after we had to extend the time to provide that information to the carriers, then Aetna came back around and asked for additional information, but the time was closing and they weren't able to put -- basically bid on the business at that point.

COUNCILPERSON THOMAS: Okay. I'm going to leave that where it's at 'cause I have a thought process about that.

INTERIM HR DIRECTOR SULLIN: Okay.

COUNCILPERSON THOMAS: But let me just ask this: Would we not inquire with the company to see if we can save any -- anything? Why wouldn't we just say, Aetna, before we even go out to RFP, since they're our carrier -- we couldn't inquire with them to see if they were able to -- to do vision and dental?

INTERIM HR DIRECTOR SULLIN: We thought about that. We discussed it. But unfortunately, we have to do an RFP in order for them to bid on that business, to be competitive.

COUNCILPERSON THOMAS: I got it. But did we -- did we --

INTERIM HR DIRECTOR SULLIN: We couldn't just allow them to just go and -- go ahead and put in --

COUNCILPERSON THOMAS: Okay. Follow me here. Did you ask them to see if it was something that they can save? Like, if you have AT&T and DirectTV, they'll give you a discount or whatever? Did we look at that at all to see if we could get some type of discount?

INTERIM HR DIRECTOR SULLIN: Yes, we did.

COUNCILPERSON THOMAS: And what did you come up with?

INTERIM HR DIRECTOR SULLIN: They said they could work something up. They could work something and provide a discount, yes. But there was nothing in writing specifically to say, Okay. You're going to receive 10 percent or 50 percent, whatever. And our procurement code basically state that we had to go out for RFP. So we went that way.

COUNCILPERSON THOMAS: I get it. I get it. So all the bids are in?

INTERIM HR DIRECTOR SULLIN: Correct.

COUNCILPERSON THOMAS: For vision and dental?

INTERIM HR DIRECTOR SULLIN: Yes.

COUNCILPERSON THOMAS: And how long is this RFP for? How long is the -- how long is it for? How long is the services for?

INTERIM HR DIRECTOR SULLIN: The service, for one year.

COUNCILPERSON THOMAS: Okay. Provided that we don't want to do this again, is there a way to look at this again maybe midyear to put out another RFP for the -- the following year?

INTERIM HR DIRECTOR SULLIN: If council directs, we'll comply.

COUNCILPERSON THOMAS: Well, what I think council wants to do is keep the plan as -- as nice as we can without the additional fee. I'm saying if it's worth it. If it's worth it, you know -- to do that. And if -- and if staff feels that it's worth it to do that, then

I -- I think it's something that we ought to look at. If you don't think that it's worth saving any money -- if we can save any money, then fine. You know, but if we gotta come up in '27 -- this is going to take us to 2016 and we got --

INTERIM HR DIRECTOR SULLIN: '16. 9/30/2016

COUNCILPERSON THOMAS: -- and we still gotta start trying to reduce some other things by 2018, would it not be prudent to kind of look at this to see if -- if we can? If we cannot, then, fine. But I just, you know -- I -- I would like to give it a -- a shot to see if we can.

INTERIM HR DIRECTOR SULLIN: Will do.

COUNCILPERSON THOMAS: That's all.

MAYOR MASTERS: Madam Chair?

CHAIRPERSON PARDO: Mayor?

MAYOR MASTERS: Do you know, Miss Sullin, is -- would you come back, please? What are we -- what -- someone mentioned missing pieces. What are we talking about? They said that they were -- they were missing -- that we had missing pieces. What -- what is that about?

INTERIM HR DIRECTOR SULLIN: They request additional information, and it was towards the end basically of the actual bid after we had actually did the extension. I don't remember exactly what was the information that they requested in additional. I can't recall offhand specifically. It may have been -- it's -- I know it wasn't a plan design or --

COUNCILPERSON MILLER: What did they need?

INTERIM HR DIRECTOR SULLIN: I think they -- they wanted the additional claims experience from the prior carrier, which is -- well, the incumbent (skip in audio).

MAYOR MASTERS: So I'm trying to understand. So --

INTERIM HR DIRECTOR SULLIN: They wanted the claim experience -- claims experience.

MAYOR MASTERS: -- whatever they wanted, we could not provide it is what you're saying?

INTERIM HR DIRECTOR SULLIN: Not in the time in order to meet the deadline after the second extension.

MAYOR MASTERS: Did you report that to anyone else?

INTERIM HR DIRECTOR SULLIN: When you say --

MAYOR MASTERS: To the manager? Did you tell the manager that?

INTERIM HR DIRECTOR SULLIN: I don't recall.

MAYOR MASTERS: Okay. Thank you.

COUNCILPERSON THOMAS: Madam Chair?

CHAIRPERSON PARDO: Go ahead.

COUNCILPERSON THOMAS: No, if you want me to --

CHAIRPERSON PARDO: No. No. Go ahead.

COUNCILPERSON THOMAS: Well --

CHAIRPERSON PARDO: I'll make my comments after you.

COUNCILPERSON THOMAS: -- well, listen. We get what happened. We understand it's -- it just didn't happen. But you know, do -- is there a way -- is there a way that we have to stick in for one year or -- or do we have to continue to go as planned or -- or can we do some type of amendment or, I mean, is it all dental and visual -- or vision or is it -- saying that we can do the tweak to try to help us out is what I'm -- what I'm getting at.

CITY MANAGER JONES: Councilman Thomas, I'm not sure. And I don't want to put Aetna on the spot because that's who would have to give me the answer as to whether if we bundle this, would they come back with a discount. And unless they're --

COUNCILPERSON THOMAS: Well, I'm trying to put them on the spot.

CITY MANAGER JONES: Okay. So you -- okay.

COUNCILPERSON THOMAS: I mean, I'm just saying, you know? I'm trying to work hard for my city.

MAYOR MASTERS: Right.

COUNCILPERSON THOMAS: I'm trying to get us the best deal we can.

MAYOR MASTERS: Right.

COUNCILPERSON THOMAS: I mean, if it -- you tell us if you think it's worth us going through all of this trouble for. If you don't then we'll move on. But I just can't sit here and not try to fight, you know?

CATHY AGUIRRE: We appreciate that opportunity. Unfortunately, it's a little bit more complicated. And let's take each product on its own. Dental. We do require claims experience in order to come up with a rate. You have a DHMO and a DPPO. The PPO, we cannot provide you a quote without the claims experience. On the DHM (skip in audio) can look at our shelf rates which are the manual rates and we can give you a quote. The reason why we asked for additional information, 'cause we wanted to give you the best price.

And unfortunately, that information was not available at the time, and I recognize it is -- there are dependencies depending on other folks to provide to that data. If we get that information, okay, and the case is running well, yes, we do give multi-line discounts. So it's not as easy as me saying blindly, you know, We're going to give you an additional

discount. If it's running well, by all means, we will give you a multi-line discount, but we do need that claims experience.

COUNCILPERSON THOMAS: So based on -- and I get it. I understand exactly what you're saying.

CATHY AGUIRRE: Uh-huh.

COUNCILPERSON THOMAS: But based on our experience from our health, could you give us some type of hypotheses -- and don't ask me to spell that word but I do know what it means -- on what you think that it -- it might -- we --

CATHY AGUIRRE: The -- the dental premiums are insignificant compared to medical, right? So where we would make the commitment is to adjust your medical. And that's where you get the big savings. So hypothetical --

COUNCILPERSON THOMAS: Right.

CATHY AGUIRRE: And you're not going to hold me to this, right? Hypothetical.

COUNCILPERSON THOMAS: I got you. I got you. I got you.

CATHY AGUIRRE: Hypothetical, what we typically do is we give you a quote for medical, for vision and for dental and we -- we tell you if you take medical and dental, your medical will be reduced by half a point or by point. Hypothetically. And then the same for vision. But unfortunately, based on the process this year, we could not give you that information 'cause we didn't have all the pieces. So yes, your medical will go down and that's really what's going to impact your premium savings.

COUNCILPERSON THOMAS: That's what we want.

CATHY AGUIRRE: Your dental will give you the rate that the case warrants based on the claims experience. And vision's a little different. We do have a set fee. It's kind of like a grid rate and it's a set fee based on benefits. We have a very expansive network. You can go in; you can go out of network. Every chain's in there. And it's basically -- year rate guarantee with an additional two years at the same rate.

COUNCILPERSON THOMAS: So do we -- did we go out -- and this is for our staff, Miss Cathy. Did we go out for dental and vision?

CITY MANAGER JONES: Yes.

COUNCILPERSON THOMAS: I'm -- you know, I've had the -- I know it doesn't look like it, but I do have some glasses that I should be wearing. I'm not all impressed with our -- our -- our vision and --

CHAIR PRO TEM DAVIS: You never (unintelligible).

COUNCILPERSON THOMAS: Yeah. I -- I'm not -- I'm not impressed with it. So, you know, my issue is -- or my concern, let me say, is if this is something that we can do, is this something that we need to do, like, in six months? Would that give you enough time to -- to get whatever trends that you --

CATHY AGUIRRE: My recommendation is that you would do it before the next plan year for the next plan year effective date. And in order to accomplish the best possible bid results, meaning you would get competition --

COUNCILPERSON THOMAS: Right.

CATHY AGUIRRE: -- you probably need to put something out there no later than end of March. Preferably mid March, a 30-day window for the carriers to respond.

COUNCILPERSON THOMAS: But, now, we only have you guys year to year.

CATHY AGUIRRE: Correct.

COUNCILPERSON THOMAS: So if we do it that way, then what comes into play with a renewal? Do you all want to just give us a zero percent renewal for the next two years or --

CATHY AGUIRRE: Next renewal --

COUNCILPERSON THOMAS: I mean, I gotta try.

CATHY AGUIRRE: -- in March we'll take a look at your claims experience and based on how it's performing --

COUNCILPERSON THOMAS: Well, what about giving us a zero percent renewal for two years right now?

CATHY AGUIRRE: Unfortunately -- and -- and you know I would do it.

COUNCILPERSON THOMAS: Right.

CATHY AGUIRRE: If -- if we could, we would. We've been here before and we've made, you know -- we've made those commitments. But unfortunately, as your claims experience -- as every year we continue to give you increases that are less than trend --

COUNCILPERSON THOMAS: Right.

CATHY AGUIRRE: -- it's catching up.

COUNCILPERSON THOMAS: I get it.

CATHY AGUIRRE: So it's going to get to a point where if we give you a zero, next year it will probably end up being 13, 14, which we don't want to put ourselves in a position to underprice.

COUNCILPERSON THOMAS: Okay. So how about a 2 for the next two years?

CATHY AGUIRRE: Well -- well, we're -- hey, we are at a 1.4 with a minor --

COUNCILPERSON THOMAS: I know. I'm -- I'm -- I'm trying --

CATHY AGUIRRE: -- minor benefit change.

CHAIRPERSON PARDO: Right.

COUNCILPERSON THOMAS: I'm talking about being for two years.

CATHY AGUIRRE: Remember, these guys beat me up already. You see these three gentlemen here?

CHAIRPERSON PARDO: Yeah. Right. We have Bernstein representing us.

COUNCILPERSON THOMAS: Yeah. My bad, Bernstein. I'm not trying to do y'all job but I'm trying -- if -- if we can lock it in for two years first we'll know what we have to come up with next year. Secondly, then we can work on the vision and the dental part of it, as well. I mean, it's -- it's worth a try, you know?

CATHY AGUIRRE: I wish I could commit to a two-year but unfortunately I cannot.

COUNCILPERSON THOMAS: Can you think about it a little later and can we (unintelligible) --

CATHY AGUIRRE: We can go back to the underwriter, but it's not typical in our industry that we give two-year rate guarantees on the medical. That's really not typical.

COUNCILPERSON THOMAS: Why?

CATHY AGUIRRE: Because hospitals knock on our door every day.

COUNCILPERSON THOMAS: Right.

CATHY AGUIRRE: And they ask for significant increases.

COUNCILPERSON THOMAS: I get it.

CATHY AGUIRRE: So projecting out 24 months, understanding that you have a three-month lag, you're really projecting out for 27, 28 months and it becomes difficult. Medical is not typical for multi-year guarantees.

COUNCILPERSON THOMAS: Has it ever been done before, though?

CATHY AGUIRRE: Dental and vision, it is.

COUNCILPERSON THOMAS: Has it ever been done?

CATHY AGUIRRE: We have done it based on rate caps not to exceed.

COUNCILPERSON THOMAS: Got it. I got it. So, I mean, is this something while we're negotiating that maybe we can negotiate in this or at least look at it to see if it's -- if it's some value or benefit to us?

CATHY AGUIRRE: This year -- and we have exhausted all of the adjustments -- now, if you don't add some of the enhanced benefits -- but unfortunately, you know, the bariatric is something you all have suggested. Your claims experience are showing that you have a highly obese population that needs assistance, and you wanted to bring your wellness program to a different level. So it is a benefit that was requested.

COUNCILPERSON THOMAS: I get it. We don't want to put you on the spot. I do. But the rest of the board don't. But what I would like for you to do is not answer no again today.

CATHY AGUIRRE: Okay. Okay. That's fair enough.

COUNCILPERSON THOMAS: Just --

CATHY AGUIRRE: We'll take it back to our underwriting team.

COUNCILPERSON THOMAS: -- right. Just -- just think about it and see if it's something that you can do while you negotiate. It'd just make us a lot happier.

CATHY AGUIRRE: So what we will do as a takeaway, go back and see if there's any form of rate cap we can provide the City and if there's any other opportunities.

COUNCILPERSON THOMAS: That's all we're asking for.

CATHY AGUIRRE: Fair enough.

COUNCILPERSON THOMAS: I appreciate it.

CATHY AGUIRRE: Fair enough.

COUNCILPERSON THOMAS: Thank you.

CATHY AGUIRRE: Thank you.

CHAIRPERSON PARDO: Okay. Thank you. Mr. Sherman, the \$200,000, if we were to absorb the 5 percent, do we have that budgeted right now?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: We have budgeted 3 percent in the current budget. But again, just keep in mind, the 5 percent also hits your employees.

CHAIRPERSON PARDO: Right.

COUNCILPERSON THOMAS: Right.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: So -- but as far as the City budget, we budgeted 3 percent. So we're talking maybe \$80,000 we'd have to find to --

CHAIRPERSON PARDO: Right. But at the end of the day, even if it's zero, right --

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

CHAIRPERSON PARDO: -- the -- if we're change -- if we're not changing the benefits, we're still paying 5 percent and the employees are paying 5 percent.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Correct.

CHAIRPERSON PARDO: Right. Instead of going to the alternate plan where the employers are going to be expending a higher percentage (skip in audio) than what they're doing now.

COUNCILPERSON THOMAS: Make sure that's correct there.

CHAIRPERSON PARDO: Correct?

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Right. It -- it would be more out of pocket when they use the service. But on a weekly payroll or biweekly payroll basis, they'd be kicking in 50, \$60 more for their premiums. I mean, on a month. I'm sorry. A month.

CHAIRPERSON PARDO: If they go to the -- if they go to the alternate plan.

COUNCILPERSON THOMAS: Yeah.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: If they go to -- if they go to the alternate plan -- if they go to A, they'd pay the same that they're paying now.

CHAIRPERSON PARDO: Correct.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: If -- if you go with the --

CHAIRPERSON PARDO: With a -- with a 5 percent increase.

COUNCILPERSON THOMAS: No.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: No. No. If you go to A there's no increase.

CHAIRPERSON PARDO: Just pay the 5 percent increase. We, the City.

COUNCILPERSON MILLER: No.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: No. The 5 --

CHAIRPERSON PARDO: I thought there was a 5 percent -- at the end of the day there's still a 5 percent increase.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: If -- if you -- if you keep the current plan design --

CHAIRPERSON PARDO: The current plan.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- everybody goes up 5 percent.

CHAIRPERSON PARDO: Right. That's what I said.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: So the City would kick in 200,000; the employees would kick in their 5 percent.

CHAIRPERSON PARDO: Right.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: If you go to plan A --

CHAIRPERSON PARDO: Right.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- the City would not be responsible for the 200,000. We'd stay the same. And the employees --

CHAIRPERSON PARDO: But the employees --

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- would also stay the same.

CHAIRPERSON PARDO: Yet when they go to the doctor, they're going to be paying more.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: Correct. If -- so it would be more out of pocket or more out of your paycheck. You --

CHAIRPERSON PARDO: All right.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES SHERMAN: -- but, yeah.

CHAIRPERSON PARDO: And do we have a study that tells us the percentage of employees that use health care? Like, on a regular basis? I know there's -- there has to be some, you know -- there are people that decide not to go to the doctor all the time, and then there are people that go to the doctor all the time. So do you have -- you know, can you tell us what our rate is?

CATHY AGUIRRE: Yes. We do have a health care -- health claims utilization report.

CHAIRPERSON PARDO: Okay.

CATHY AGUIRRE: And that was presented to the insurance consultants. I'd be more than happy to provide you that detail. But it would be a takeaway 'cause I didn't bring it with me today.

CHAIRPERSON PARDO: Okay. Well, I think that is something that --

MAYOR MASTERS: Useful.

CHAIRPERSON PARDO: -- right. It's going to be very useful. And that's something that we need to know. You know, at the end of the day, the last thing we want is the employees paying more.

MAYOR MASTERS: Yeah.

CHAIRPERSON PARDO: (Skip in audio), you know -- you know, someone said that we have a rich plan but the employees aren't making a lot of money. We have some of the lowest paid employees in South Florida. So I would hate to put the burden --

MAYOR MASTERS: Right.

CHAIRPERSON PARDO: -- on them instead of, you know, on the City.

MAYOR MASTERS: Yeah.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: So I would say I would really like to see those numbers before we decide how we're going to move forward with medical. Yeah, Mr. Guyton.

COUNCILPERSON GUYTON: Thank you, Madam Chair. And -- and that -- that was the reason for my questioning of Mr. Sherman as it relates to how much we're paying and the employees and what would it take us to absorb it. But I would like to know how long do we have to make a decision so it does not negatively impact our next year's program? Well, I know by the end of the fiscal year but, I mean, as it relates to our administrative process and the bid and all those other associated --

CHAIR PRO TEM DAVIS: The end of October.

COUNCILPERSON GUYTON: Well, no. It starts in October.

MAYOR MASTERS: The end of September.

COUNCILPERSON GUYTON: No, it starts in October.

CITY MANAGER JONES: Councilman Guyton?

COUNCILPERSON GUYTON: Yes. Oh, I'm sorry. I'm looking at --

CITY MANAGER JONES: I don't know. They said that they have given that information to our agent of record prior to now. I don't know whether, if a week is enough time for -- I don't know if they're listening to me.

UNIDENTIFIED SPEAKER: Yeah.

CITY MANAGER JONES: Is it -- whether a week would be enough time. We do have another budget workshop next Monday.

COUNCILPERSON GUYTON: Uh-huh.

CITY MANAGER JONES: And if they could provide that particular information in order to be able to make a decision. It's important for us to know -- budget is important but it's also the date that you start an open enrollment. And as soon as we can get that open enrollment done, the better, prior to the October 1st date.

COUNCILPERSON GUYTON: Understood. And that is also why I'm inquiring about some of those drop-dead deadlines so that we don't exceed the time necessary to have open enrollment and for the plan to actually kick in at the appropriate time. My -- my other question is related to the vision and dental.

CHAIRPERSON PARDO: You know what? You want to hold on? I think they have the answer that we were -- you know, the original answer.

COUNCILPERSON GUYTON: Okay.

CATHY AGUIRRE: Okay. You were looking for claims statistics. We have them with us right now. Staff was able to give this to us.

CHAIRPERSON PARDO: Great.

CATHY AGUIRRE: Marie had the information so I'd be more than happy to give you a brief overview of your claims statistics year over year. Is that what you're looking for?

CHAIRPERSON PARDO: Yes.

CATHY AGUIRRE: Okay. So when I look at the claims experience, claims experience consists of your medical, your pharmacy, capitated expenses. So when I look at year over year, medical, pharmacy, capitation, you've had a 24.4 percent uptick in overall amount paid. When I look at pharmacy there's been a 13.2 percent increase year over year. So that's this year over last year's experience. And it kind of makes sense. Last year we came in with a zero percent increase?

RENTHIA JACKSON: Uh-huh.

CATHY AGUIRRE: So our -- the hospitals and doctors knocked on our door and got their average increases which are, you know, 8, 9 percent, but we didn't pass on an increase. So what we've seen is your trend is growing. You are basically using the services as everybody does. But because there was no premium increase last year, you're starting to see the claims go up. So from a cost standpoint it's gone up; from a utilization point it's gone up.

RENTHIA JACKSON: In addition to -- I mean, your employees --

COUNCILPERSON GUYTON: Just speak into the mike, please.

RENTHIA JACKSON: -- tend to stay with you -- in addition to municipalities, your employees tend to stay with you because they have incentives to do so with retirements and pensions and things of that nature. So your employees get older. And as we get older, unfortunately, we tend to utilize more health care. So it's typical to see that your utilization will increase hopefully very, you know, slowly over time. But it does increase (skip in audio) older employees. So as they get older, they utilize more benefits.

CATHY AGUIRRE: There are some additional other statistics that I want to share with you. We measure admissions. We measure days per thousand and we measure length of stay. And those are key elements that share with the health carrier and the customer how your case is performing. So on a per-admission basis, how many people are going to the hospital year over year, we've had 37 percent increase in admissions. Average length of stay has decreased. So more people have gone in but the severity has been less so that's good. That -- that's a good indicator that they are being treated quickly and they're out. Days of care, though, there's been -- because the volume's higher, your overall days of care are higher 'cause more people are going into the hospital.

Now, when I look at surgeries, surgeries can be performed in a hospital or in an ambulatory setting. In a hospital they've gone up significantly. In an ambulatory setting, they haven't gone up as much. So one of the things that we need to do collectively is educate the consumers to try and seek services as a free-standing facility or an ambulatory service. 'Cause that's going to save them money 'cause they could avoid that deductible. So that deductible isn't always there if they find a setting that provides them no deductible. So there's ways to educate. So to help you understand while the

case is performing worse than last year, it doesn't mean it's performing bad. It's performing as expected based on the fact that you didn't get an increase last year.

CHAIRPERSON PARDO: Okay. So can you give us some percentage numbers instead of, you know, increasing and substantially being increased? You know?

CATHY AGUIRRE: Okay. 24 percent it went up on medical and pharmacy.

CHAIRPERSON PARDO: Right.

CATHY AGUIRRE: Pharmacy alone went up 13.2 percent.

CHAIRPERSON PARDO: Right. All right. So 37 in the hospital. Days of care you said were higher. And what's that number?

CATHY AGUIRRE: Admissions are 37.3 percent higher than last year.

CHAIRPERSON PARDO: Right.

CATHY AGUIRRE: And days are 34 percent higher than last year. And average length of stay is a minus 2. So it's less. Now, ER went up by 12 percent so more folks are going to the emergency room. And your office visits, your primary care visits are at a 5 percent. So when you look at your entire performance, less -- it's -- it's going up less where they need to go. We want them to go to the primary care and the specialist.

CHAIRPERSON PARDO: Okay. And then can you tell us what percentage of our employees use the health benefits?

CATHY AGUIRRE: What percentage? Bear with me one second.

CHAIRPERSON PARDO: Or used them last year versus the year before.

CATHY AGUIRRE: You've had about 322 employees that have used the services. So you have about 400, almost 500 people enrolled. And then you have dependents that are also using the services. So not everyone is going to see their physician. But we need to encourage them 'cause we want them to go get their routine care and make sure that we treat them before they have elevated conditions.

CHAIRPERSON PARDO: Okay. Thank you.

COUNCILPERSON MILLER: Madam Chair?

CHAIRPERSON PARDO: Yes.

COUNCILPERSON MILLER: I know a little while ago you briefly mentioned about the flexible spending account. If we went with either plan A or B and that increased their out of pocket or the deductible -- I know sometimes that flexible spending, with it being a before-tax contribution, you can use that towards those expenses. What would be the cost for us or them to have that? Is there any costs associated with it?

CATHY AGUIRRE: We can add a flexible savings account and the monthly fee is -- I believe it's \$4.10. We will have Renthia confirm that. We will waive all set-up charges, all set-up fees if the City agrees to fund at least \$100 to each eligible participant. Those

will be pre-tax dollars. Just to do the quick math, if -- your increase is 5 percent. So roughly 200,000 based on your CFO. So if you invest \$100, you're going to spend 46,000 of those \$200 savings.

So let's assume you decide to fund \$200. So that would kind of be half of what your overall increase give (skip in audio) and he can confirm those numbers. It would be pre-taxed so the \$200 would go a longer way. And if you go to that alternate, you're going from a \$500 deductible to 750. If you're giving them \$200 -- and I'm just using that as an example -- it's pre-tax so that money is going to stretch depending on their tax bracket. So for example, the 200 might end up being, you know, the equivalent of -- of something greater than that and it will help them fund. And you will not be absorbing the full cost 'cause you will still take on the savings 'cause you're not going to give them the full 5 percent savings. Does that make sense?

COUNCILPERSON MILLER: Uh-huh. I would like to see the cost comparisons. I don't know, maybe Mr. Sherman or you all, just to see how the amounts would balance off if we considered doing the flexible spending and going with -- with plan A. And just seeing, you know, which one makes more economical sense.

RICHARD BERNSTEIN: I believe we ran those numbers earlier today.

COUNCILPERSON MILLER: Okay. Where are they?

RICHARD BERNSTEIN: And if you -- we -- we didn't have a chance to put them down but -- as we were leaving.

COUNCILPERSON MILLER: Okay. Okay.

RICHARD BERNSTEIN: We were just trying to figure out. If you add \$100, it's a \$46,000 increase. If you add 200, it's a \$96,000 increase. So if you look at the 5 percent, which is 200 going back to what they said --

COUNCILPERSON MILLER: Uh-huh. To -- right. Right.

RICHARD BERNSTEIN: -- it would be half. If you looked at the 1.4 percent, it would be about 150,000, looking at that particular contract.

COUNCILPERSON MILLER: Well, I -- I -- I understand that the figures for that -- based on the trends that y'all see from the people using the insurance, you know, going to the primary care, going to the urgent care, going to get prescriptions, I don't know if you could actually come up with this figure to see how much would they be spending out of pocket if they were to go with plan -- if we were to go with plan A or B, just to see if that flexible spending would be able to kind of even it out. Am I (skip in audio) coming up with some sort of calculus?

RICHARD BERNSTEIN: Yeah. You're -- you're looking for a --

COUNCILPERSON MILLER: Problem here?

RICHARD BERNSTEIN: No, no. You're look at based upon last year's numbers.

COUNCILPERSON MILLER: Yes.

RICHARD BERNSTEIN: You're saying if we go forward this year and we put that 100 or 200 into the account and they spent it, what would that come to; what would that be like if you didn't have it in there or they did put it in there.

COUNCILPERSON MILLER: Right. Would it kind of balance out the increase of their deductible out of pocket by having that flexible spending account, is kind of what I'm trying to see if it, you know -- I mean, maybe it would be a wash. And I mean, right now it looks like we would have a zero percent increase as far as the premiums. But with the out-of-pocket and deductible going up, if they had that flexible spending, I'm just thinking maybe it won't be as much as it look on paper if we were able to get those figures and see how much people are really using it, how much they're spending and then calculate how we're doing the flexible spending. That's just a thought. I don't know if that's something y'all can come up -- like to see the numbers, you know? Based on usage from the past and just, you know, give a hypothesis of -- I know, hypothetically -- no, that was a -- that was on Mr. Cedrick over there. I knew what to say.

But, you know, I -- I -- you know, at my other job, I do have the flexible spending account. And I know that it comes in handy when it's -- when my premiums and specialists and urgent care out of pocket comes up. And you know, I'm able to use that even though I -- and I get the best insurance there is because I -- you just never know. But I do pay more. But I have my flexible spending card. So I know I'm not really worried about that going up because of that. But in this case here we don't currently have a flexible spending card so -- but we're talking about increasing. And of course we don't want to put any of the burden on our employees if we don't have to. So that's why I really want to see some sort of figures with figuring in that flexible spending card.

RICHARD BERNSTEIN: The advantage of the flexible spending, that's increase in premium under the old plan, is that the money's going directly into the employee's account.

COUNCILPERSON MILLER: Uh-huh. Uh-huh.

RICHARD BERNSTEIN: Like you said, and they could spend it.

COUNCILPERSON MILLER: Right. Right.

RICHARD BERNSTEIN: Which is different than going towards the premium, which the insurance companies puts in their pocket. You don't technically get credit for it until next year.

COUNCILPERSON MILLER: Uh-huh. Uh-huh.

RICHARD BERNSTEIN: So that -- that's -- that's what we looked at in weighing the cost of do we pay the 5 percent, do we pay the 1.4 percent, do we pay zero. And that -- I mean, that was really a discussion. We've had a long discussion with staff and with us and Aetna about that. And that's why they went back after the 5 percent and came back with the alternate two plans.

COUNCILPERSON MILLER: Uh-huh.

RICHARD BERNSTEIN: With no increase and the 1.4 percent. And it was -- it was still really a big debate because of --

COUNCILPERSON MILLER: Uh-huh.

RICHARD BERNSTEIN: -- because of the employees and because of the City.

COUNCILPERSON MILLER: Right.

RICHARD BERNSTEIN: The City's spending money and the employee's taking a slight reduction in benefits. It's -- it's -- it's a decision that -- that we looked at very carefully. And we thought that by saving that money and putting a little -- a little bit more money into the employee's account for -- utilizing it, it would be very helpful for them, too, under the new plan.

COUNCILPERSON MILLER: Uh-huh.

RICHARD BERNSTEIN: But we can run those numbers for you and be happy to get you -- back with you.

COUNCILPERSON MILLER: Yes. I would like to have that. Thank you.

RICHARD BERNSTEIN: Pleasure.

COUNCILPERSON GUYTON: Madam Chair?

CHAIRPERSON PARDO: Go ahead, Mr. Guyton.

COUNCILPERSON GUYTON: I've got a question about the flexible spending. I -- I -- I have it on -- on my job, too. But none of it is funded by my employer.

COUNCILPERSON MILLER: Right.

COUNCILPERSON GUYTON: What is the benefit of -- of it being funded by the employer? Is there --

CATHY AGUIRRE: You can do it either way. You can fund as the employer, and the only reason why we were recommending that you fund is to help. We understand how sensitive you are to benefits. And while these benefit changes to me seem small, insignificant compared to other employers, we recognize that you all are compassionate about your employees.

COUNCILPERSON GUYTON: Right. But my question -- I don't want to interrupt you 'cause -- 'cause we've got to move on to some other issues, but would that help with our 5 percent or any other area that we are paying, or would that be in addition to everything else that we're paying?

CATHY AGUIRRE: You want to answer that?

WAYNE MONEK: Wayne Monek again. First of all, if you took alternate A, there would be no increase.

COUNCILPERSON GUYTON: Wait. Wait, no. I'm talking about flexible spending.

WAYNE MONEK: Right. And then --

COUNCILPERSON GUYTON: If we were to fund a portion of it.

WAYNE MONEK: Right. I'm just making it clear. There would be no increase, and now you have the choice of either funding it or not funding it. If you fund it, and let's say you put \$100 in there for everybody and you have 500 people.

COUNCILPERSON GUYTON: Uh-huh.

WAYNE MONEK: Take example under the PCP. When somebody goes to the PCP right now -- that's your primary care physician -- you pay \$15. You will pay -- the employee will pay out of their pocket the \$15. If you as a city gave them \$100 in a -- in a bucket of money and they went, they would now have to pay \$20 but they could pay \$20 out of this. So it really costs them nothing for the first five times that they would go to a doctor.

COUNCILPERSON GUYTON: Okay.

WAYNE MONEK: It would cost them nothing.

COUNCILPERSON GUYTON: I see how it benefit (skip in audio). I'm saying how would it benefit the City and our costs?

WAYNE MONEK: Okay. You are get -- it's 5 percent -- a 5 percent increase would be wiped out. Now you would have to fund the \$100 for everybody and pay the premium for that and that'll less -- you got the number on that?

CATHY AGUIRRE: Represents one point, yeah. One percent.

WAYNE MONEK: Represents -- you -- the City would be paying 1 percent and yet the employee would still be getting that benefit.

COUNCILPERSON GUYTON: So the 5 percent that we would -- that we would pay under or regular plan now, which is about 200,000 --

WAYNE MONEK: Yes. Make that go away.

COUNCILPERSON GUYTON: Okay. Wait. Follow me here.

WAYNE MONEK: But -- go ahead.

COUNCILPERSON GUYTON: We'll pay the -- the City, 5 -- 5 percent, which is about 200,000. In addition to that, then the -- the way it's set up now, the employee also pays a 5 percent; is that correct? The way it's set up now?

WAYNE MONEK: Under your current plan, yes.

COUNCILPERSON GUYTON: Yes.

WAYNE MONEK: Yes.

COUNCILPERSON GUYTON: So we're looking at a total of 10 percent between the employer and the employee?

WAYNE MONEK: No.

CITY MANAGER JONES: No. The employees' (skip in audio) goes up if they've got an employee plus one, an employee family. If it's just the employee, we pay it all.

COUNCILPERSON GUYTON: Okay. Okay.

WAYNE MONEK: Uh-huh.

COUNCILPERSON GUYTON: So our 5 percent cover those who are not under the family plan?

WAYNE MONEK: Is the 200,000 the whole cost?

RICHARD BERNSTEIN: All (unintelligible).

WAYNE MONEK: It's 200 -- 200,000 was the total cost no matter who you got that from, employees or --

COUNCILPERSON GUYTON: My question is, if we're paying it on the City's side --

WAYNE MONEK: So that goes away.

COUNCILPERSON GUYTON: -- why -- why does there -- why do the employees have to pay it if we're paying it on our side?

COUNCILPERSON THOMAS: It's the overall.

WAYNE MONEK: All -- overall, everything went up 5 percent. But now the -- one of the options are don't go up 5 percent, adjust the benefits. And when you adjust those benefits, your first thing is, Well, an employee now's going to have to pay \$20 instead of \$15 to go to the doctor.

COUNCILPERSON GUYTON: I understand that. I understand that.

WAYNE MONEK: Of the 5 percent increase in the 200,000, if you just paid (skip in audio) percent increase and gave it to your employees, that's the cost. You gave it to the employees and now the employees have a bucket of money of \$100 in that scenario. So when they do go to the doctor, it will not cost them \$20 the first five times they go. It will cost them nothing; whereas before they were paying \$15.

COUNCILPERSON GUYTON: Okay. One last quick shot at this.

WAYNE MONEK: Go.

COUNCILPERSON GUYTON: We, irrespective of what plan the employees choose right now under the current plan -- we as a city would be required to pay 5 percent increase, \$200,000, irrespective -- if we stay on our same plan.

WAYNE MONEK: No.

RICHARD BERNSTEIN: Only on the old plan, sir.

COUNCILPERSON GUYTON: I -- on the old plan.

RICHARD BERNSTEIN: Only on the old plan.

WAYNE MONEK: Yeah.

COUNCILPERSON GUYTON: But we still have a portion of the old plan here. They have that choice, don't they? To --

RICHARD BERNSTEIN: Oh, I see what you're saying.

COUNCILPERSON GUYTON: You see where -- you see where I'm going?

RICHARD BERNSTEIN: Choice one or the other way.

WAYNE MONEK: Oh, the A or the B?

COUNCILPERSON GUYTON: Yeah. No, no.

COUNCILPERSON MILLER: The current plan. Current.

COUNCILPERSON GUYTON: Current plan.

WAYNE MONEK: Oh, of --

RICHARD BERNSTEIN: Versus the current --

WAYNE MONEK: No. You as a city have to choose either the current plan or an alternate plan.

COUNCILPERSON MILLER: Right. If we stay with the current --

WAYNE MONEK: An employee doesn't get the choice to stay under the plan.

COUNCILPERSON GUYTON: We -- okay. Okay.

WAYNE MONEK: And pay 5 percent if you go the other way.

COUNCILPERSON GUYTON: Okay. Now -- now it's coming --

WAYNE MONEK: Okay.

COUNCILPERSON GUYTON: -- coming to light now. So if we chose to stay under the current plan --

WAYNE MONEK: It goes up 5 percent. Everybody's premium goes up 5 percent.

COUNCILPERSON GUYTON: Everybody's premium goes up 5 percent.

WAYNE MONEK: Yes, sir.

COUNCILPERSON GUYTON: Now, do we as the governmental entity pay a flat rate of 5 percent in addition to what the employees are gonna have to pay as the increase under the current plan?

WAYNE MONEK: Let's see how I answer that. You -- you as a city, your -- your premium will go up 5 percent.

COUNCILPERSON GUYTON: Five percent, 200,000.

WAYNE MONEK: And each employee, what they were making as a contribution to their health plan, will go up 5 percent.

COUNCILPERSON GUYTON: Five and five is how much?

WAYNE MONEK: Yeah, but it's the same --

COUNCILPERSON THOMAS: But it's not the same.

INTERIM HR DIRECTOR SULLIN: It's only one five.

COUNCILPERSON GUYTON: Okay.

WAYNE MONEK: Yeah.

COUNCILPERSON GUYTON: I'm not --

COUNCILPERSON MILLER: I'm not understanding.

INTERIM HR DIRECTOR SULLIN: I think I need to explain that instead.

COUNCILPERSON GUYTON: Yeah, you do. Because if we pay 5 percent, 200,000, flat fee, here you go --

UNIDENTIFIED SPEAKER: No, you don't pay --

COUNCILPERSON GUYTON: -- and then the employees still are paying an increase --

INTERIM HR DIRECTOR SULLIN: No.

COUNCILPERSON GUYTON: And if that's not the case, just say that. That's what I'm trying to get to.

INTERIM HR DIRECTOR SULLIN: That's not correct. So the City pay -- let's say the City pays \$500 for each employee for coverage. Okay? The single-coverage employee. So if you're a single employee, you pay zero. So the City have already incurred that increase so you're paying that increase. That single-coverage employee pays nothing no matter how much you're paying for that single coverage. So if you are a single employee, you pay nothing no matter what because the City picks up that fee. We're clear on that?

COUNCILPERSON MILLER: Yeah.

INTERIM HR DIRECTOR SULLIN: If I am an employee who have a -- one single -- a dependent, so an employee plus one, or if I'm on family coverage, the fact that the City premium increase by 5 percent -- so if it was \$792 and the employee pays, let's say, \$500, what we do, we take the difference between the 500 and 792 -- into 26 paycheck and it goes across the board. So it's still the same 5 percent that we're spreading across the board. We're not increasing the employee's costs an additional 5 percent. So it depends what tier you're on: You have the single-coverage tier, employee plus one, or family coverage. If you're single coverage, you pay nothing no matter what increase the City receive, because the City pays 100 percent of that premium.

COUNCILPERSON GUYTON: Okay.

INTERIM HR DIRECTOR SULLIN: If your employee --

COUNCILPERSON THOMAS: Yeah. The -- the confusion is because the cost of the -- the -- the entire plan went up. So the -- the -- what -- what Mr. Guyton is thinking is you're saying what is up for the employee, as well. But yes, it's up for everybody because instead of 7,000 it's 8,000 now. So you're paying 5 percent of whatever that 8,000 is.

INTERIM HR DIRECTOR SULLIN: If you have a dependent, yes.

COUNCILPERSON THOMAS: Right. I -- I get it. Stop doing dependents. Stop doing that.

INTERIM HR DIRECTOR SULLIN: Okay. It does make a difference, though.

COUNCILPERSON THOMAS: Because that's what's confusing. Okay. Everybody understands that if you're single, no matter if it goes up a million, it's covered.

INTERIM HR DIRECTOR SULLIN: Correct.

COUNCILPERSON THOMAS: The confusion is who -- when the employee has to make the contribution, that is what I'm saying. Not the -- not the single coverage. Everybody get it. The City eats that whole thing. It's -- it's the -- the -- the additional contribution that the employee is going to make over those 26 --

CHAIR PRO TEM DAVIS: Month.

INTERIM HR DIRECTOR SULLIN: Check, uh-huh.

COUNCILPERSON THOMAS: -- pays. Right. That -- that's what I'm saying.

That -- that's the piece that's --

COUNCILPERSON GUYTON: I got the basic (unintelligible).

INTERIM HR DIRECTOR SULLIN: That's not 5 percent. It's not 5 percent. It's not. It's less than that because you still -- even though they have a dependent, you take that premium that you pay for that single coverage, that 792.

COUNCILPERSON THOMAS: Right.

INTERIM HR DIRECTOR SULLIN: You take -- you minus it from whatever they would be paying. So it's less than 5 percent.

COUNCILPERSON THOMAS: Right.

INTERIM HR DIRECTOR SULLIN: So -- but -- so he can't say it's 5 and 5 gives you 10.

COUNCILPERSON THOMAS: That's what we were --

INTERIM HR DIRECTOR SULLIN: Okay. Yeah.

COUNCILPERSON THOMAS: Right.

INTERIM HR DIRECTOR SULLIN: Okay.

COUNCILPERSON THOMAS: Okay. So let me just ask this question. I get what you're saying. Maybe we're not articulating the same. What I want to know is if we did the flexible spending account, does it (skip in audio) a year?

COUNCILPERSON GUYTON: You have to renew it.

COUNCILPERSON MILLER: Yeah, you have to renew it.

COUNCILPERSON THOMAS: I'm just asking the people a question.

INTERIM HR DIRECTOR SULLIN: But I do want to mention if we do the flexible spending account, which we kind of -- we discussed with Finance. So if you were to put, let's say, the \$200 into the flexible spending account, whatever that change is, you know, they can apply it towards medical, vision, whatever the case may be, as long as it's medically.

COUNCILPERSON THOMAS: Right.

INTERIM HR DIRECTOR SULLIN: So they can apply that \$200 -- whatever you save in -- if you go to a zero percent or 1.4, we would take some of that money from that saving, put it in a flexible spending account for every single employee.

COUNCILPERSON THOMAS: I -- I got it. I just wondered does it carry over year to year?

CATHY AGUIRRE: IRS guidelines are determined in advance and flexible spending accounts are use it or lose it. So bear in mind you all -- you start in October. You -- they have a full year to use it. But you can also give them a grace period of two and a half months or a \$500 rollover. So you as a plan administrator, when we set up the group we decide, Do you want to give your employees more time to use it or do you want to let them roll over 500 -- up to \$500. So in this case, you would be giving -- let's use \$200 as the employer.

COUNCILPERSON THOMAS: Uh-huh.

CATHY AGUIRRE: The employee still can take advantage of the flexible savings account and put their own money from their paycheck, up to \$2,550 in total, into the savings account, pretax dollars. So they'd be saving money by you introducing a fund. So we've been focusing all of our time on the employer, meaning the City, funding the 100 or 200 to offset the -- the increase, but they can take advantage of putting in more money.

COUNCILPERSON THOMAS: Okay. But you lost me at just about three sentences --

CATHY AGUIRRE: Yes.

COUNCILPERSON THOMAS: -- ago. With the rollover -- so I'm basically saying does it go over year to year. You said no but you can roll over \$500. So I want to make sure I'm clear there.

CATHY AGUIRRE: Okay. The IRS rules say you use it or lose it with two caveats: The first caveat (skip in audio) employer decides if they want to allow \$500 of what the employee has funded in combination with what you have funded, whatever they have left over, to roll over up to 500. You make that determination.

COUNCILPERSON THOMAS: Okay. But --

CATHY AGUIRRE: If you don't want to --

COUNCILPERSON THOMAS: -- but right there. But -- but right there.

CATHY AGUIRRE: Yes.

COUNCILPERSON THOMAS: So if we funded \$200 --

CATHY AGUIRRE: Uh-huh.

COUNCILPERSON THOMAS: -- and an employee just didn't go to the hospital or didn't need to use it, then the \$200 could roll over?

CATHY AGUIRRE: The 200 will roll over if that's all that they have in there.

COUNCILPERSON THOMAS: So -- okay. So the IRS is cool with that?

CATHY AGUIRRE: Yes.

COUNCILPERSON THOMAS: But at any time they can only use it for health or medical or --

CATHY AGUIRRE: Dental, vision, approved expenses, pharmacy.

COUNCILPERSON THOMAS: Right. I'm just saying -- right.

CATHY AGUIRRE: Medical expenses. So if they go with that card to CVS and buy aspirins, beer, the aspirins are gonna go through and the beer is not. Okay?

COUNCILPERSON THOMAS: I -- I get what you're saying.

CATHY AGUIRRE: So they can only use it for predetermined codes. But they will get a credit card and they will be able to use those services. For vision services, if they get their glasses and they want to use the card, they will swipe the card, depending on how much money they have in there, and it'll go through; however, if they bought glasses and they're Ray-Bans and they're not prescription -- 'cause they must be prescription glasses -- then they will have to substantiate. So there are guidelines that they will follow.

COUNCILPERSON THOMAS: Got it. So what happens to the money if they lose it?

CATHY AGUIRRE: The City -- it becomes the City's money.

COUNCILPERSON THOMAS: So it comes back to the City?

CATHY AGUIRRE: Comes back to the City. All that money is -- comes back to the City through -- they're called forfeitures.

COUNCILPERSON THOMAS: So -- so if -- if -- what happens if they contribute money to it?

CATHY AGUIRRE: If they contribute money, and the City determines that you're going to let them roll over \$500 --

COUNCILPERSON THOMAS: Right.

CATHY AGUIRRE: Okay? You're not going to give them a grace period. You're going to let them roll over.

COUNCILPERSON THOMAS: Right.

CATHY AGUIRRE: And they don't spend it, becomes the City's money.

COUNCILPERSON THOMAS: Wow. Okay.

CHAIRPERSON PARDO: And then --

COUNCILPERSON GUYTON: Question.

COUNCILPERSON THOMAS: All right.

COUNCILPERSON GUYTON: What if they put their money in --

COUNCILPERSON THOMAS: That's what I just asked.

COUNCILPERSON GUYTON: -- and they don't spend it.

UNIDENTIFIED SPEAKER: Yeah.

CHAIRPERSON PARDO: The City gets it.

CATHY AGUIRRE: Their money, any unused portion, any unused portion --

COUNCILPERSON GUYTON: I thought we were talking about the City \$200.

CATHY AGUIRRE: Yeah.

COUNCILPERSON THOMAS: No.

CATHY AGUIRRE: The City's money and their own money. Any unused portion get (skip in audio) fitted if they choose --

COUNCILPERSON GUYTON: Comes back to the City?

CATHY AGUIRRE: -- comes back to the City.

COUNCILPERSON MILLER: Right. Oh, wow.

CHAIRPERSON PARDO: Okay. So Miss Jones, at this point, what are you looking for? Are you looking for a consensus? Do you want to, you know -- do you want everyone to think about it and we'll, you know, address it again on Monday?

COUNCILPERSON MILLER: We're waiting till (unintelligible) motion, right?

CITY MANAGER JONES: Right now we needed to be able to determine the interest you -- you -- you've helped us out with that with the flexible spending account, 'cause this is the first time we have introduced that as a part of an option. We need to know whether -- and Monday is not too late -- whether you would like to go with the current plan design, which is 5 percent, go with the alternative plan design, A or B, and whether, with either of those options, the current plan, alternative A or alternative B, adding a flexible spending account as an option.

CHAIRPERSON PARDO: Okay. And I just want to make sure. So Miss Sullin, you'll be around all week in case (skip in audio) has questions. The same with Mr. Sherman. Okay. And I'm sure Mr. Bernstein and the Aetna people will make themselves available. Okay.

CHAIR PRO TEM DAVIS: Madam Chair?

CHAIRPERSON PARDO: What? Go ahead.

CHAIR PRO TEM DAVIS: Miss Jones, I don't know. I'm just trying to find out. At this - - at this level, what is the board looking for? 'Cause I heard you read off what you recommended of options, but ultimately what is this board looking for for next -- money. What decision are we looking to make?

CHAIRPERSON PARDO: Well, how we're going to move forward.

COUNCILPERSON GUYTON: Which plan that we want to go with.

CHAIRPERSON PARDO: Which plan. Right.

COUNCILPERSON GUYTON: That's what they're asking.

CHAIR PRO TEM DAVIS: Oh, they couldn't choose a combination of plans?

COUNCILPERSON THOMAS: Not without it costing.

CITY MANAGER JONES: Not without the cost implications.

CHAIRPERSON PARDO: No, the cost.

CHAIR PRO TEM DAVIS: Oh, okay.

COUNCILPERSON THOMAS: Let me ask you this. Can we survey the employees by that time?

CITY MANAGER JONES: I don't know whether you're going to be able to explain it to them in the method needed in order for them to answer a survey.

COUNCILPERSON MILLER: I think if they just saw the numbers it'll be -- they'll --

CHAIR PRO TEM DAVIS: The numbers show it. (Unintelligible).

COUNCILPERSON THOMAS: Can we -- I mean, how -- how -- can we -- can we do it in -- at any level where they can ask questions or whatever? Can we have the Coventry representatives or Bernstein or somebody -- I mean, Aetna -- or the -- the Bernstein representatives or somebody be here to -- to answer those questions?

CHAIRPERSON PARDO: Can we have a specific day, maybe?

CITY MANAGER JONES: And --

RICHARD BERNSTEIN: If you'd like us --

CITY MANAGER JONES: -- what are you trying to accomplish with that? So they -- they -- they can tell you which one they want?

COUNCILPERSON THOMAS: Or they can at least give us some idea of what they'll be more comfortable doing in terms of whether they'd rather pay it out of pocket or just give them some input so at least we have that when we -- when we're making our final decision.

CHAIRPERSON PARDO: Mr. Bernstein?

RICHARD BERNSTEIN: If you like --

COUNCILPERSON THOMAS: I mean, what's your -- okay. Hold on one second.

RICHARD BERNSTEIN: -- if you'd like us -- if you'd like us to do that, we'd be happy to do it.

COUNCILPERSON THOMAS: Thank you, Mr. Bernstein.

RICHARD BERNSTEIN: Whatever the board would like us to do, we'd be delighted to do.

COUNCILPERSON THOMAS: We -- we appreciate that. Thank you. But Miss Jones, what is your reservation with that?

CITY MANAGER JONES: It's your agent of record. It's their job to bring us that recommendation. It's whatever their times, the education, whether the -- within this week --

COUNCILPERSON THOMAS: Oh. Oh, okay.

CITY MANAGER JONES: Yeah.

COUNCILPERSON THOMAS: Well, I'm glad you just said that.

CITY MANAGER JONES: So --

COUNCILPERSON THOMAS: 'Cause we --

CITY MANAGER JONES: -- that's why it was good that he answered that question.

COUNCILPERSON THOMAS: Yeah. They do get paid so, I mean, yeah. We appreciate them taking some time out. Yeah, thank you. We appreciate it. So if we can do that, at least -- at -- the employees that want to participate, you know, just give them an opportunity to -- just before Monday, I think. 'Cause you may come back and they may say, Well, we'd rather -- people may not go to the hospital to have to pay that deductible, and -- and with no extra additional money coming out of their check they may want to go that route. So --

CHAIRPERSON PARDO: Okay.

COUNCILPERSON THOMAS: -- I say just ask them.

CHAIRPERSON PARDO: All right. So you'll get with Mr. Bernstein.

COUNCILPERSON THOMAS: This week, obviously, 'cause --

CHAIRPERSON PARDO: Well, they're gonna have to get together by the end of the --

COUNCILPERSON THOMAS: -- we need to be ready.

CHAIRPERSON PARDO: -- the meeting tonight and choose a day and then have staff get it out to all of the employees. All right? Okay. Thank you. All right.

CITY MANAGER JONES: And we will bring this item back for the Monday budget workshop.

CHAIRPERSON PARDO: Okay. Thank you.

COUNCILPERSON THOMAS: Okay.

CATHY AGUIRRE: Thank you very much for your time.

CHAIRPERSON PARDO: All right. All right. Thank you. Okay. We'll move on.

RICHARD BERNSTEIN: Thank you.

CITY MANAGER JONES: So I'm going to ask staff if they would go now with the agent of record and determine what that schedule is so that we can get that information out first thing in the morning. The second item on our agenda is the presentation of the tentative budget.

VI. CITY COUNCIL'S COMMENTS / DISCUSSION

MAYOR MASTERS: That -- that's it. I just showed the wrong picture.

CHAIRPERSON PARDO: All right.

MAYOR MASTERS: This is the right picture.

CHAIRPERSON PARDO: That's fine.

MAYOR MASTERS: It's a big picture. Thank you.

CHAIRPERSON PARDO: Okay. Well, thank you, everyone.

MAYOR MASTERS: It's important.

CHAIRPERSON PARDO: All right. We're adjourned.

MAYOR MASTERS: Seventy-nine-year-old man.

(CONCLUSION OF BUDGET WORKSHOP)

There being no further business, the meeting was duly adjourned at 9:22 p.m.

APPROVED:



THOMAS A. MASTERS
MAYOR

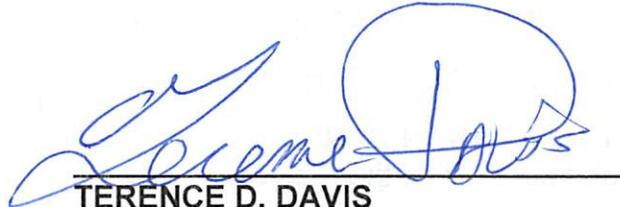


DAWN S. PARDO
CHAIRPERSON

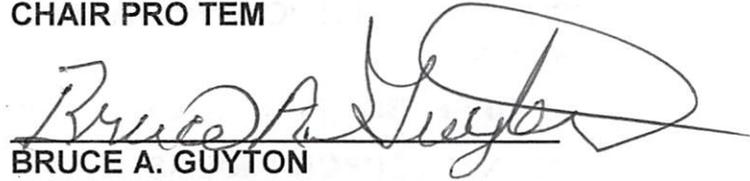
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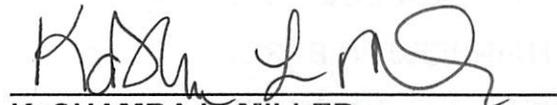
CLAUDENE L. ANTHONY
CERTIFIED MUNICIPAL CLERK
CITY CLERK



TERENCE D. DAVIS
CHAIR PRO TEM



BRUCE A. GUYTON
COUNCILPERSON



KaSHAMBA L. MILLER
COUNCILPERSON



CEDRICK A. THOMAS
COUNCILPERSON

MOTIONED BY: T. DAVIS

SECONDED BY: K. MILLER

D. PARDO AYE

T. DAVIS AYE

B. GUYTON NAY

K. MILLER AYE

C. THOMAS AYE

DATE APPROVED: 09/03/15